

Impact of Organizational Conflict on Employees Performance: Evidence from Dangote Cement Plc, Gboko Plant

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Abstract

This study aims at exploring the effect of the three types of organizational conflict, namely the relationship, task, and process conflict, on the output of employees in the cement manufacturing sector in Nigeria using Dangote Cement Company, Gboko Plant as a case study. The study employed two estimation procedures; the Pearson correlation and the logit estimation method. The marginal effect extracted from the logit estimation exhibited that of the three types of conflict – only relationship conflict has a significant effect on the performance of employees. The Pearson correlation also revealed that whilst relationship conflict adversely affects performance, both task and process conflicts have a positive influence on output of workers. The association between process conflict and performance was however, unanticipated. Lastly, the Pearson correlation method brought to view that there is a very weak linkage between all the three types of organizational conflict and the performance of workers in Dangote Cement Plc. The study therefore, suggest that the policy makers and the management of organizations should efficiently and effectively set up conflict resolution mechanism by eliminating all friction that may arise from the three types of organizational conflict if they want to achieve rapid growth in the enterprise. Those conflicts that affect performance positively should be encouraged.

Keywords: Conflict; organizational performance; Dangote. relevance, Social Integration, Profitability, 5-Star Hotel, Nigeria

1. Introduction

Conflict among workers in an organization is inevitable. In the process of achieving organizational objectives, disappointments, disputes and conflict will surely arise. This strongly suggests that the occurrence of bickering, backbiting, blames shifting, gossiping and undermining of others can never be completely eradicated from any human society. Consequently, companies for some time now are faced with the problem of unionized and non-unionized agitations from employees of all levels. They are experiencing strikes actions of all kinds, unceremonious resignations, court actions and even the exchange of blows amongst co-workers. Co-worker's disputes, though common, are dangerous because they involve delicate interpersonal relations that can explode and disrupt an office and an entire company. Awan and Anjum (2015) argue that a negative work environment that does not promote conflict resolution can result in poor employee behavior and job performance. Conflict can have a devastating effect on the performance of an organization, especially if it consumes the energie of employees rather than focusing on other productive activities. Moreover, it can interfere with group process and create so much interpersonal hostility that group members may not be willing to corporate together to achieve organizational objectives. Furthermore, unsolved conflicts can generate into bigger contentions which has the capacity of engendering more controversies. In the view of the authors, properly managed conflict promotes open communication, collaborative decision making, regular feedback, and timely resolution of conflict. Open communication and collaboration enhance the follow of new ideas and strengthen work relationship, which can have a positive effect on employee morale. Regular feedback and timely resolution of conflict has the potential of improving employee satisfaction and job performance. With constructive and a prudent approach, conflicts can revolutionize new ideas which can take business organization to unprecedented heights in their endeavours. According to the authors, conflicts in business organizations can enhance the quality of decisions and also catalyze participation in group discussion.

There is therefore the need to investigate whether this social variance is a bane or blessing to business organizations. This study seeks at exploring

whether conflicts have a positive or a negative effect on the productivity of employees of Dangote Cement Company, Gboko Plant in Nigeria. The main objective of the study is to explore the effect of conflict on the performance of Dangote Cement Company Plc in Nigeria. Specifically, this paper seeks to: (i) to investigate the effects of relationship conflict on the performance of employees; (ii) to probe into the effect of task conflict on performance of employees; and to examine the effect of process conflict on the performance of employees.

It is the priority for top management of all profit making ventures and even public sector organizations to ensure that their organizations perform well in this competing business world. To achieve this, they must explore the pros and cons of all the factors that are directly or indirectly linked to the productivity of their employees in particular and theirs firms at large.

Conflict among workers in an organization is inevitable. If managed properly, conflict can augment and enhance employees' performance. Conversely, unmanaged conflict can be devastating if it stirs hostilities among individuals or groups. Evidence from related literature is mixed with regard to the effect of conflict on the performance of business enterprise. This study will, however, make clear how the productivity of employee of Dangote Cement Company Plc and the cement manufacturing sector at large is influenced by conflict. If it is found that the effect is negative, management would be cautioned to take appropriate strategies to resolve tensions among their employees as quickly as possible if they want to see their business prospering. Nevertheless, if it beomes evident from the study that conflict positively affect performance, then it would be advised that such contentions should be encouraged and promoted but with care and caution.

