Conflict Management and Organizational Performance in Nigeria

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ABSTRACT

This study investigated the relationship between conflict management and organizational performance in Nigeria using the descriptive survey design. The dependent variable is organizational performance (proxied as service quality and productivity) and independent variable is conflict management. Questionnaire was administered to six hundred (600) respondents out of which five hundred and forty-four (544) were fully retrieved and completed. Data obtained were analyzed using both descriptive (mean, minimum and maximum values, standard deviation, and Pearson correlation) and inferential (variance inflation factor and Lawley correlation) statistical tools. Findings of the study revealed that when conflict is adequately managed, it would result to increased organizational performance, particularly in areas of service quality and productivity. On the basis of the findings, it was recommended that management of organizations should strive towards conflict management by ensuring employees have the right skills and are willing to accept authority and clarity of chain of command. More so, management of organization need to ensure elaborate job description and incessant interaction between organizations management and employees in order to promote organizational performance in Nigeria.

Keywords: Conflict management, Interpersonal conflict, Organizational performance, Organizational Strategy.

1. INTRODUCTION

Conflict is as old as mankind and it is a salient feature of human society. Anyakie (2018) posits that conflict does not result in the possession of arms for it to occur in an organization. This presupposes that employees in an organization will continue to fight as long as they have overlapping goals with the organization and coworkers, which according to John-Eke and Gabriel (2019), will lead to issues of disagreements or confrontations. Nuel-OkoliMbah and Okeke (2018) contended that conflict arises when employees have different opinions, thought, attitudes, interests, needs and find it cumbersome to align them with the organization.

Predominantly, organizations cannot survive if employees are constantly engaged in conflicts (Ramesh, 2019). From a Marxist viewpoint, conflict among workers in an organization is unavoidable. Thus, when conflict is not aptly managed, it will affect employees' commitment and satisfaction (Abdullah, 2015). Thompson (1998) cited in Anyakie (2018) sees conflict as the impression of contracts of interests among employees. It can be inter-group or intra-assemble conflicts (Abdullah, 2015). Given that conflict is a disturbance to the organizational processes, management of conflict has become a commonplace and discuss among organizations, governments and researchers alike.

Furthermore, due to the immense social interactions that take place in the organization, conflict is inevitable; however, its management determines whether the result will be positive (functional) or negative (dysfunctional (Afful-Broni,2012). Functional conflict compels the workforce to become creative resulting to a healthy workplace; however, dysfunctional conflict negatively affects employees both psychologically and emotionally, thus leading to low productivity, organizational ineffectiveness (Odiri, 2015), distrust, and uproar (Hotepo, Asokere, Abdul-Azeez & Ajemunigbohun, 2010; Osad & Osas, 2013).

Given that conflict can be functional or dysfunctional, management of organization should be able to identify conflict types that enable them to apply an appropriate strategy that will create positive results (Tabitha & Florence, 2019). According to Riaz and Junaid (2011), ineffective conflict management leads to reduced confidence levels, stress and frustration as well as produces anxiety which could cause humiliation, disengagement. Similarly, Tabitha and Florence (2019) opined that conflict management

enhances organizational performance and development via employees' dedication, enthusiasm, absorption and it also boostemployees' morale, which in turn lead to organizational performance.

Conflict management refers to acquiring knowledge and skills related to conflict resolution, self-awareness about conflict, conflict communication skills and establishing structure of management of conflict (Tamunomiebi & John-Eke, 2020; Odiri, 2009). On the other hand, organizational performance is used to assess how outputs interact with economic and social environment (Amin &Shila, 2015) and it entails productivity, consistency, employees' satisfaction and quality of service.

Prior empirical studies have revealed that there is a relationship between conflict management and organizational performance; however, there is dearth of studies on the relationship between conflict management and performance among publicly quoted organizations in Nigeria, particularly as to how conflict management can lead to increased productivity and quality service. Consequently, there is a gap in the literature on what is known about conflict management and organizational performance; the gap which this study seeks to satisfy.

