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**CONFLICT MANAGEMENT IN AGRICULTURAL DEALERS:  
ANALYSIS OF FORMAL AND INFORMAL ORGANIZATION  
GROUPS UNDER THE SYSTEMIC APPROACH**

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**Abstract**

The study of conflicts in distribution channels has been targeted by different researchers. However, those studies are focused on conflicts of inter-organizational channels and, in this sense, there is a great opportunity to research in the study area of conflict within the channels of inputs distribution. Based on the presented context, this paper aims to answer the following question: how does the systemic view contribute to the management of intra-organizational conflicts, analyzing the formal and informal groups in agricultural distribution channels? For this answer, an exploratory qualitative study was conducted with three Brazilian agricultural dealers that recently underwent through a process of organizational restructuring and professionalization. As a research method, the adopted technique were multiple case studies, and for data collection we structured interviews supported by questionnaire. The qualitative analysis brought points connecting several elements of organizational management, such as communication channels, formal and informal groups' relationship and employees systemic vision influence in the appearance of internal conflicts.

**Key words:** Conflict Management; Systemic Approach; Formal Group; Informal Group

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**1. Introduction**

The farm inputs sector can be considered as one of the most important bonds into the Brazilian agricultural market. Agricultural dealers are enterprises that connect the agricultural manufacturing industry (for instance, defensive, seeds and fertilizing manufactory) to farmers. With a little more than fifty years of history, the sector passed through many crisis and challenges until the late 90's. In this context, the transformations that took place with dealers did not have great impact on the traditional business model presented, as well as in the enterprise management model – many of them at this time characterized by familiar management models (MAZOTINI, et. al. 2011).

However, in the first decade of the 21st century, this sector went through several transformations – many of them connected to dealers' profit growth, which led to a need to improve their management capacity in order to sustain this growth. The need to improve the enterprises management led its managers to invest in their businesses professionalization (MAZOTINI, et. al. 2011).

Moreover, we can see an important consolidation movement in the sector that is reducing the number of distribution channels (MARINO; NEVES, 2008). Furthermore, with the entry of foreign groups in the control of these companies, we note recent changes in intra-organizational management processes. The presented factors are only an example of the high number issues that make the sector so complex, generating a very favorable scenario to the appearance of conflicts both internal and external.

Considering the new view regarding the conflicts subject (positive conflict - ROBBINS, 1978) and its complex solution characteristics, it becomes necessary for the management to analyze the conflict under a systemic approach. It may bring new insights to the theory of conflict management inside the organization. Therefore, this paper aims to study formal and informal groups inside the input seller organizations aiming to analyze the conflicts and its impacts under a systemic view.

The study of conflicts in distribution channels, has been targeted by different researchers (COUGHLAN et al, 2012; ROSENBLUM, 1973). However, these studies are focused on conflicts of inter-organizational channels. The search of Castro et al. (2007), was conducted with a focus on Brazilian agricultural distribution channels, but addressed the management of conflicts between the links of the channels. In this sense, there is a clear lack of research in the study area of conflict within the channels of inputs distribution.

Considering distribution channels as organizations, and that organization can be considered as social groups, we should recognize that the study of conflict in organizations was strongly influenced by the structuralism systemic thinking (ESCRIVÃO FILHO; GUERRINI, 2010), notably by authors of functionalist approach such as Dahrendorf (1958).

According to Escrivão Filho and Guerrini (2010) the structuralism systemic movement come up with the discussion of the importance of formal and informal groups and the need for management of possible conflicts between the two groups. Furthermore, with the application of the concepts discussed by the systems theory, the organization starts to be seeing as an open system that has a relationship with the environment in which it operates, which may contribute to the existence and growth of conflicts inside the organizations.

Based on the presented context, this paper aims to answer the following question: how does the systemic view contribute to the management of intra-organizational conflicts, analyzing the formal and informal groups in agricultural distribution channels?

