

Assessment on the Effects of Effective Conflict Management on Productivity in Private Sector Organizations in Abia State, Nigeria

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Abstract

This research investigates assessment on the effect of conflict management on organizational performance in the private sector organization with a view of coming out with ways of improving their productivity. The study objective include the following: to determine whether private sector conflict management exerts significance impact on the sector performance; whether private sector conflict management impacts more on performance than public sector conflict management. The research hypothesis includes; the private sector conflict management does exert significant impact on its productivity, private sector conflict management poses more positive impact on productivity than that of the public sector. Survey research method was employed in the research and questionnaire was used to collect data from 377 managers and non-managers in the private sectors in Abia State metropolis, where 410 respondents were administered with the questionnaire. While correlation coefficient and regression analysis was used in analyzing the hypothesis, the spearman rank correction and paired test statistics was used to verify the results. The result shows that, there is a negative significant association between the extent of conflict management in the private sector and its productivity. The research therefore recommends among others that conflict preclusion structures should be put in place to address issues that can produce conflict before it breaks open.

Keywords: conflicts, conflict management, productivity, correlation

Introduction

Conflicts are inevitable part of human life since the goals of different stakeholders such as managers and staff are often incompatible (Jones, George, & Hill, 2000). Conflict means different things to different people; for some, a definition of conflict involves fighting, war, trade embargoes and others. For others, it may be a difference in opinion, perspective or personality. One party may feel they are in a conflict situation, when the other party feels that they are just discussing opposing views. Conflict is perceived in most part of the organizations both in private and public sector as something abnormal, dysfunctional and therefore detestable (Onigu, 2004). Conflict is a fact of life and could be a precursor of positive change. Every plural society is bound to experience one form of conflict or the other. What makes a society an ideal polity is the extent to which the conflicting interest and needs in a society are constructively managed so that violence does not threaten its continued existence.

Conflict causes members to focus less on the project at hand and more on gossiping about conflict or venting about frustration. As a result, organizations can lose money, donors and access to essential resource (Ugochukwu, 2016). Productivity can be significantly impacted by conflict at

work. The conflict between co-workers, managers and customers can result in lowered morale, more stress and less job satisfaction. The productivity of people and teams and overall organizational performance may suffer due to these variables. To all intents and purposes, productivity of employees is contingent on several factors such as availability of factors of production, good technology, good leadership and managerial styles, good economic policies, business environment in terms of threats, weakness, strengths and opportunities, good remuneration, and motivation.

There is the existence of conflict in the workplace if not well managed can degenerate into violence, strike, work stoppage, low productivity, labor management rancor, disharmony of interest, lack of cooperation and disruption of the lofty objectives and goals of the organization. The public work organization in Nigeria often experience persistent conflicts that often generate strike, picketing, work to rule, output restrictions, labor turnover, absenteeism, fraud, and sabotage. All these do not argue well for high workers' productivity and they often pave way for rational underdevelopment as a result of low national output. Such conflicts are not limited to federal work organizations. Workers through their labor unions always go on strike without landmark solutions. Thus, strike and other forms of conflicts are problematic issues of grave concern. Businesses these days are operating in a turbulent environment where organization is searching for measures that will allow them to improve their productivity and competitiveness as a result; they face a lot of conflicts (Dogg, 2003).

An organization is a collection of people working together as a team for the same purpose and objective. Person working beneath one command are considered as harmonious, which develops a sense of relationship in every activity that they perform (Muhammad, 2003). Every successful organization considers distinctive opposing views and arguments in order to take different organizational decisions. In the private sector, it is on the opposite view. It is in the light of the foregoing, that the study hopes to assess the effects and effective conflict management in this sector.

Statement of the Problem

Conflict is an action, which occurs due to sort of dissimilarities, sometimes different behaviors. Conflict may arise from the contradictory goals and interest which results to deterioration in organizational goals. The need for the relevant management must be projected whenever there is a hint of conflict in the workplace. Conflict may not enable the organizations to achieve its set objectives if not properly managed. For an organization to continue to be successful, it must have the capacity to absorb conflict during its life cycle. The capability refers to conflict management mechanism that aids organizations minimize the rate of conflict and improve productivity.

