

Constructive Disagreement as Competitive Advantage: Reimagining Conflict in Indian Corporate Hierarchies

Dr. Vibha Batra*

Associate Professor, Department of Commerce, Sri Aurobindo College (Evening), University of Delhi, Delhi India.

*Corresponding Author: counselling.25@gmail.com

Citation: Batra, V. (2025). Constructive Disagreement as Competitive Advantage: Reimagining Conflict in Indian Corporate Hierarchies. International Journal of Innovations & Research Analysis, 05(04(I)), 245–248. [https://doi.org/10.62823/IJIRA/05.04\(I\).8406](https://doi.org/10.62823/IJIRA/05.04(I).8406)

ABSTRACT

The paper examines the widespread avoidance of conflicts in hierarchical Indian organisations. The article's major premise is that this prevalent organisational behaviour is driven by two sociocultural factors: (i) high power distance and (ii) individuals placing far more value on social institutions like the family, community or organisation, than on their own ideas, goals and desires. These values are considered necessary for maintaining cohesion and harmony in groups. Unfortunately for Indian companies this state of affairs disables positive change and stifles growth in a number of important ways. Firstly, it ensures that intra-organisational conflicts that might have beneficial consequences by providing new ways of looking at problems are stifled by a covert agreement to maintain harmony. Secondly by preventing the airing of differences it helps to create an atmosphere of 'dysfunctional silence' where subordinate voices are not heard and debate does not take place. Alongside this cultural practice is an overwhelming tendency towards 'group think' which suppresses initiatives for change. Together, these factors create an unpropitious environment that undermines innovation and slows down growth. Rather than viewing conflict as something that is inherently unhelpful, this paper makes a distinction between interpersonal conflicts which can damage relationships and the task related conflicts that arise out of differences in opinions. Although not always popular hierarchical organisations have the potential to gain much from encouraging more 'constructive' kinds of conflicts. Drawing from two examples of Indian businesses as well as a review of relevant literature, the paper presents an integrative framework called hierarchically-sensitive engagement which outlines a culturally appropriate approach for better managing conflicts. To achieve this goal it brings together concepts derived from western integrative bargaining strategies with elements taken from local dispute resolution practices, such as the panchayat system. According to this model, conflict management requires a shift in the leader's role from an arbitrator to a facilitator. By creating depersonalised forums for discussion the aim is to encourage individuals to participate without fear of being accused of disloyalty or creating problems for superiors.

Keywords: Hierarchical Organizations, Organizational Culture, Constructive Debate, Power Distance, Cultural Dimensions, Indian Management Practices, Innovation, Leadership Facilitation, Collective Decision-Making.

Introduction

Beyond the Absence of Conflict

The management practices in Indian organisations tend to focus on conflict avoidance in order to achieve harmony. But does this emphasis really work in their favour? Plenty of evidence suggests that while such an approach may create peace, it also inhibits creativity, stifles innovation and produces some very worrying 'silence gaps' as well as communication and understanding failures.

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Given the complexity of doing business and operating at a global level this unpropitious state of affairs is something that organisations can ill afford. There are ways out however; all it takes is a slightly different approach towards managing conflicts as well as better use of existing cultural resources.

Power distance (Hofstede, 2001) refers to the extent to which less powerful members of institutions and organisations accept and expect that power is distributed unequally. Geert Hofstede found India to have one of the highest scores he ever encountered on his scale (77), a figure well above the global average (56.5).

In practical terms this means most Indians expect others to be very deferential towards people in positions of power and authority and readily accept commands given from on high without much questioning.

This cultural characteristic is further compounded by India's highly collectivist nature (Juhasz, 2014). In situations where a subordinate disagrees with their superior they are expected not to voice this disagreement; speaking out could be taken as a sign of disrespect or may cause embarrassment for a senior figure.

This kind of behaviour is often justified in Indian culture by using the concept of "saving face"—avoiding behaviour that could potentially damage an individual's reputation or cause them to lose credibility (Merkin, 2018). Such strategies do help maintain social cohesion. However, it cannot be denied that this also leads to subordinates not feeling free to voice their opinions. In the absence of an organization climate where people can't speak freely, it is almost impossible for companies to reach their full potential.