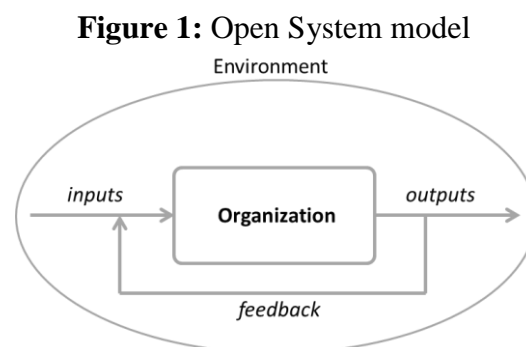
## 2. Theoretical Background

### 2.1. Systemic approach in organizations

The Systems Theory applied to administration was born out of the General Theory of Systems Bertalanffy, published in the mid-20<sup>th</sup> century. In this theory, Bertalanffy defined a system as a “compound of elements interacting with each other” (BERTALANFFY, 1977, p.84). The definition proposed by Bertalanffy shows the importance of the concept of *relation* and the notion of *structure* in a system (KRAMER, 1974, p.95). In other words, a system – organization – can be studied as a whole – macro vision of the business – or through its components: the people comprising the organization, or the departments defining its structure. Besides the concepts of *relation* and *structure*, it is important to remember the third element participating in the interaction of systems: the environment. According to Kramer (1974, p.96), “environment is everything that does not belong to a system”.

As a consequence, the organization is a part of the whole, having relations with the other parts – an *open system*. Katz and Kahn (1966), later complemented by Bertalanffy (1977, p.63-72), argued that an open system has five main characteristics, the same ones existing in an organization: negative entropy, feedback, homeostasis, differentiation and equifinality.

Below (Figure 1) is a graphic representation of the system proposed by Katz e Kahn, with focus on the organization:



**Source:** Katz and Kahn (1966)

From this model, the interaction of the organization system with the environment is clearly visible. The importance of the feedback in the process is emphasized, as a guarantee of the maintenance of homeostasis and evolution of the system organization.

Even though the open system model conception is important for the organization, it does not always occur in practice, as “in many functional departments’ behavior the loss of the organizational point of view of the whole is evident, and that leads them to act from a fragmented perspective, with serious repercussions in the organizational efficacy” (CARVALHO; TONET, 1996, p.41).

As an example of the use of the systemic vision within an organization, it is possible to mention the cases of decision-making in difficult situations, where the importance of

information and its use in a systemic manner are emphasized. This means contextualized and significant information for the manager. According to Georgiou (2006, p.445), *significant* are those information that are effectively useful in decision-making moments in contexts of uncertainty. These information need to be taken into account, not only as isolated data, but also as parts of a system. Georgiou proposes then a methodology for the use of information in a systemic manner to obtain more efficiency in management. Such methodology is summarized in the scheme below:

**Chart 1:** Systemic approach methodology towards management efficiency

Effectiveness defined by...	Question	Requirements	Expected result
...more resourceful use of information	Given sparse knowledge of a problematic situation, how is it possible to extract information from it?	Produce information	Useful and practical systemic results in the face of partial information
	If such information can indeed be extracted, how can it be structured in a way which enables rigorous problem definition?	Rigorous approach	
...tackling systemicity	If a problem can indeed be defined rigorously, how can this definition be used to inform a systemic approach toward resolution?	Force systemicity	

**Source:** Georgiou (2006) p.446

In Katz and Kahn’s view (1996), organizations are social systems, and social systems have structures that are not defined through physical models, but through conventions or events. In this type of system, paramount importance is vested in the psychological and behavioral aspects – ei. interpersonal relations, communication and power relations.

## 2.2. Working groups and intra-organizational communication

Following the school of thought that defines an organization as a social system, Hampton (1986) analyses the role of groups within organizations – formally or informally constructed groups. These groups can be compared to social systems existing within a bigger system that the organization is. According to Hampton, “a group is a collection of individuals who work in the same organization, communicate face-to-face with a certain frequency, and who can exercise a degree of authority over each other” (1986, p.103). Groups can be formed for interests that are not work-related as well, such as in the case of informal groups, and the importance of relationship and inter-organizational communication as a way to manage the organizational performance.

Hampton (1986, p.108) highlights four elements forming the unity of a group – activity, interaction, emotion and interdependence – among whose the last one can be emphasized, as every single element has a degree of dependence with another: emotion depends on activity, activity on interaction, and so on.

Groups that work well consequently bring improvements in the organizational performance, creating cooperative behaviors among departments, a turnover reduction and improvements in the inter-organizational communication process (HAMPTON, 1986, p.118).