2. Review of Related Literature

According to Schiamm (2005), a conflict is a state of serious disagreement and argument about something perceived to be important by at least one of the parties. In consonance with the preceding definition, Oxford Advance Learner's Dictionary defined the conflict as situations in which people, groups or countries are involved in a serious disagreement or argument. Further, Chamber 21st Dictionary (1996), posited that there are four (4)

dimensions of conflict. These are: (i) Disagreement, fierce argument, a quarrel, (ii) A clash between different aims, interesting ideas and so on (iii) A struggle, fight or battle, usually on a lesser scale than war (iv) Psychol in an individual.

From the above, definitions, conflict can be categorized into three types – interpersonal, task, and process conflict.

2.1 Interpersonal Conflict

This type of conflict can be defined as tensions, annoyance, disagreements and personal incompatibilities over matters such as beliefs, values, habits, and personalities (Jehn, 2007). This form of conflict involves personal issues such as dislike among group members and feelings such as annoyance, frustration, and irritation. This definition is consistent with past categorizations of conflict that distinguish between affective and cognitive conflict (Amason, 2006); and Fuikley, 2000). Interpersonal conflict can antagonize productivity since it arouses hostility among group members within an organization.

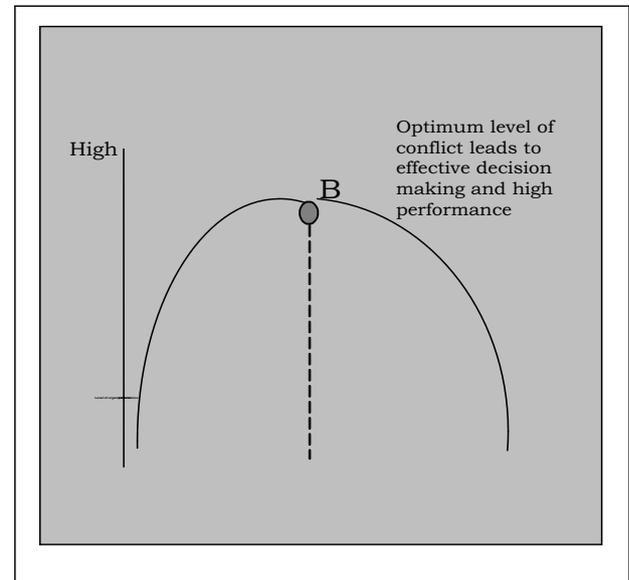
Task Conflict

According to Amason and Sapienza (2007), Task conflict may coincide with animated discussions and personal excitement but, by definition, are void of the intense interpersonal negative emotions that are more commonly associated with relationship conflict. This form of conflict can enhance productivity by improving quality of thinking and decision making processes.

Process Conflict

It is defined as controversies about aspects of how task accomplishment will proceed (Jehn, 2007) and Jehn, et al 2009). More specially, process conflict pertains to issues of duty and resource delegation, such as who should do what and how much responsibility different people get. For example, when group members disagree about whose responsibility it is to complete a specific duty, they are experiencing process conflict. According to Ongari (2009), this type of conflict normally occurs when the procedure(s) for the task is not clearly defined by the supervisor or the person in charge. Jones and George (2003) opined that the level of conflict in an organization can have both a negative and positive effect on the performance of its members. In particular, they posited that too little or

too much inter-group and/or intragroup conflict can adversely affect team performance. Nevertheless, they argued that there is a level of conflict that is ideal and essential for an organization to attain optimum performance and effective decision making as depicted in the figure below.



Low ● A Level of conflict Too High ● C
 Low Too little conflict causes performance to suffer Too High Too much conflict causes performance to suffer

Figure 1: Effect of conflict on organizational performance

Source: Jones, G. T. and George, J. M. (2009) contemporary management. New York: McGraw Hill Inc;

Using a longitudinal study, Jehn and Mannix (2004) found that certain forms of conflict resulted in higher group performance among 51 three-person functioning groups in the United States. It was realized that teams performing well were characterized by low but increasing levels of process conflict, lower levels of relationship conflict, with a rise near project deadlines, and moderate levels of task conflict at the midpoint of group interaction. The members of teams with this ideal conflict profile had similar pre-established value systems, high level of trust and respect, and open discussion norms around conflict during the middle stages of their interaction.

To evaluate the effect on organizations, Hotepo, et al (2010) probed 96 managers in some selected

airlines, road transport and insurance companies in Lagos Metropolis. The study revealed that the effect of conflicts on the organization can either be positive or negative, but when properly managed, the positive effects can be used to stimulate organizational innovativeness and build cooperation among the employees.

