

IMPACT OF CONFLICT MANAGEMENT ON EMPLOYEES' PERFORMANCE IN A PUBLIC SECTOR ORGANISATION IN NIGERIA

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Abstract:

This study investigated the impact of conflict management on employees' performance in a public sector organisation, a case of Power Holding Company of Nigeria (PHCN). This study adopted the survey research design. A total of 100 respondents were selected for the study using stratified sampling technique. Questionnaire was used to collect primary data. Data collected were analysed using descriptive statistics. Hypotheses were tested through regression analysis and correlation coefficient. The findings revealed that effective conflict management enhance employee's performance in an organisation and that organisation's conflict management system influences employee performance in the organisation. It was recommended that organisation should embark on training and retraining of its employees in area of conflict management so as to create a conducive working environment for the employees and that there should be efficient and effective communication between and among all categories of the employees the organisation. This will reduce conflicting situations in the organisation.

Keywords: Conflict management, employee performance, industrial relations, public sector organisation.

Introduction

Conflicts are inevitable. Conflicts are an everyday phenomenon in each organisation. There is growing recognition of the importance of conflict in an organisation. A recent survey indicated that managers spend a considerable portion of their time dealing with conflict and that conflict management becomes increasingly important to their effectiveness. Obisi (1996) argues that despite this fact peace forms one of the fundamental factors for enhanced productivity with resultant benefits to both the labour and management as well as for the economic development of the country. It will not be out of place therefore, to consider conflict as an inevitable and desirable factor in the work place. Conflict could be viewed as a situation of competition in which the parties are aware of the incomparability of potential future position in which each party wishes to occupy a position that is incompatible with the wishes of the other. Conflict could arise because of the employee quest to maximise profit while workers representatives are out to ensure continuous improved condition of living for their member. Conflict could also arise as a result of failure to honour agreed items on collective bargaining. Damachi (1999) emphasises that if those workers rights and employee prerogative are trampled upon, could also cause conflict. These include pay, condition of service, and fringe benefits among others. Azamosa (2004) observed that conflicts involve the total range of behaviours and attitudes that is in opposition between owners/managers on the one hand and working people on the other. It is a state of disagreement over issues of substance or emotional antagonism and may arise due to anger, mistrust or personality clashes.

Otobo (1987) writing on effects of strikes and lockouts examined resultant effects of industrial conflict at three levels namely psychological, political and economic. In all, every party to industrial action is affected. The need for an effective conflict management to ameliorate the problems emanating from conflict and assist organisation in their struggle for the attainment of corporate objective cannot be over emphasised. The general objective of this research paper is to access the effect of conflict management on employee

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performance in the public sector. The specific objectives are: (i) to identify the causes of conflicts in an organisation. (ii) to examine the consequences of conflict on employee's performance in the organisation. (iii) to investigate the methods employed by the organisation in solving conflict. (iv) to appraise the effect of conflict management on employee's performance.

Literature Review

The Concept of Conflict

One important task of management is to create an environment in which individuals and groups of people can cooperate with one another to achieve their goals and the goals of the organisation as a whole. Yet one persistent problem in organisations is that individuals and work groups compete for limited resources, power, status, etc. to the extent that their competition leads to disruption (or even enhancement) of cooperative endeavours. These competitions (bad or good) are generally referred to as conflicts.

Schramm-Nielsen (2002) defines a conflict as a state of serious disagreement and argument about something perceived to be important by at least one of the parties involved. According to Fajana (1995), conflict can be defined as a disagreement between two or more parties who perceive that they have incompatible concerns. It exists whenever an action by one party is perceived as preventing or interfering with the goals, needs or actions of another party. Conflict can be regarded as a reality of management and organisational behaviour and can be related to power and politics. Mullins (2005) sees conflict as behaviour intended to obstruct the achievement of some other person's goals. According to this author, conflict is based on the incompatibility of goals and arises from opposing behaviours. It can be viewed at the individual, group or organisational level.