The impact of those groups in the organizational performance can be felt in the long term. Understanding the organization as “a network of groups inter-related” (HAMPTON, 1986, p.119) helps understanding improvements in performance and increased sustainability on an organizational level.

“An organization’s formal system (...) is identified as the written procedures and policies that direct behavior so as to achieve the organization’s goals and/or detect/deter misconduct” (LEATHERWOOD; SPECTOR, 1991; OUCHI, 1977 *apud* FALKENBERG; HERREMANS, 1995, p. 134). Extending the idea, “elements of a formal system include organizational goals, budgets, reward criteria, performance appraisal standards, and codes of ethics. In contrast, the informal system does not have any behavioral procedure – it is comprised of traditions and other implicit factors, such as signals and values” (FALKENBERG; HERREMANS, 1995, p. 134). This shows that the formation and management of formal groups are different when compared to informal groups. Thus, each of them require a different approach.

Falkenberg and Herremans (1995, p.134) note moreover that “within organizations it is difficult to separate control of the formal and informal systems on behavior. The interaction between the two systems confuses the roles each system performs”. It is possible that those systems can work synergistically or not – in this second case, if the informal system works in differently from the formal one, it is possible to find incongruence inside the organization. This incongruence can generate diverse outcomes, especially in the form of conflicts. Vala et al (1987, p.810) observed that “inter-groups conflicts in organizations are a natural result of a categorization process, that may or may not be reinforced by an objective interests conflict” – a point that demonstrates the importance of the congruence of formal and informal groups. Another point supporting conflicts between intra-organizational groups is their interdependence. When a group depends directly on another group’s performance, it is easier to find both situations of synergy and of obstacles between one another (CARVALHO; TONET, 1996, p.43-44). Thus, it is important that the managers spend time paying attention to their working groups, both formal and informal, in order to guarantee higher levels of performance for the whole organization.

Communication is one of the most important abilities in interpersonal relationships, as it guarantees the transmission of messages – be they important or not in the context in which they are present. According to Tourish and Hargie (2004, p.6), an efficient management is directly related to the way managers communicate with their collaborators, in an open form that seeks dialogue and a healthy relationship instead of monologues and imposition. This process may be defined as “the flow of materials, information, perceptions and comprehensions among different parts or members of an organization” (KALAWOLE; AKINYELE, 2002 *apud* ANAETO, 2010, p.74).

Even so, communication may not always result in an improvement of the working environment, as it is also one of the main conflict sources (ROBBINS, 1978), that can normally be related to flaws in the general communication process. Furthermore, communication – or as in this case, its inefficiency – can create a demotivating environment for collaborators (TOURISH; HARGIE, 2004). In an organizational system several sub-systems are to be found, and they all depend upon effective communication processes to ensure that the macro-system – the organization – functions in a comprehensive manner. As an example, in a negotiation process, both Sales and Finance Departments need to have an effective communication system, in order to guarantee that the internal processes will work exactly as communicated to the client.

### 2.3. Conflict and Conflict Management

To understand the role of conflicts in the systems composing contemporary organizations, it is first paramount to understand what conflicts are, which are their sources and which their unfolding. Attempting to define conflict, Rahim (2002, p.207) argued that a conflict is “an interactive process whose manifestations are incompatibility, disagreement or cognitive dissonance within or among social entities”. Furthermore, it is possible to note that conflicts are not necessarily negative, and could even be positive for organizations (ROBBINS, 1978).

Sparks (1982) points to the fact that, for individuals to be able to take decisions related to any conflict, there are two fundamental steps: the classification of conflicts according to their **solubility** and their **intensity**:

**Chart 2:** outcomes for each conflict type

Expected behavior for Solubility vs Intensity		Solubility		
		Terminal	Paradoxal	Litigious
Intensity	Very intense	- “My position is the only option”; - Opponent depreciation; - Development of negative stereotype	Recommend ed decision: put aside	- Collaborativity; - Solution focus - Facts exploration - Practical approach
	Less intense	- Denial; - Postponing		- Exchange; - Privation

**Source:** based on Sparks (1982)

In his study, Jehn (1995) affirms that conflicts can be managed, ignored or tolerated, and points out two main lines of thought: the duality between *relationship* and *task* conflicts and between *destructive* and *constructive* conflicts.