2. LITERATURE REVIEW

2.1 Conflict Management

The focus of every organization is to create a very conducive environment where employees can function effectively without any negative influence that could hinder the achievement of individual and organizational goals. Nevertheless, conflict in organizations has become unavoidable because employees contend for authority, position, recognition, limited resources amid others. According to Nnam (2013), conflict management is a means of curtailing apprehension and the negative influence of conflicts via the application of several measures designed to create awareness as well promoting an understanding of the conflict situation by various parties involved.

Dewa, Corbière, Durand and Hensel (2012) asserted that one important task of management is to create an environment in which employees can cooperate with one another to achieve their goals and the organization as a whole. Yet one persistent problem in organizations is that individuals and work group compete for power, position, hence preventing the extent to which their competition could lead to confrontation (Schramm-Nielsen, 2012). The competition (bad or good) is generally referred to as conflict.

The timely identification of the nature and significance of the sources of conflict in an organization is a major step in the management of conflict (Elmagri& Eaton, 2011). Uchendu, Anijaobi and Odigwe (2013) opined that the best technique in conflict management is to focus on strategies that enhance and optimize organizational performance. Therefore, it is vital to identify all levels of conflict in organization, be it individual, interpersonal or intergroup.

In the literature, some of the most vital strategies for conflict management entail but not limited to collaboration, bargaining, avoidance, competition and compromising (Noruzi & Rahimi, 2010). Abdullah (2015) opines that while avoidance strategy should be recognized as a viable form of conflict management, a blend of the conflict management strategies identified above can be employed by organizations.

2.2 Organizational Performance

Organizational performance is an essential concept and it is dependent on collective contributions and collaboration of management and employees. Ramesh (2019); and Tamunomiebi and John-Eke (2020) asserted that organizational performance can be measured in quantity and quality of production and quality of services rendered to customers. Organizational performance is vitalto all organizations because it gives them competitive advantage. Perhaps one of the reasons why Tamunomiebi and John-Eke (2020) contended that organizational performance is a key to managerial success. Supporting this view, Rahimiand Noruzi (2011) stated that the fundamental objective of most organizations is to enhance performance.

Early scholars such as Mott (1972); and Steers (1977) gave numerous definitions of organizational performance yet some still believe that it has been cumbersome to precisely define the concept (Rahimi & Noruzi, 2011). Organizational theory has articulated models for organizational performance or effectiveness to include employees' satisfaction, rational goals, internal process and system resource while measures developed by Mott (1972) include productivity; adaptability, efficiency, and quality of service, which are the mostly used by contemporary scholars. In this study, two (2) measures of organizational performance were used, namely productivity and quality of service.

2.2 Theoretical Underpinning

In an attempt to explain the relationship between conflict management and organizational performance, the study focused on two (2) competing theories: Classical and contemporary theories. First, the classical theory according to Pruitt (1983) predominate management thinking in the 19th century where conflict was seen as bad, unnecessary, irrational, harmful, destructive, or dysfunctional and should thus be avoided when possible and immediately resolved or eliminated when it occurs.

The classical theory sees the occurrence of conflict to be caused by personality differences or failure of leadership. This theory believed that conflict can be avoided by carefully recruiting employees who have the appropriate skills and who are willing to accept authority, clarity of chain of command, and elaborate job description (Rahimi and Noruzi2011). Second, the contemporary theory believes that conflict can be effectively managed via the interaction between organization and the environment.

The contemporary theory views conflict as a necessary condition of the organization life if the organization is to be responsive to change. The relevance of the classical and contemporary theories to this current study is that conflict is both functional and responsive to change and the best way to effectively manage conflict is not to suppress it but to manage it so as to minimize its dysfunctional effects on the organizations performance.

3. METHODOLOGY

The descriptive survey design via the administration of questionnaire was employed in this study. Six hundred questionnaires were administered to employees of publicly quoted companies in Nigeria. The sample of six hundred respondents was arrived at using the non-probability technique (purposive sampling). Idolor (2012) agreed that non-probability sampling technique offers equal chance of the study population representation in a given sample. Out of the six hundred questionnaires administered, five hundred and forty-four were fully completed and retrieved.