Conflicts exist whenever an action by one party is perceived as preventing or interfering with the goals, needs, or actions of another party. Conflict can arise over a multiple of organisational experiences, such as incompatible goals, differences in the interpretation of facts, negative feelings, differences of values and philosophies, or disputes over shared resources. As defined above conflict tends to be associated with negative features and situations which give rise to inefficiency, ineffectiveness or dysfunctional consequences. But in some cases, it can actually stimulate creative problem solving and improve the situation for all parties involved. In this article, we simply view organisational conflict as competition by the individuals and groups for organisational resources and organisational rewards. Since industrial relations basically aims at the relationship among various actors in the workplace, it then becomes necessary to examine the causes and effects of conflict and to provide insights into how such relationship could be adequately performed.

Sources of Organisational Conflict

In order for conflict to occur, certain conditions must exist. It is thus imperative to understand the underlying conditions that can cause conflict. In the words of Fajana (1995), conflicts can arise over a multiple of organisational experiences, such as incompatible goals, differences of values and philosophies or disputes over shared resources. Conflict is perception, so it begins when someone believes that another might obstruct his or her efforts. Conflict could arise because of the employer's quest to maximise profit while the workers representatives are out to ensure continuous improved condition of living for their member's conflict could also arise as a result of failure to honour agreed items on collective bargaining. Damachi (1999) emphasises those workers rights and employers prerogatives which when trampled upon, could cause conflict. These include pay, condition of services etc. Armstrong (1990) sees changes as another cause of conflict. Changes according to him are always with us but it is not always welcome. Resistance to change is natural and it arises because of habit once established, few of the

unknown, conformity to customary expected ways of behaviour, misunderstanding of implications of change and individual differences. Unless, it is well managed, he said, it could lead to conflict or even crises. Other causes of organisational conflict are competition for scarce resources, status incongruity, win-lose situations, the need for change, ambiguous rules and communication problems among others.

Functional Versus Dysfunctional Conflict

The distinction between functional conflict and dysfunctional conflict rests on whether the organisation's interests are served. According to Robbins (1978) some types of conflict support the goals of the organisation and improve performance; these are functional, constructive forms of conflict, they benefit the organisation. Functional conflict is commonly referred to in management circles as constructive or corporate conflict (Amason, 1986).

Dysfunctional or destructive conflicts, on the other hand, are the type of conflict that hinders organisational performance.

Schmidt (1974) conducted a study on a group of executives and came out with the following positive and negative outcomes of conflict.

Positive outcomes of conflict are: Better ideas are produced, people were forced to search for new approvals, long standing problems surfaced were dealt with, people were forced to clarify their view, the tension stimulated interest and creativity, and that people had a chance to test their capacities.

Negative outcomes of conflict include: Some people felt defeated, distance between people increased, a climate of suspicion and distrust developed, people and departments that needed to cooperate looked after only their own narrow interests, persistence-active or passive developed where team work was needed, and that some people left because of the turmoil.

Strategies for Conflict Management

A positive approach to organisational conflict is that it is absolutely necessary. Accordingly, opposition to ideas should be explicitly encouraged and both the stimulation and resolution of conflict should be encouraged. Even if this view is not held by management conflict in organisations is inevitable.

This inevitability of conflict is caused by forces residing both inside and outside the organisation.

The external environments of the organisation sometimes change in ways that necessitate a reshuffling of priorities and resources allocation among internal subunits, and stimulate shifts in the balance of power and patterns of influence between them.

Therefore instead of avoiding conflict, organisations should endeavour to manage or reduce them to the benefit of the organisation.

There are several managerial strategies used in managing conflict, and essentially, they are directed at its cause, these include:

Controlling the Context: To minimise conflict that arises out of organisational design and layout strategies, management must formulate sound procedural strategies to institutionalise and channel conflict. If conflicts are inevitable and normal in organisational life, then proper procedures for solving them must be established.

Controlling the Issue in Dispute: The attempt here is to issue in an attempt to resolve the dispute. This involves separating issues into their smallest components and dealing with them separately in an attempt to make it easier to resolve major disputes. Fractioning conflict issues help to avoid stalemate by making it possible for one party to concede on one issue without feeling it has lost the contest.

Controlling the Relationship Directly: In adapting this strategy, management hopes to change the attitudes of the group members or individuals toward each other. This

approach is more functional in inter-group conflict. Management directly intervenes in the dispute by physically separating the unit involved on holding direct negotiations between the units or individual or formally requiring intense interaction.