- 1) *Task/Relationship conflicts*: according to Jehn (1995, p.258), “relationship conflicts exist when there is interpersonal incompatibilities between members of a group (...)”; task conflicts exist when there is disagreement between group members about the content of performed tasks. For relationship conflicts, there is a relevant degree of negative influence in individual and group behaviors that indicate a high level of interdependence. On the other hand, for task conflicts, the level of influence in groups and individuals with high interdependence that perform non-routine tasks is positive, generating positive outcomes for this individuals and groups’ tasks. That indicates that when the conflicts are connected with relationship aspects – personality, traditions and values – there is a bigger risk of negativity. The same research concludes as correct the hypothesis that “the bigger is the existence of relationship conflicts between members, smaller is one’s satisfaction, empathy by other group members and intent to stay in the group” (JEHN, 1995, p.258). However, it is important to remember that relationship and task conflicts are directly related: teams that experience task conflicts also tend to experience relationship conflicts – this is connected to the level of trust in between group members and to the usage of aggressive tactics of conflict (SIMONS; PETERSON, 2000). Still, it is noticeable that conflicts influence group performance in a way that they don’t occur too often (JEHN, 1995).

- 2) *Constructive/Destructive conflicts*: destructive conflict can be conceived as a conflict that brings obstacles to organizational performance (ROBBINS, 1978). Yet, it is possible to consider that destructive conflicts exist when there is lack of motivation or satisfaction, when the conflict gains more importance than the circumstances or final objectives related to its origins or when it leads the involved parts to a behavior of non-cooperation (MARTINELLI; ALMEIDA, 1998). Authors such as Tjosvold (2007) point that what influences the fact that conflicts can be destructive or constructive is not necessarily the nature of the conflict, but the way it is managed. Still according to Tjosvold (2007), when we are working, we constantly deal with conflicts.

There are three conflict sources: individuals motivations that lead to discord, congruence of functions (two or more persons with functions that are connected or similar), and disputes for rewards or for status. The last one in particular is directly related to conflicts between core-departments and support-departments (BASTOS; SEIDEL, 1992 apud CARVALHO; TONET, 1996, p.44).

This article will analyze the relationship between core-areas and support-areas and the conflict management between them, keeping in mind that there are possible ways to solve these conflicts: re-formulation of the managers' developing programs to improve interpersonal relations, intensification of managers involvement with the team, re-formulation of the organizational culture to prioritize goals instead of processes and adoption of an increased organizational flexibility (CARVALHO; TONET, 1996).

### 3. Methods

This article is part of a larger study that has been conducted as a monograph of one of the researchers. It is also integrated into a PhD project, conducted by one of the researchers, both coordinated by the third author.

To achieve the goals of this article - the influence and contribution of the systemic view to management of intra-organizational conflicts, analyzing the formal and informal groups in agricultural distribution channels - we conducted a qualitative research, based on a multiple case studies method and the steps proposed by Yin (2005) and Eisenhardt (1989).

Thus, we selected two areas that have great interaction to generate revenues: financial and commercial. The choice of these areas is due to the nature of daily activities and the potential conflicts. In one hand, the commercial area is characterized by a larger number of employees and high pressure to make the target sales. On the other hand, the finance department is responsible for analyze customer credit score and risk, control revenues and expenses, manage the cash flow etc. Therefore, the difference in objectives and nature of activities becomes a potential source of conflict, both within groups and between groups.

To conduct the data gathering we selected three companies from the industry (agricultural dealers), that underwent a process of organizational restructuring and professionalization and have a positive influence in the market in which they operate. In addition, revenue, team size and numbers of branches have been taken into account in the selection. Nevertheless, the selection of the companies was based on a convenience sample by considering mainly the access of researchers to survey respondents. We have made a previous analysis of almost 25 dealers who select these three. Due to the request of one company, the names of the three companies were replaced by fictitious names (Dealer A, Dealer B and

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Dealer C). The Dealers A and B operate in the state of São Paulo (priority), Minas Gerais and Tocantins. Dealer C has units in the states of Goiás, Minas Gerais and Tocantins.

The data was gathered through document analysis (institutional presentations, secondary data), and individual interviews with leaders in the three companies. The roles considering in the interview were directors or general managers and commercial or financial managers who have the vision of the two areas.

All interviews were recorded and lasted 40-120 minutes. The interviews were primarily conducted face to face, and for one of the cases we chose to conduct the interview via conference call.