The question then becomes: can agreeing to disagree be nurtured as a form of respect in organisations? Said another way, can organizations create an environment where dissent is actually viewed as a strategic asset? This will help companies in reaching their full potential in spite of the challenge of employees' conflict-averse personalities. In this article, it is posited that this can be done by acknowledging leadership roles and implementing culturally-aligned structures for debate.

Enforced Consensus's Organizational Costs

Let us first identify how exactly the lack of conflict or dissent affects organizational performance.

- **Information Flow and the Problem of Silence**

Junior employees, in hierarchical organizations characterized by high power distance, find it hard to give observations, make suggestions, ask questions, or provide feedback that challenges the status quo. These junior employees have learned that in the organization, speaking out can be dangerous or can even damage their standing in the company. This gives rise to a sort of "dysfunctional silence", whereby employees keep quiet in a variety of circumstances. For example, they may not ask too many questions even when they do not understand instructions fully, they may not raise alarms about impending hazards, and they may withhold valuable information that could help improve things. All this because they are too afraid to speak their minds (or reveal their creative ideas) for fear of being punished. The net effect of this fear and silence is tangible: errors that could have been avoided occur in larger numbers; rework (due to errors) becomes the norm; and overall, organizational productivity goes down.

- **The Groupthink Trap**

The historical Indian cultural trait of respecting those at the top combined with deeply ingrained cultural values about group solidarity creates an environment highly susceptible to groupthink (Janis, 1982). People go along with what the group is doing because they are afraid of being isolated from it—that is, they don't want to stand out on their own and be seen as different. Under such circumstances, as Janis (1982) explained, groupthink sets in when "the members' strivings for unanimity override their motivation to realistically appraise alternative courses of action". When this happens, leaders' viewpoints become assumed to be correct and peers fail to challenge each other in order to maintain their relationships.

What results is often described as "lazy, non-confrontational and often easy obeisance behaviour" where there is too much focus on reaching a consensus view and not enough on thoroughly testing ideas (Fortune India, 2025). Under these circumstances, assumptions go untested, alternative viewpoints are ignored, and organizations become open to strategic vulnerabilities. Those involved are often unaware of the trap they have fallen into; they are not deliberately making poor choices but following cultural scripts that run deep within their subconscious minds.

- **Innovation as a Casualty of Suppression**

Ideas need to be exchanged freely, and there needs to be questioning and prodding around in order for innovation to occur. In other words, in order for innovation to occur, there needs to be the clash of minds – that is, an activity which can take place only when people can speak freely. If it is not the case that the organizational climate ends up suppressing dissent, it is bound to have negative impacts on innovation. It is, indeed, very serious. For instance, studies conducted on technology ventures in India have firmly established conflict suppression to be one of the primary reasons for organizational failure. (Ganesaraman & Subrahmanya, 2022).

Redefining Conflict: Task-Based vs. Relationship-Based

Indian culture and its organizational narrative view conflict as a threat to stability, something that can disrupt informal networks and generally upset the apple cart.

Of course, this is a warped vision: all organizations, after all, are informal networks, and it's hard to imagine anything breaking the apple cart more thoroughly than having nothing else but an apple cart.

In other words, the failure of a widespread cultural metaphor to grasp an essential analytic point about conflict has meant that the entirety of Indian management studies and practice has been unable to guide organizations out of their dysfunctional relationship to what they see as a problem (conflict).

And since it has been assumed that the best thing managers can do vis-à-vis conflict is to make sure that it never surfaces, then practitioners of the management arts in India have ended up wholly unequipped for how to deal with and harness this “problem” into an unexpected source of positive energy for their organizations.

The analytic literature on conflict, by contrast, distinguishes at least two kinds: task-related and interpersonal or relationship conflict. Interpersonal, sometimes known as “ego” conflict, can be about status, anxiety, power, and so on.