Altering the Individual Involved: Because altering the individual personality is much more difficult than altering his position in the organisation, it may be feasible to swap the individuals in dispute.

Develop a Common Set of Goal: Much of the conflict between groups in any social organization arises because the subsystems have different goals. Most managers are rewarded through pay increases, promotions etc to the extent that they accomplish the goals and the objectives of their particular subsystem is concerned about making itself look good and is also concerned about working with other subsystems towards common goals and objectives. An approach known as the “the organisational confrontation meeting” is developed by Beckhard to encourage organisational subsystems to work towards establishing and striving for common goals.

Conflict Resolution in Nigeria

This is the focal point of this study. It could be defined as the tools, methods, art or style of handling conflict. A union leader PHCN once said the best way to manage conflict is to prevent crises. Other methods of conflict resolution are discussed below.

Joint Consultation: This is a powerful tool for resolving conflicts. Joint consultation could be defined as a meeting between the workers and their employers where the relationships is seen not as terms of bargaining strength but in terms of their worth and ability to contribute to the subject being discussed. Hence, discussions focus on mutual interest to both sides. Subjects like welfare, canteen, safety, productivity and so on are discussed. It is perhaps the joint benefit to be derived from such meeting that makes joint consultation suitable for discussing problems in industry.

Mediation: The Trade Disputes Act of 1976 and amended by the Trade Disputes (Amendment) Act of 1977. Section 3 of the Act, provides a comprehensive process of dispute settlement aside the internal procedure. Under this Act, if the attempt to settle the disputes through enterprise's own machinery and procedures fails, the party shall within 7 days of failure meet together either by themselves or through their representatives under the presidency of a mediator to settle the disputes amicably.

Collective Bargaining: One important attribute of collective bargaining is that it is based on the principle of voluntarism. This means that both employees and management are expected to voluntarily iron out their differences.

Conciliation: A conciliator is appointed to look into the cases and circumstances of the disputes between employees and management and by negotiation with the parties attempt to bring about a settlement.

Arbitration: The arbitration procedure is generally time consuming, but it has the advantage of encouraging parties. In the interim, the Head of State or the Minister of labour can make the arbitration obligatory and binding if the possibility of a strike action is considered familial to public order or against the general interest, as in cases involving essential service.

Employees Performance in Organisation

The traditional human resource management approach to enhancing workers performance has centred on the assessment of past performance and the allocation of reward. That is, rewards were provided in exchange for performance. It is inevitable that workers performance improvement is something of direct interest only to management. Performance therefore becomes stereotyped as something of no intrinsic interest to the person doing the work. Performance is a reward. There are many small initiatives everyday

that help to improve workers performance. It is critical that the organisation selects the most useful measure of performance for the organisation as a whole and for the individuals within it. Single measures are unlikely to be sufficiently robust. Kaplan and Norton (1992) argue convincingly that the mix of measures which an organisation should use to assess its workers performance should be based around four different perspectives:

- Financial Measures: Such as sales growth, profits, cash flow and increased market share.
- Customer Measures: That is, the customer perspective, which looks at, for example, delivery time, service quality, product quality.
- Internal Business Measures: Cycle time, productivity employee skills, labour turnover.
- Innovation and Learning Perspective: Including such elements as ability to innovate and improve.

The focus must be on what is achieved: results are what count.

Research Methodology

In this study, survey research design was used. Data were collected from sampled employees of organisations selected for the study in order to determine the relationship between organisational performance (dependent variable) and conflict management (independent variable). This study examines Power Holding Corporation of Nigeria (PHCN) where their staff constitutes the study population. Simple random sampling method was used in selecting our respondents. This method gives every employee of the organisation equal chance of being selected as part of the sample elements. The sample size selected is 115 employees out of which 100 respondents filled and returned the questionnaire for our analysis. This means that we have 87% response rate. To ensure the validity of the research instrument for this study, content validity which deals with item validity and sampling validity is used to ensure adequate by the instrument of the scope implied by the subject of study. In addition, experts in the field also helped in the evaluation of the question items of the instrument and adequacy of the sampled elements of the population by the measuring instrument used (Ojo, 2003). The judgement that an instrument is measuring what it is supposed to is primarily based upon the logical link between the questions and the objectives of the study. In this study, the test-retest reliability was used to check the degree of consistency of the instrument. This was done by distributing questionnaires on two different occasions to determine the level of consistency. The results obtained were not the same but highly correlated which implies that the research instrument is reliable for the research work. Data collected through the questionnaire were analysed using descriptive statistics while regression, Pearson product moment coefficient of correlation and student's t-test were employed to test the hypotheses and establish the relationship between conflict management and its implications on organisations performance.