To collect data, we designed a semi-structured questionnaire based on the theoretical background presented in this paper. The survey instrument was submitted to an expert in the agricultural distribution management for validation. The questionnaire included 23 questions divided into three sections: an overview of conflicts, vision of intergroup conflicts and vision of intragroup conflicts. Data analysis was based on data interpretation and crossing with the theory presented.

## **4. Results Analysis**

### **4.1. Cases Description**

There were three enterprises analyzed for this article – all of them agricultural dealers with head offices in the Southeastern region of Brazil, mostly in the state of São Paulo. Their average annual billing is in between fifty and one hundred and million Brazilian reais.

The first enterprise, Dealer A, is the largest and oldest company on the sample, with thirty six years of existence and nineteen operating branches. It has one hundred and seventy employees – from which fifty nine percent are salesmen. Its annual billing scores more than one hundred million Brazilian reais, and their participation took place via their Financial Director. Its mix of products is crop fertilizers. The company is a professionalized familiar business.

The second enterprise, Dealer B, is also familiar and recently professionalized, with an organizational structure well defined. Founded in 1997, the company has three operating branches and seventy employees, from which thirty are salesmen. Its annual billing is in between fifty and one hundred million Brazilian reais and their participation took place via their Projects Manager. Its mix of products comprises crop fertilizers and pesticides.

Dealer C, the third enterprise, is the youngest in this sample. Founded in 2007, it has six branches and an annual billing between fifty and on hundred million Brazilian reais. This company is professionalized, and its mix of products is crop fertilizers. The company representative for the interview was its Administrative Manager.

### **4.2. General perception of conflicts**

Most of the analyzed sample indicated a negative/destructive conception of conflicts. With exception for the second enterprise – which defined conflict as a lack of agreement between parts, a vision that approximates to Rahim's definition (2002, p.207) - it is possible to analyze that, mainly, in their perception, conflicts exist because they could not be solved in its source and can offer threats for the organization.



**Chart 3: Conflicts Perception**

<b>Conflicts Perception</b>	
<b>Negative</b>	<b>Positive</b>
- Issues too difficult to solve (enterprise 3) - Source of internal crisis (enterprise 1) - Conflicts are energy drains (enterprise 2)	- Conflicts can generate learning (enterprise 2) - Conflicts can offer earnings (enterprise 1)
“Destructive conflict can be defined as a conflict that brings obstacles to organizational performance” (ROBBINS, 1978)	“Conflicts are not necessarily negative, and could even be positive for organizations” (ROBBINS, 1978).

Observing chart 3, it is possible to notice that the enterprises tend to manage conflicts by the way of conflict resolution – an approach that tries to put an end on conflict. In all the interviewed enterprises, the Sales and the Administrative/Financial areas where the most noticed departments in which both inter-departments and intra-departments conflicts could be found. These conflicts are usually more directed to obstacles in processes and areas interdependence – task-conflicts. This type of conflict exists “when there is disagreement between group members about the content of performed tasks” (JEHN, 1995, p.258); however, one company indicated the existence of relationship conflicts – more connected to personal incompatibilities – as well as the importance of the communication process in order to guarantee aligned activities.

The main outcome from conflicts observed was a more positive mood in the workplace – a behavior that can be more easily achieved through a good management of litigious conflicts (check Chart 2).

For the conflict management, all the enterprises use a personal approach, based on dialogue, in order to solve the conflict. This indicates a mature way of handling conflicts, in addition to the existence of behaviors connected to litigious and very intense conflicts, based on collaborativity (SPARKS, 1982). However, it is possible to observe that when the managers cannot solve the issue, the situation goes upwards, to the management board - a behavior that indicates a confusing process. Although the interviewed managers observe that their companies’ mindset concerning conflicts demand more attention and improvements, as well as they can conceive a few cases in which conflicts generated improvements in internal processes, they do not put sufficient effort in managing interpersonal relations. This indicates the need for managers to intensify their involvement with their teams, related to Carvalho and Tonet (1996) conclusion.

#### **4.3. Intra-departmental conflicts (sales and finances)**

Analyzing conflicts inside each department, the two most noticed areas where they can be found were Sales and Financial/Administrative.