Another study by Afzal and Ali (2009), used data from questionnaires from a sampled of about 450 individuals who were employees of different commercial banks in Pakistan. Evidences from the research portrayed that relationship conflict had significance impact on employees' performance. Their performance nosedived ranging between 28 percent and 46 percent depending on the magnitude of the conflict. It further indicated that due to the viciousness of relationship conflict for organization's top hierarchy strives to get rid of relationship conflict rather than relegating its resolution.

3. Methods and Materials

Conceptual Framework

This section of the paper discusses a theoretical model that hypothetically links organizational conflict to the employee's performance. The study adopted the input – output model used in the work by Vanson (2010) as depicted in figure 2 below.

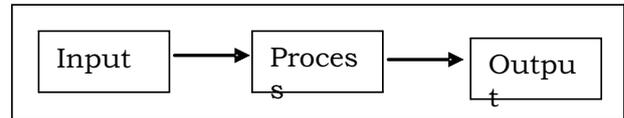
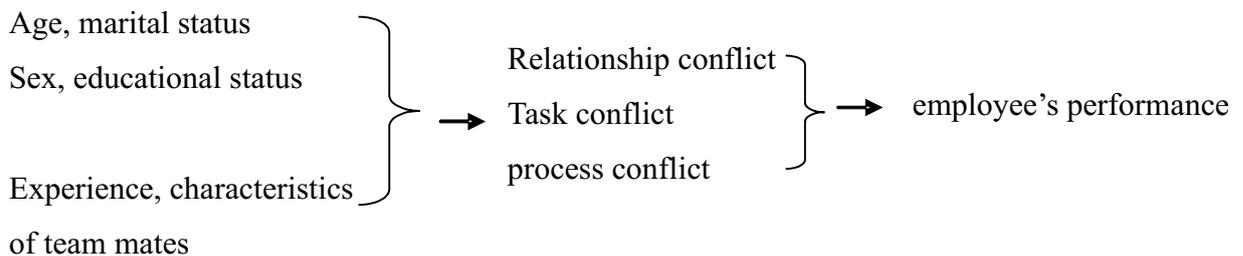


Figure 2: Input – Output Model

Source: Vanson, M. G. “The effect of perceive personality Diversity and Intragroup conflict on Team performance” M.Sc Dissertation submitted to the School of Industrial Engineering. TUE, 2010.

The framework in figure 2, given the above explanation, can be restated as:



Input, in this model, encompassed both personal and working environment characteristics that influence the employee performance. Personal attributes in this case include age, marital status, sex and educational background of workers; whilst job characteristics comprise an employee's experience as well as information on teammates. Process, on the other hand, refers to conflict among teammates which in this study, is classified as relationship, task and process conflict. Finally, output in the model equates to the employee's performance.

Empirical Model and Procedure

This section of the research translated the input – output model in the theoretical framework to a model that can be estimated empirically. From the model, the performance of employees is affected by personal and job characteristics as well as the various types of organizational conflicts. Thus, the empirical model can be

restated as:

$$E_{Pi} = a_1 + a_2 \text{ Age} + a_3 \text{ sex} + a_4 \text{ Marstat} + a_5 \text{ Expert} + a_6 \text{ Educ} + a_7 \text{ Teammates} + a_8 \text{ Gendiversity} + a_9 \text{ R conflict} + a_{10} \text{ T conflict} + a_{11} \text{ conflict} + e$$

The dependent variable, E_{Pi} , in the empirical model depicts the performance of employees. The respondents' responses regarding their performance can be classified into 2 values, i.e. 0 for employees who exhibited low performance and 1 for those who excelled in the performance. The study used logit approach to estimate the model. Age, Experience, Education, status, number of Team mates and gender diversity are all continuous variables. The remaining explanatory variables are binary variables. 0 stands for male while 1 represents female in the case of sex. In the scenario of marital status, 1 shows married whilst 0 stand for otherwise. In the case of the three types of conflict, 0 represents

when there is no incidence of conflict while 1 exhibit otherwise.

4. Discussion of Results
Reliability Test of Instruments

To estimate the model, the study employed Cronbach alpha to detect the reliability of the items used to measure employee's performance and the various types of conflicts in an organizational setting. Cronbach alpha was chosen because it does not only measure the internal consistency of the items used but also substantiates whether or not the items are actually one – dimensional. Internal consistency gauges the level of the interrelatedness of the sampled items whilst undimensionally explores the extent to which the items measure a single trait or construct (Tavakol and Denick 2011).

