# Chapter 8 Conflict Management in Organisations of Emerging Economies: A Literature Review and Future Research Agenda

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### **ABSTRACT**

The purpose of this chapter is to provide an overview on conflict management strategies within the emerging economies via a detailed literature review. The study of organisational conflicts in emerging economies is a very rare research topic. This study was able to identify four major gaps in this area. Firstly, the topic organisational conflict research focuses more on organizational behaviour and occupational psychology research with less consideration on human resource management. Secondly, a majority of these studies has been conducted in Western and European countries with less focusing on the Asian context and emerging economies. Thirdly, few studies used the mixed research methodology to investigate the scenarios which provides more accurate findings. Fourthly, few studies analysed perspectives of both employees and employers since the majority of the existing studies used the perspective of either employee or the employer.

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### INTRODUCTION

A cooperative alliance, as well as its coexistence as a cooperative competition within an alliance, is characterized by mutual trust and conflict. To clarify the interaction between conflict and trust, conflict and trust have often been treated as unidimensional variables. It is an unavoidable truth that organizational conflict is an unavoidable fact that has functional and dysfunctional effects on an organization (Odetunde, 2013). Effective conflict management is a must to survive in the long run and to establish a quality leadership. Therefore, the importance of research studies on the organisational conflict management vary depending on the industry type and diversity of the cultures in the organisation (Song, Xie, & Dyer, 2000). Proper conflict handling behaviour within the organisations enables the employees to solve their problems and issues effectively and efficiently (Mohr & Spekman, 1994). Rahim and Bonoma (1979) mentioned that most of the organisational conflicts research can be seen in the psychology and philosophy area. It is evident that in recent literature this concept is becoming increasingly common in the human resource management field.

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Emerging markets are typified by industrialization and quick economic expansion, according to Rugman and Collinson (2009). There are currently more than forty emerging markets worldwide, including nations like China, Brazil, and India. Emerging markets have recovered from the recent economic downturn considerably more swiftly than many Western nations, and they are already a significant market for many businesses (Custance et al., 2012). Conflict resolution in workplaces that are part of multinational corporations (MNEs) typically takes place inside organisational structures that have been imported from the West. When multinational corporations (MNCs) operate in developing economies, there is a possibility of a gap between the conflict management procedures used by the MNC and the preferences of the

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