The nature of those conflicts rely in two main points:

- 1) *Task conflicts*: associated to unclear processes inside each department;
- 2) *Informal groups* versus *formal groups*: subjective, informal interactions between employees (FALKENBERG; HERREMANS, 1995, p. 134) that generate conflicts because they are incongruent with the formal direction of the company.

There were two interesting situations comprising informal groups influence in different companies – both inside the financial department. When there were people replaced

inside the department, or when an employee got promoted and became his equals' supervisor, the group behavior changed – indicating conflict generated by the incongruence of informal and formal groups (VALA et al, 1987) – unacceptance of the formal leader.

Some of those observed conflicts evolved from task to relationship conflicts, with problems in communication processes, and generated extreme, intense outcomes – there were cases where employees became so unsatisfied with the workplace environment that they asked for resignation. That behavior is supported by Tourish and Hargie's (2004) argument, in which they affirm that communication can generate a demotivating environment for employees. Usually, these conflicts are managed by the final-responsible of the department in which they occur, but in all three cases there were no established flow for conflict management. This fact, in addition to the general conception of conflict that the studied organizations presented, indicates a lack of know-how for conflict management towards a more effective organization.

#### **4.4. Inter-departmental conflicts (sales and finances)**

Expanding the analysis to a broader vision, it is possible to observe conflicts taking place in between different departments inside an organization. In this context, the observed sample pointed unanimously the existence of several conflicts between the financial and the sales departments.

The most important highlight to be pointed is that these conflicts are task conflicts, related to conflictive interactions between those departments for specific tasks – ie. salesmen disrespecting credit parameters established from the financial department because they do not agree.

There are two key factors that increase the probability of conflicts between those departments: the first one is related to the communication process between these areas: in all three cases, the basic communication channel between the employees is a virtual channel – e-mail. Since organizations are social systems (KATZ; KAHN, 1996), the formal need for documenting all the conversations between departments create a purely virtual communication environment, which can generate negative outcomes, since the unity of groups depend on four important elements – one of them being interaction (HAMPTON, 1986); the second one is related to the fact that in this case we have a core-area and a support-area interaction. This difference for itself already generates a delicate situation (BASTOS and SEIDEL, 1992 *apud* CARVALHO; TONET, 1996), and in this specific case would not be much better.

It was also possible to notice that, usually, the relationship between the head office and its branches is not easy, especially due to task conflicts, that can evolve to relationship conflicts (SIMONS; PETERSON, 2000), and then create a negative relationship inside the organization. Specifically for the relationship with branches, there are other relevant analysis. Branches exist in the organizational structure as if they were internal departments, but with specific markets. However, they are physically separated from the head-office, and that demands different relationship strategies to guarantee high performance. For the same reasons as the above mentioned core-area and support-area conflicts, in those three companies' cases also have an addition: the informal groups inside the branches are, in most of the time, reacting to the formal groups, which indicates a need for reinforcement of organizational goals in all hierarchical levels to guarantee more alignment. This ideal alignment can only be achieved when all parts of the system are aware of their role in order to deliver the organizational objectives, reducing chance of potential conflicts.