The center of effective dispute resolution supports the perception of an increase in organizational conflicts with some hard facts. Their research reported a 17% increase in organizational conflict measured by more than 115,000 employment tribunal applications in 2004 in the United Kingdom. The effective management of these conflicts will go a long way to enhance the productivity of the organization in meeting its mandate. Thus, the central problem for this study is that, though the management of the private sector has been putting some necessary conflict strategies and measures in place in order to better their organizations, the conflict management approaches of these sectors

appears not to have impacted so much on the productivity to these organizations. This study therefore, assessed the effects of effective conflict management on productivity in private sector organizations in Abia State, Nigeria/

Research Questions

. The following research questions are posed in this study.

- i. Does private sector conflict management exert significant positive impact on the sectors productivity?
- ii. Does private sector conflict management impacts more on productivity than the public sector?

Objectives of the Study

The general objective of this study is to assess the effect of effective conflict management on organizational productivity in the private sector organizations in Abia State, Nigeria. In view of this, the specific objectives are:

- i. To examine whether private sector conflict management exert significant positive impact on the sector's productivity.
- ii. To examine whether private sector conflict management impacts more on productivity than the public sector.

Research Hypotheses

The following hypotheses are formulated for this study:

- H₁: The private sector conflict management does exert significant impact positive impact on the sectors productivity.
- H₂: Private sector conflict management impacts more on productivity than the public sector.

Conceptual Clarifications

Conceptualizing Conflict in Organizations

Knippen and Green (1999) says that the best possible way to tackle conflict is that one should follow six process that explains the conflict situation to others, asking the other party how he look into the conflict situation, reacting in the manner the party looks into this situation. Combining these two and deciding how to resolve this problem of conflict and making commitment to resolve by summarizing action taken by each party to solve it and promising to be committed in future to continue resolving it which might arise. Moore (2007) has correlated employee's productivity with the performance criteria that has a set of standard for employee's behavior at workplace which include more of how an employee does the work than that of what is the employee's work. Workers productivity are evaluated on the basis of how good they are at their job measured with certain set of standards fixed by the employer. Productivity of employees is basically related to the performance appraisal to compare employee's goal achievement with the set of standards.

Dontigney (2012) also favors that conflict may decline trust on the employer by employees that can slow or stop progress of project implementation, loss of trust and slow progress can be the negative impact. Consequently, customer dissatisfaction, failure in completing deadlines for delivering goods and services, fall in service quality will be the ultimate outcome. Kelly (2012) opined that there is a need to acknowledge organizational conflicts and its existence along with opening the options for systematic solutions by business leaders. An adaptable organization should be encouraged, which can cope effectively with the dynamism in modern business. This is the most contemporary, functional view which treats organizational conflict as positive and productive force. In their own reaction, Eke, Chika, Akintokunbo and Odunayo (2020) stated that conflict can be constructive, but it has always been seen as evil, but the constructive one that is conflict management is a high point for any working environment. Conflict management in an organization can create a very good and constructive working environment which can be free from violence, resentment, incivility and can be prevented from financial, psychological or physical loss of employee and employer.

Conflict Management and Employee Productivity

Conflict management is a skill any organization requires, as no organization actually exists without the existence of conflict. Managing organizational conflict is the general framework of the entrance and comprehensive treatment by which means that depend on the resolution of problems and disputes (Taher, Das, & Rashed (2008). Conflicts has three possible ending: the loss-the loss, and loss-win-win –win (Taher, *etal*, 2008). Conflict management tactics positively moderate the relationship between task conflict and productivity (DeChurch & Hamilton 2007). As mentioned, conflict can be task or relationship based. Both of them have significant effect on the employee productivity and organizational results.

Conflict management impact on the organizational productivity, was studied in Bangladesh by Taher and his group in 2008. Study participants were enterprise employees .This study showed that decent environment at workplace plays a positive impact on organizational productivity. The practices of conflict management strategies improve organizational productivity through maintaining decent environment at the workplace. The findings showed that conflict management strategies practices tend to establish a decent environment which leads to better organizational productivity. The result demonstrated that by choosing the proper way of conflict management strategies, organizations can have better outcomes.