Rahim (2002) sums it up nicely, “The bases of interpersonal conflict among individuals or groups are their incompatibilities of personalities, ego, status, power and fear.”

Given its roots, researchers and practitioners alike see task-related conflict as non-threatening to group cohesion, even as enhancing its performance, whereas interpersonal, all-too-familiar “ego,” can disrupt and undermine that cohesion.

Hierarchically Sensitive Engagement: A Contextually Grounded Framework

In this paper, it is posited that the collectivist culture of respect can be integrated with the call for open dialogue necessary for innovation in today's business environment. The need is for a hybrid framework we are calling “*Hierarchically Sensitive Engagement*”. The framework does not seek to dilute hierarchy. Instead, it aims to legitimize constructive disagreement in a way that still resonates with the culture of hierarchy and respect.

Hierarchically sensitive engagement would be based on principles of integrative bargaining. Integrative, or “win-win,” bargaining provides a useful conceptual starting point within collectivist contexts (Fisher et al., 2011). The basic theme is the need for negotiators to concentrate on underlying interests rather than on rigid demands; where negotiators advocate for rigid demands, it only serves to widen gaps and deepen status anxiety. Simply asking the basic question as to why the outcome in question is wanted is likely to uncover common ground which would not otherwise have been discussed. It is much more than just a negotiating skill since in actual fact, it can even be considered a bridge between cultures. Essentially, what the idea entails is that everyone – from the bottom up – needs to be asked to think in terms of value creation for all, rather than winning at the expense of others; this is very consistent with social standards emphasizing common benefits and enduring relationships.

Furthermore, a hierarchy-sensitive engagement strategy can also be created using the lessons learned from the indigenous approach to managing conflict. Take for instance the case of Panchayat. Using the mediation services of a respected and neutral elder known as the Sarpanch, conflicts are handled not with the intention of identifying a victor or a vanquished but rather with the aim of bringing about harmony. Authority in this case is derived from morality and social acceptance. What the Panchayat system teaches organizations that operate within such a culture is that conflict management does not necessarily have to be confrontational.

There are three ways to create a hierarchy-sensitive engagement culture in organizations.

The first thing that is needed to do is to redefine the role of a leader. One must understand that in such high power distance countries as India, the actions of a leader are very symbolic and people emulate their leaders' behavior consciously and unconsciously. First and foremost, what is needed is to get our leaders to change their role from that of a mere arbitrator to one of skillful dialogues facilitation. The role that our leaders have to play could be likened to that of the Sarpanch's. Indeed, our corporate leaders should create the environment where various points of view could be freely expressed and then steered into beneficial conclusions. When leaders exhibit such skills, they create the environment where subordinates would feel psychologically secure enough to speak frankly without any fear of covert retaliation.

Second, dissent should be depersonalized by creating proper structures. It may seem paradoxical, but dissent must be made a part of formal organizational process. Once this is accomplished, it will no longer be associated with interpersonal confrontation. Some ideas for this are as follows:

- Anonymous idea submissions before meetings
- Rotating "devil's advocate" roles
- Explicitly articulated ground rules that separate idea evaluation from personal evaluation

Third, Collective Benefit has to be emphasized as the guiding logic and principle. The maxim for employees should be that discussion should return, repeatedly and deliberately, to a central question: *what best serves the collective?*

Framing it in this manner is very useful as it resonates strongly within collectivist cultures, where legitimacy is often derived from alignment with shared goals.

Illustrations from Indian Corporate Practice

Many leading Indian organizations have implemented elements of hierarchically sensitive engagement with notable success. Two examples follow:

- Hindustan Unilever has long emphasized open communication through multiple formal channels, explicitly encouraging employees at different levels to contribute insights and challenge assumptions
- N. R. Narayana Murthy's leadership at Infosys was anchored in transparency, famously captured in the dictum, "*When in doubt, disclose.*" It helped create an environment of psychological safety, where people could voice their concerns and disagreements in a respectful manner

In general, like we have begun doing so far, we need to take the journey as employees of organizations in India from simply "saving face" to creating world-class innovative organizations.

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