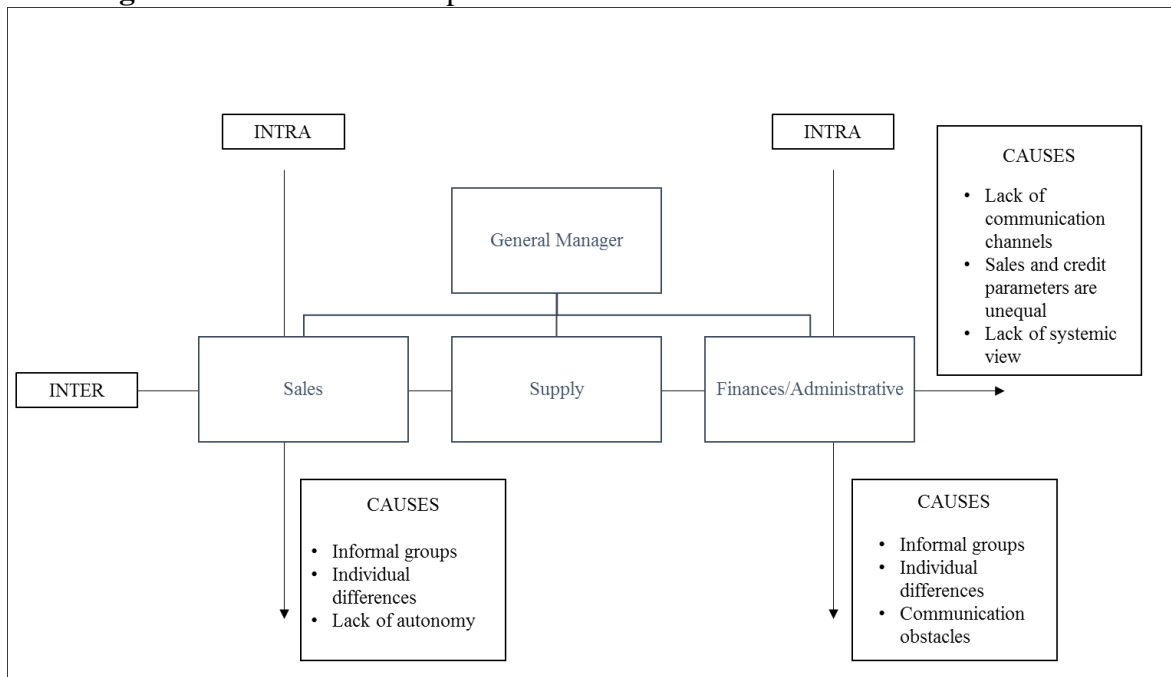
**4.5. Formal and informal groups**

The most observed sources of conflict in the three studied cases relied on differences between organizations’ formal and informal groups. Especially for core-departments, these companies’ market tend to demand a more informal, close relationship between salesmen and clients. That is something that creates some internal conflicts – one company, for example, commented the fact that, when there is a conflict between the sales and the financial departments, the salesman acts more as a lawyer of his client than as the company’s employee. Although the organization does not demand that the salesmen behave that way, they still do (according to the view of Falkenberg and Herremans, 1995, p. 134), which demonstrates the importance of managing both formal and informal groups’ relationship – not only observing the formal structure, but the interpersonal relations.

It is possible to observe that the formal organizational structure of all three companies reflect focus for specific areas, such as finances, administrative and sales. Curiously, those are the main three areas where conflicts can be found – which reflects the fact that the answer for those conflicts can be two options: either the structure should join those departments to approximate relationship or the informal, social relationships established between those departments’ employees should receive more attention, especially concerning communication processes.

Below (figure 2), it is possible to analyze a general model of structure observed in all three cases, with highlight to the sources of intra and inter-departmental conflicts, facilitating the comprehension towards the best way to manage them.

**Figure 2:** Intra and inter-departmental conflicts causes *versus* formal structure



**Source:** authors based on results

#### 4.6. Systemic view in conflict management

One of the most critical factors of conflict observed in these cases is the fact that the areas perform in an independent way – the employees are highly specialized inside their areas, but, except for the management board level, there is no special effort in creating bonds between the departments. The results presented by Carvalho and Tonet (1996, p.41) show the same conclusions.

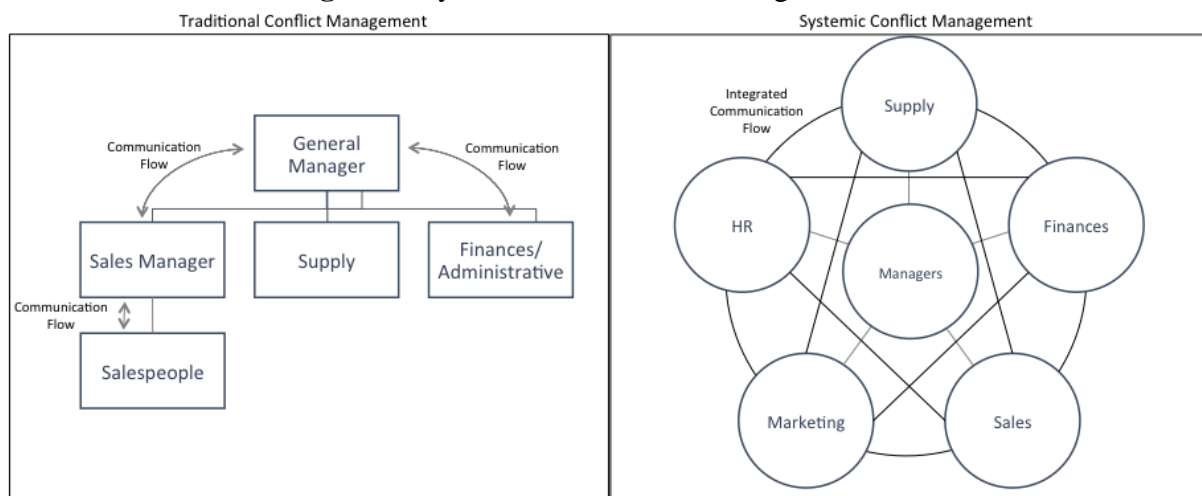
This mindset of department orientation, and not organizational, strategic orientation, can only be changed when all levels of employees effectively understand their interdependence, something that does not happen in any of the analyzed cases. Two of the interviewed managers pointed out that their employees understand their interdependence, but their actions and, consequently, recurrent conflicts did not reflect this reality. This level of organizational conception depends on a systemic approach, a vision of the department as a part inside a bigger system (see Bertalanffy, 1977).