Beryl (2017) conducted a study based on the case of Stima Sacco Society Limited. The findings led to a conclusion that organizational productivity is influenced by innovative strategies, continuous productivity monitoring program, and the frequency of task conflicts. Innovation is a significant component of conflict management strategies in Stima Sacco Society Limited. Effective conflict management strategies are associated with improved productivity and lower costs in Stima Sacco Society Limited. Based on the research above, conflict management has a significant effect on the employee productivity.

Private and Public Distinction in Organization

There are differences between private and public sector organizations and at the same time between employees' behavior of these organizations. Public sector is typically service oriented and they are not competing with any other organization for profit but the goals of private sector especially business organization is to compete with other organizations and get maximum profit. Private sector managers 'productivity is also judged on the basis of profit maximization but public managers do not expect any material benefit for their productivity (Halvorsen, Hauknes, Miles & Roste, 2005) which hamper their eagerness to take initiative or risk. Managers in the public sector do not perceive any rewards for their productivity, so they are unwilling to exert their utmost efforts in order to achieve objectives. Moreover, public sector employees have secured jobs so they try to avoid their work (Baldwin, 1991).

Public sector organizations are characterized by many hierarchical layers, high degree of formalization and red tapism which are major sources of corruption and work delays in these organizations as want to get expedite their work by using different illegal ways (Buchanan, 1975). Public sector employees are highly unionized and these strong unions only care for labors interests even at the cost of organizational interests. All these factors have brought public sector organizations to the level that their survival has become a question mark. Heffron (1989) has also distinguished between public and private organizations. He stated that public organizations are less inclined towards efficiency because they are dependent on the revenues from government. They need not worry about clients. Employees have to work under strict formal setting, hence fewer chances for innovation and improvement. Public organizations have conflicting goals and objectives due to which a decision making becomes a difficult task.

Productivity in the Public and Private Sector

Productivity in the public sector is viewed differently compared to productivity in the private sector as this is largely due to measurable outputs. The study conducted by Parker, Waller and Xu (2013) distinguished three differences in productivity, i.e., manufacturing products; private commercial services; and private and not for- profit services. The study reveals that the unit of measure and output of manufacturing operations are tangible and output can be measured while its quality characteristics can be objectively assessed. Conversely, in services, the output is intangible in nature (Green,2006) making it difficult to quantify as the consumer also has emotional and psychological perceptions (Verma,2012). Fee-paying customers are the determinants of value of private commercial services. Paekeretal (2013) maintained that the public and private sector provide services that have no market price. These services are provided free of charge at point of use, e.g., library services. Contemporary literature shows that identifying the output of these types of services can be complex and problematic. This finding is supported by Sherwood (1994) who averred that the key challenge in productivity measurement of all services relates to defining the basic unit of measuring the quantity of the services performed.

Research Methodology

The study adopted a survey design which uses questionnaire to elicit information on the research study and data were collected from both primary and secondary sources. Questionnaire was administered and extensive library research and internet sources were carried out in the areas of conflict management. The research is limited to selected private and public sectors in Abia State from April 2023 to June 2023 on the assessment on the effect of effective conflict management on productivity in private sector organization.

The population of the study consists of employees operating in selected private and public sector organizations in Abia State, Nigeria. They are: Fidelity Bank Plc. Star Paper Mills Limited (private sector), Abia State University, Uturu and Abia State Transport Corporation (public sector). For the private sectors, the population is 6,514 while the public sectors is 21, 815 totaling 28, 329. The simple random sampling techniques and stratified random technique to obtain samples from the target population. This is because, the population of workers in the study organizations is large and made of different categories of workers (Personnel, Finance, Accounts, Factory managers and other skilled managers’

In this study, the sample size was determined statistically by adopting Taro Yamane method of sample determination. Also, semantic differential scale was used in generating data and the generated data were analyzed using correlation co-efficient and then the spearman rank correlation was used as an alternate method. The spearman rank correlation was necessary to avoid spurious result which might arise in using correlation method if the data were not normally distributed.