The Cronbach's alpha coefficient obtained for the items used to represent the performance of employees is 0.83 whilst the corresponding coefficients of relationship, task and process conflict are 0.75, 0.73 and 0.76 respectively. This implies that the sample items used as instruments to indeed measure the concepts they represented. The results of the Cronbach alpha can be summarized in table 1 below.

Table 1: Results of Cronbach alpha

Variables	Coefficient of Cronbach Alpha
Performance of employees	0.83
Relationship conflict	0.75
Task conflict	0.73
Process conflict	0.76

Results from Pearson Correlation Coefficient

Firstly, the study employs the Pearson Correlation Coefficient to explore the direction and intensity of relationship that exist between each of the types of organizational conflict and performance of workers. The finding and evidence obtained using stata is summarized in table 2 below.

Table 2: Pearson Correlation between Employees' Performance and Organizational Conflict

Type of Organizational Conflict	Employee's Performance
Relationship	-0.23
Task	0.25
Process	0.4

The results, as shown in Table 2, indicates that there exists a weak negative link between relationship conflict and performance of workers. Additionally, the intensity of the relationship between tasks as well as process conflict and output of workers is not different from what exists between the latter (output of workers) and relationship conflict. The evidence shows that, there exist a weak correlation between task and process conflict and performance of employees which is similar to that of relationship conflict. However, the direction is not the same. Unlike relationship conflict, the results show that there is a positive correlation between task and process conflict and employee's performance. The latter findings are in conflict with the conclusion of Khan and Ur-Rehman (2009).

4.3 Marginal effect Results from the Logit Estimation

The margin effect extracted from the Logit estimation was also used to investigate the association between conflict and performance of employees. The marginal effect indicates the probability change in the dependent variable that accrues to a unit variable of an explanatory variable holding all the other independent variables constant (Amemiya 1985). The evidence obtained using the Logit estimation can be summarized in table 3 below. Z

Table 3: Marginal Effect Estimates of Employee's performance model

Regressors	Marginal Effect
Relationship conflict	-0.4570***
Task conflict	0.0887
Process conflict	0.0203
No of obs	128
Y	0.5538
Prob > f	0.0000

Table 3 above shows that the probability of the F value is less than 0 implying that the explanatory variables used in the estimation are jointly statistically significant. Thus, the results reveal that performance of employees is influenced by the explanatory variables included in the model.

It is clear from the table also that a unit increase in disagreements championed by personal hatred other than the task depletes employee's output by 45.70%. This conclusion also agrees with the earlier view of (Afzal, Khan and Ali, 2009). Although not statistically significant, the results show that disagreement underpinned by the clash of idea; that is task conflict, increase the performance of workers by 8.87%. This result however, refutes the earlier finding by De Dreu and Weingart (2003). In the same vein, table 3 revealed that process conflict swells output of workers by 2.03% though the effect is not statistically significant. The positive effect of this variable, though not unanticipated, it fortifies the conclusion by Jehn and Mannix (2001).

5. Conclusion and Recommendation

It is been observed from the results that disagreements championed by a clash of idea, that is task conflict, spring the performance of workers up by 8.87%, this confirms the positive relationship between task conflict and output of workers as stipulated in the literature. Like task conflict, the results indicated that process conflict pushes output of works up by 2.03%, though the effect is not statistically significant and the positive effect of this variable was unanticipated. Additionally, the evidence from the result indicate that a unit rise in relationship conflict decrease employees' output by 45.70%.

The evidence in terms of direction of association obtained from the Pearson Correlation Coefficient are similar with the above finding. As with the margin effect, the latter estimation procedure indicated that relationship conflict is negatively linked to performance. Similarly, this correlation method revealed that both task and process conflicts have positive correlation with the dependent variable. The Pearson Correlation procedure on the other hand, divulged that the association between all the three types of organizational conflict and performance of employees is weak. In the same vein, the task and process conflict are also weakly linked to output of workers. The evidence of a negative also citation between relationship conflict and performance of workers can serve as a guide to improve the latter. This finding suggests that policymakers and organizational management should set up efficient

and effective conflict resolution schemes or strategies if they want to achieve rapid growth in the enterprises.

Another characteristic of the finding is the positive correlation between task conflict and output of workers. This implies that diversity of idea among groups or teammates are important and vital for organizational progress and should be encouraged. The final and unanticipated conclusion is the positive association between progress conflict and performance of employees. Since the finding contradicts the literature, the study therefore urges policymakers and management to make further enquires as to why this is the case before they can make policies based on it for result.

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