The dependent variable is organizational performance (measured using productivity and service quality) while the independent variable is conflict management. The research instrument (questionnaire) was designed on a 4-point scale of strongly agree, agree, disagree and strongly disagree. The questionnaire was tested for reliability using the Cronbach Alpha reliability coefficient, yielding a Cronbach coefficient of 0.73, which is deemed suitable for a research instrument. Data obtained were analyzed via descriptive(mean, minimum and maximum values, standard deviation, Pearson correlation and variance inflation factor) and inferential (Lawleys correlation) statistical tools. The statistical analysis was carried out via STATA 13.0 Microsoft package.

4. FINDINGS

Table 1: Summary of Descriptive Statistics

Parameters	Conflict Management	Productivity	Service Quality
Mean	2.578	2.488	2.785
Standard Deviation	0.367	0.209	0.530
Minimum Value	1	1	1
Maximum Value	4	4	4
Observations	544	544	544

Source: Researcher's Computation (2022) via STATA 13.0

Table 1 showed that service quality had the highest mean value (2.785), when compared with the other dimension of organizational performance (productivity –2.488). The highest mean for service quality is a clear indication that it is one of the most affected organizational performance dimensions. More so, the standard deviation values (conflict management – 0.367; productivity – 0.209; and service quality – 0.530) revealed that the respondents' perception on conflict management and organizational performance are not too dispersed from each other.

Table 2: Pearson Correlation

	Conflict Management	Productivity	Service Quality
Conflict Mgt.	1.000		
Productivity	0.056	1.000	
Service Quality	0.073	0.051	1.000

Source: Researcher's Computation (2022) via STATA 13.0

Table 2 showed that organizational performance dimensions (productivity and service quality) positively correlate with conflict management. Again, none of the organizational performance dimensions were above 0.8; an indication of the nonexistence of multi co-linearity problem between the pairs of the independent variable dimensions (productivity and service quality).

Table 3: Variance Inflation Factor

Variable	VIF	1/VIF
Productivity	1.05	0.9523
Service quality	1.02	0.9803
Mean VIF	**1.04**	

Source: Researcher's Computation (2022) via STATA 13.0

Table 3 confirmed the results of the nonexistence of multi collinearity problem, since the mean VIF = 1.04, which is below 10.0 VIF threshold.

Table 4: Lawley Correlation for Conflict Management & Productivity

Lawley chi2 = 89.02
Prob > chi2 = 0.000

Source: Researcher's Computation (2022) via STATA 13.0

Given the Lawley correlation result (chi2=89.02>Prob.=0.000), there are clear indications that conflict management significantly and positively affects organizational productivity of quoted companies in Nigeria.

Table 4: Lawley Correlation for Conflict Management & Service Quality

Lawley chi2 = 93.03
Prob > chi2 = 0.000

Source: Researcher's Computation (2022) via STATA 13.0

Given the Lawley correlation result (chi2=93.03>Prob.=0.000), there are clear indications that conflict management significantly and positively affects service quality of quoted companies in Nigeria.

5. CONCLUSION

Conflict is part of daily life and is inevitable, thus it is imperative that management of organizations identify the nature and significance as well as recognizing the levels or types of conflict peculiar to the organization. Hence, conflict management is the means of reducing the dysfunctional aspect of this phenomenon while increasing the functional aspect of it. The aim of conflict management is to create conducive workplace void of resentment, confrontation and violence which could lead to psychological, physical, financial damages to employees and the organization.

Consequently, for an organization to grow effectively and efficiently it depends on the way it manages conflict within the organization. In this study, we investigated the relationship between conflict management and organizational performance of publicly quoted companies in Nigeria. The dependent variable is organizational performance dimensions (service quality & productivity) and independent variable is conflict management.

Six hundred questionnaires were administered to employees of publicly quoted companies and data collected were analyzed via descriptiveand inferential statistical techniques. Findings of the study revealed that when conflict is adequately managed, it would result to increased organizational performance, particularly in areas of service quality and productivity.

Given the findings of the study, it was recommended that management of organizations should strive towards conflict management by ensuring employees have the right skills and are willing to accept authority, and clarity of chain of command. Also, there is the need for management of organization to ensure elaborate job description and incessant interaction between organizations management and employees in order to promote organizational performance in Nigeria.

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