The correlation coefficient is given by

$$r = \frac{N\Sigma XY - (\Sigma X)(\Sigma Y)}{\sqrt{\Sigma(N\Sigma X^2 - (\Sigma X)^2) (\Sigma Y^2 - (\Sigma Y)^2)}}$$

r = correlation coefficient

ΣX = the sum of values in X distribution

ΣY = the sum of values in Y distribution

ΣXY = the sum of products of X and Y values

ΣX^2 = the sum of square of X value

ΣY^2 = the sum of square of Y value

N = the numbers of observations

While spearman rank correlation coefficient estimation is sum by

$$r^s = \frac{6\Sigma d^2}{n(n^2 - 1)}$$

Decision Rule

If the probability of the calculated r is less than five percent (5%), we accept the alternative hypothesis of significant association. On the other hand, if the probability of the calculated correlation coefficient r is greater than five percent (5%), we accept the null hypothesis and reject the alternative hypothesis.

The research employed these methods for the evaluation of the entire hypotheses. The second hypothesis was analyzed using Simple Regression Analysis to compare the performance of private sector management and that of the public sector.

Definition of the operational variable

The operational variables are hereby defined as follows;

- EconflictP = Extent of conflict in private sector
- EproductP = Extent of productivity in private sector
- ConflictmgtP = Extent of conflict management in private sector
- EconflictPub = Extent of conflict in public sector
- EproductPub = Extent of productivity in public sector
- ConflictmgtPub = Extent of conflict management in public sector

Analysis of Data

The researcher made use of questionnaire distributed to raters in the selected private sector organization in Abia state, Nigeria. The data obtained from respondents are presented in Table 1.1 below. Four hundred and ten copies (410) of questionnaire were distributed to the respondents or ratters in the private sector and out of which three hundred and seventy seven (377) or 52% of the copies of questionnaire were returned and the form the target sample size. To the public sector, four hundred and twenty (420) copies of questionnaire were distributed, out of which three hundred and ninety three (393) which is the target sample for the public sector were collected.

Test of Hypotheses

H₁: there is positive association between the extents of conflict in the private sector and the productivity of the sector.

The correlation result in table 1.1 shows that the extent of conflicts and productivity are not mutually independent. In other words, they are mutually dependent implying that associations exist between the two variables. However, unlike in the public sector, it is negative association that exists in the private sector suggesting that conflict has reducing effect on the productivity of the sector.

Table 1.1 correlations

	EconflictP	EproductivityP
Econflict Pearson Correlation	1	-134
Sig (2 – tailed)		009
N	376	376
Econflict Pearson Correlation	-134	1
Sig (2 – tailed)	009	
N	376	376

To authenticate the finding, the researcher did not only make use of the Spearman Rank Correlation in case the distribution of the two variables is far from normal (see Oyeka, 1996) but also employed the regression analysis to establish the direction as well as the magnitude of the relationship.

The result of the Spearman correlation presented in table 1.2 supported the result of the ordinary correlation. That is, the result still maintains that there is a negative association between the two variables.

In both correlation methods, the sign of $r^2 = (-252 \text{ and } -241)$ indicates that conflicts and productivity are inversely related. These figures are also statistically significant for a two tailed test.

Non Parametric Correlations

Table 1.2 Correlations

	EconflictP	EproductivityP
Spearman's rho EconflictP Coefficient	1.000	-.124
Sig (2 – tailed)		.016
N	376	376
Econflict Pearson Correlation	-.124	1.000
Sig (2 – tailed)	.016	
N	376	376

Correlation is coefficient at the 0.05 level (2 – tailed)

The result of the regression analysis on the other hand is summarized in table 1.3 as follows:

Table 1.3 Correlations

Model	Unstandardized coefficient		Standardized coefficient		
	B	Std. Error	Beta	t	Sig
1 (constant)	12.969	.428		30.279	.000
EconflictP	-.009	.036	-.134	-2.618	.009

a. Dependent variable: EproductivityP

The result of the regression analysis really indicates a negative and significant relationship between extent of conflict and productivity in private sector. The overall regression for the analysis (F=6.854, is stated below.