Analysis and Discussion of Results

This section of the study presents the major results that emanated from the test of hypotheses. Relevant data gotten from the field through the questionnaire that deals with the objectives of the study were analysed and interpreted accordingly. The research hypotheses were also tested in order to determine their validity or otherwise. Each hypothesis was, however, tested separately to determine its relevance in the light of the available evidence from data gathered and analysed in this study. The two hypotheses were tested with the aid of regression analysis and correlation coefficient.

Hypothesis 1

Ho: Effective conflict management does not affect employee's performance

H1: Effective conflict management affects employee's performance

Employee morale will be affected as result of conflict in an organisation

Null hypothesis (Ho)	Tcal	Ttab	Df	Decision
Effective conflict management does not affect employee performance	6.78	2.35	0.05	Reject Ho and Accept Hi

Decision Rule: The decision rule here is to reject Ho if T-calculated is greater than T-table ($t\text{-cal} > t\text{-tab}$). Therefore, the above table depicts the t-calculated to be 6.78 while the t-table is 2.35. This shows that effective conflict management affects employee morale and this will affect employee's performance in an organisation. The null hypothesis (Ho) is rejected while the alternative hypothesis (H1) is accepted.

Hypothesis 2

Ho: Conflict management system does not influence employee performance in an organisation.

H1: Conflict management system influence employee performance in an organisation.

Conflict in an organisation will lead to low employee performance

Null hypothesis (Ho)	Tcal	Ttab	Df	Decision
Conflict management system does not influence employee performance in an organisation	7.39	2.35	0.05	Reject Ho and Accept Hi

Decision Rule: The decision rule here is to reject Ho if T-calculated is greater than T-table ($t\text{-cal} > t\text{-tab}$). Therefore, the above table depicts the t-calculated to be 6.78 while the t-table is 2.35. This shows that conflict management system influence employee performance in an organisation and this will lead to low employee performance. Thus the null hypothesis (Ho) is rejected and alternative hypothesis (H1) is accepted.

Conclusion

For an organisation to grow effectively and efficiently it depends on the way it manages the conflict within its organisation. Having studied the opinions of the various stakeholders as far as this research is concerned, it should be noted that the employee's should be flexible and should direct their energy towards the achievement of organisational goals and objectives. It should be more than a target, against which performance is routinely assessed, in viable and vibrant plan for success of the organisation. This research work has effectively addressed the effect of conflict management on employee performance in a public sector organisation like (PHCN). That the existence of the organisation can be threatened by conflict among the different level of management in the organisation. This research work analysis the clear picture of important role which conflict management play on employee performance and the entire organisation in the public sector (PHCN). In view of this, the researchers rightly conclude that if the organisation can effectively and efficiently manage conflict within its operation, this will lead to high level of organisational performance which will result into achievement of the organisational goals and objectives. Successfully managing conflict has a domino effect, allowing managers to create a workplace where employees can thrive.

Recommendations

Based on the findings of this research, the researches make the following recommendations:

1. Since conflict is indispensable in an organisation, management should not take it with kids' glove as it can influence the employee performance, and this can either mar or make the organisation in achieving its stipulated objectives from time to time.

2. The organisation should embark on training and retraining of its employees in area of conflict management so as to create a conducive working environment for the employees.

3. There should be efficient and effective communication between and among all categories of the employees the organisation. This will reduce conflictful situations in the organisation.

4. Problems of shared resources among the employees by the management should be dealt with before it affects the performance of the organisation.

5. Management should formulate policies that will ensure that conflicts that may occur within the organisation are quickly resolved.

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