This systemic approach also includes the perception of the environment and the role of the organizations' suppliers and clients and their impact in the conflicts that take place inside the organization. Indeed, there were even some observed cases in which clients and/or suppliers participated on conflict resolution – but, in most of the cases, they were the source of conflicts.

The most important thing to be highlighted concerning systemic vision is the organization mindset about itself. Conflicts are common processes in every workplace (TJOSVOLD, 2007), and they are an important part of organizational evolution. However, conflicts, when taking place too often, indicates potential failures in relationship management. It is up to the organizational management board to guarantee that those potential problems can be solved the best way possible.

Analyzing the systemic view of the studied companies, it is possible to build a different model of conflict management, based on the systemic interactions that effectively occur, building a more precise image of reality (Figure 3)

**Figure 3:** systemic interactions for organizations



**Source:** authors based on the results

The proposition of a systemic conflict management model aims to highlight how the connections between different areas could be better, considering the new communication

flows. It is possible to note that the system model is based on an integrated communication, while the traditional form of conflict management in the organization works with vertical flows and indirect communication.

Furthermore, the systemic model can promote the integration of areas in companies. For instance, an analyst from financial department can participate in some internal commercial meetings. It can result in a better alignment between the interests of parties, acting as a conflict preventive action. It also could be a different way to foster learning opportunities and an innovative way of conflict management solution.

## 5. Final considerations

An effective organizational management demands a high understanding of the systems that compose each specific organization. Those systems are composed by diverse agents, such as customers, suppliers and the external environment. However, since this paper aimed to understand the importance of the systemic approach towards internal conflict management, the most important element to be highlighted are the people composing the big system – the organization.

Those people are formally organized through a formal structure, comprised of job descriptions, planning and tracking tools and departments, with a specific hierarchical model. However, there is also a parallel, subjective structure – the informal groups – that have a strong ability to influence the appearance of relationship and task conflicts.

Inside the interviewed sample, it was possible to observe that task conflicts are present both in intra and inter-departmental conflicts. Though, the reasons that motivate intra-departmental conflicts are different that those that motivate inter-departmental conflicts. While intra-departmental conflicts are more connected to jobs interference, inter-departmental conflicts are more connected to effective communication channels and lack of systemic view from employees, not being able to foresee the outcomes that intra-departmental conflicts can bring for the whole organization.

Another important point to observe is the influence that informal groups have in the appearance of any kind of conflict, in any organizational level. It is also important to notice the fact that no enterprise mentioned an effective way of managing formal and informal group's interactions.

What is possible to take as outcome from this paper is the fact that the farm inputs sector, specifically companies recently professionalized, still has an important path towards a more effective conflict management culture. The answer to this improvements relies in two things: first, it is important to invest energy in a change of mindset inside the organization towards conflicts, so that managers don't necessarily think that conflicts are always harmful for the company's performance. Secondly, the communication channels inside the organizations also need to be improved, as a way to guarantee more healthy interactions between employees, consequently generating an environment with less destructive conflicts. These channels also help to standardize information and guarantee that all the employees are aligned to organizational goals. In these sense the systemic approach seems to contribute to a better conflict management model in organizations.

Finally, it is fundamental to highlight that this paper indicates the need for more studies of conflict management inside agricultural dealers, as a way to better understand this sector, which is one of the most important for the Brazilian agricultural market.

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