Coefficients^a

Model	95.0% coefficient interval for B	
	Lower Bound	Upper Bound
1 (constant)	12.126	13.811
EconflictP	-.167	-.024

a. Dependent variable: EproductivityP

Residual Statistics

	Minimum	Maximum	Mean	Std. deviation	N
Predicted value	11.3448	12.8730	11.8910	.31047	376
Residual	-7.20443	5.50903	.0000	2.29340	376
Std Predicted value	-1.759	3.163	.000	1.000	376
Std. Residual	-3.137	2.399	.000	.999	376

a. Dependent variable EproductivityP

H0: private sector extent of conflict management exerts more impact on productivity than the public sector.

To determine this, we placed the result of Regression analysis along with the correlation coefficients, the F-statistics and the t-statistics on conflict management and productivity on the private and public sector side by side for comparison.

Table 1.4: Regression results of conflict management on productivity comparative analysis.

	B	R	F	T	Sig
Private sector conflict management	0.133	0.18	7.155	2.675	.008
Public sector conflict management	-0.096	0.134	6.854	-2.618	0.009

Dependent variable productivity

From the above table, productivity in the public sector seems to be more vulnerable to conflict than that of the private sector. Though conflict occurrence in both sectors impact significantly on their productivity, the direction of impact is different. While productivity is positively related to conflict in the public sector, it is inversely related to conflict in the private sector. This suggests that conflict in the private sector constitute a hindrance to productivity. The overall regression for the analysis is stated below.

Coefficients^a

Model	Unstandardized coefficient		Standardized coefficient		
	B	Std. Error	Beta	t	Sig
1 (constant)	12.969	.428		30.279	.000
EconflictP	-.009	.036	-.134	-2.618	.009

a. Dependent variable: EproductivityP

Residual Statistics

	Minimum	Maximum	Mean	Std. deviation	N
Predicted value	9.2045	11.6043	10.3724	.46496	392
Residual	-9.40442	6.99555	.00000	3.43262	392
Std Predicted value	-2.512	2.649	.000	1.000	392
Std. Residual	-2.736	2.035	.000	.999	392

a. Dependent variable: EproductivityP

Discussion of Findings

Here we discussed the outcome of our study and emphasized where and how it collaborates or differs with other scholars findings. The first hypothesis shows that, there is a significant association between the extent of conflict in the private sector and its productivity. The result agrees with the result of the work done by Olu, Ojo. Dupe, Adesubomi and Abolade (2008) that carried out a research using PHCN as a case study, Their finding revels that effective conflict management enhances employee performance in an organization and that organization conflict management system influences employee performance in an organization.

In the second hypothesis, the private sector extent of conflict management exerts more impact on productivity than that of the public sector. The result shows that productivity in the public sector seems to be more vulnerable to conflict than in the private sector. This result corroborates with the work of Olu, Ojo, Dope, Adesubomic, Abolade (2008) on the impact of conflict management on

employee's performance in the public sector organization in Nigeria where they reported that the intensity of conflict was higher in the public sector than in the private sector.

Conclusion

For an organization to grow effectively and efficiently it depends on the way it manages the conflict within its organization. Having studied the opinions of various stakeholders as far as this research is concerned, it should be noted that the employees should be flexible and should direct their energy towards the achievement of organizational goals and objectives. It should be more than a target, against which productivity is routinely assessed, in viable and vibrant plan for success of the organization. This research has effectively addressed the assessment on the effects of effective conflict management on productivity in private sector organizations. That the existence of conflict constitutes a serious threat among the different levels of management in the organization analyzed the clear picture of vital roles which conflict management play on employee productivity and the entire organizations in the private and public sectors. In view of this, the research rightly conclude that if the organization can effectively and efficiently manage conflict within its operation, this will lead to high level of organizations productivity which will result into achievement of the organizational goals and objectives.

Recommendations

Based on the findings of this research, the researcher makes the following recommendations:

1. Since conflict is indispensable in an organization, management should not take it with kid's glove as it can influence the employee's productivity, and this can either mar or make the organization in achieving its stipulated objectives from time to time.
2. Both private and public sector organizations should be taught conflict management strategies. This will surely boost their productivity and minimize the deadly aspect of conflict.

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