ROLE OF CONFLICT AND ROLE HANDLING STYLE

ON WORK PERFORMANCE IN SELECTED

PRIVATE ORGANIZATIONS IN DHAKA


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A Thesis Submitted to Asia e University in

Fulfilment of the Requirements for the
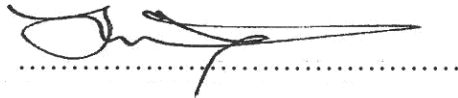
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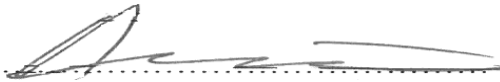

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**Abstract**

This thesis attempts to explore the nature, dimensions, management and implications of organizational conflict in the context of service sector of Bangladesh. This is an exploratory research. The research pursued the post-positivist approach, followed the stratified random sampling method. The sample size was 347. The research instruments were structured questionnaire for survey and discussion check list for in-depth interview. The results were presented in both descriptive and inferential form. Percentage analysis, simple regression analysis, t-test, and Anova method were used for data analysis. The results found that role conflict was most prevalent form of conflict followed by interpersonal conflict and group level conflict in service sector. The impact of these conflicts on organizational performance was also examined and it was found that these conflicts had both positive and negative consequence for organizations. Interestingly, results showed that the group level conflict had the most significant impact on employees work performance and the impact was positive. Compromise out of five conflict management styles, was used most frequently followed by accommodate. The research also found that the use of compromise and accommodate techniques were positively related with work performance. The thesis found that male employees preferred more compete style, whereas female employees preferred compromise. No statistically significant variation of conflict was found in respect to employees selected personal (e.g. age, income) and professional variables (management hierarchy, nature of organization). The thesis concludes with observation that more research on different dimensions of organizational conflict in different other industries need to be carried on to have an in-depth understanding of the issue. So that organizations can better equip to handle the organizational conflict for smooth attainment organizational objectives.
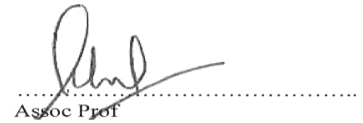
## APPROVAL PAGE

I certify that I have supervised /read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in quality and scope, as a thesis for the fulfilment of the requirements for the degree of Doctor of Philosophy.

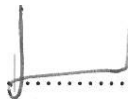Assoc Prof Di
Ibrahim Ali
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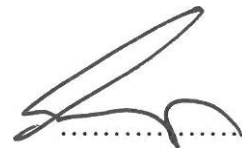Universiti Malaya External

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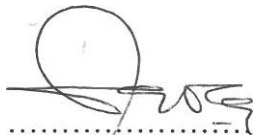Nasional External
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**Declaration**

I hereby declare that the thesis submitted in fulfilment of the PhD degree is my own work and that all contributions from any other persons or sources are properly and duly cited. I further declare that the material has not been submitted either in whole or in part, for a degree at this or any other university. In making this declaration, I understand and acknowledge any breaches in this declaration constitute academic misconduct, which may result in my expulsion from the programme and/or exclusion from the award of the degree.

Name of Candidate: SYED SIRRUL MOWLA SADRUL HUDA

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# Chapter 1

## Introduction

### 1.0.    Introduction

The title of this thesis is "The Role of Conflict and Role Handling Style on Work Performance in selected private organizations in Dhaka". It examines the nature of conflict exits in private organization and  the preferred conflict handling styles of the employees' with a view to see their impact on the work performance of the employees. The major three types of organizational conflict namely; role conflict, interpersonal conflict and group level conflict are examined. The five major types of conflict handling styles i.e. compete, avoid, compromise, accommodate, collaborate, are discussed in the empirical context of the research. The empirical context of this thesis is the service sector of Bangladesh with particular emphasis on private business organizations operating in Dhaka City.

### 1.1    Background of the Research

The nature of relationships manager need to maintain with various groups of people is not always complimentary to each other. These relationships sometimes are expected to produce tension, disagreement, and disparity between the manger and the other relevant individual and/or groups, thus produce conflict as individuals and groups may not always have common interest.  Beheshtifar & Zare (2013) and Spaho (2013) supported the view of Thompson (1998) that the perceived difference of interest among people creates conflict. Rahim, (2011) drawing on (Bisno, 1988; Coser, 1968) posited

that the key factors responsible for these conflicts may be gaining control over resources, achieving power and status, differences in beliefs, preferences and desires. In the process of resolving conflicts, individuals may try to get accepted of their preference, to get control over resources, and even may try to hurt the opposing quarters (Rahim, 2011) causing conflict in organizations.

Shafer (2009) focused on the effects of the ethical climate in Chinese certified public accounting firms on auditors' perceptions of organizational-professional conflict and affective organizational commitment. The research found that certain dimensions of the perceived ethical climate were significantly related to organizational-professional conflict, and to affective organizational commitment. The ethical climate of the organization actually shapes up the attitudes and behaviours of the employees and the stakeholders. Passionate belief in ethical discourse makes employees confident about their decisions and thus, may able to overcome many conflict situations.

Ikeda et.al., (2005) noted that conflict in organization concerns with interpersonal conflicts with subordinates, co-workers or superiors, or group conflicts among multiple units of an entity or individual level conflict e.g. role conflict, within the individual. Organizational people can be engaged in conflict either vertically and horizontally. The former occurs among groups which are belonging to different hierarchical levels, for example, between supervisors and subordinates, and horizontal conflict happens between employees of the same hierarchy, for example, section heads of the same organization. The differentials in respect to power and position among the conflicting parties usually greater in vertical conflict than in horizontal conflict. Vertically junior executives and senior management may engaged in conflict due to psychological distance (e.g.

employees expectations are not met), power and status ( e.g. employees get the feeling of disempowerment and marginalized), ideological differences (e.g. employees values does not match with organizational mission )  and scarce resources ( e.g. dissatisfaction about distribution of organizational resources ( e.g. benefits, salary) and working conditions (e.g. lack of logistic support, inadequate infrastructure, etc.). In case of vertical conflict, seemingly employees representing the mid-level or first line of the management tend to evade conflicts with higher management. Pondy (1967) found that colleagues in the upper management perceive more conflict within themselves than those of them in lower position due to the facts that people holding higher management positions, than those of the lower ones, are involved in non-routine tasks and dealt with political issues, where concepts usually abstract in nature and scopes for disagreement bigger and individuals in senior management level more than those of the  lower ones, are expectedly more rigid regarding  their policy stand, therefore, its' difficult to resolve the conflict in those level. However, this thesis did not emphasize on any particular level of management.

Many reasons of organizational conflict are cited in literature. Intra-individual conflicts or conflicts within the individual normally occurs, when the individual is not sure about this or her responsibilities as these are not clarified by the manager. Similarly, in case of the group, where the tasks of the group members are also not clearly chartered by the management, would lead to inter group conflict. Besides, conflicts between employees may arise due to role-related incompatibility, orpersonality clash. Furthermore, according to the literature, there are numerous roots of organizational conflict and each of those has unique effect on organizational life. Beheshtifar & Zare (2013) in their research identified six main reasons of conflict, which include stress and

anxiety, role incompatibility, competition for power, contrasting problem orientation among employees, over dependence on each other for completion of task and failure to cope with external pressure.

Alakavuklar et al., (2012) drawing on (Greenberg & Baron, 1997: Conrad and Scott, 2002: Gray, et al, 2007: Gelfand & Dreu, 2008) posited that conflict is a communication or an interaction process in which one party feels that other party doing the activities that hinder them to achieve their goals and interests**.**

Organization creates the enabling situation for the development of conflicts and disagreements. Individuals with dissimilar behavioural traits, requirements, views, ideals, hopes, instigate conflict and make it unavoidable in organizations. Moreover, organizational hierarchy and inflexible systems, add additional impetus to make the organizations vulnerable to conflicts and inconsistency (Moghaddam et al., 2013). Its' worth mentioned that Follett (1924) was the pioneer to discuss the presence of conflict in organization. He considered that the conflict itself is not an issue but what is problematic is the ineffective management of it (Balay, 2006). Alakavuklar & Çakar (2012) suggested that human resource managers should be aware of this phenomenon in providing a consistent working background. Accordingly, it has become one of the serious intricate issues in the field of organizational behaviour.

Mukhtar et al., (2011) examined the significance of personnel management in managing the organizational conflict in the public sector universities. The research was conducted with qualitative data and based the study found that functional conflict has a positive relationship with organizational effectiveness & human resources management practices can transform dysfunctional conflict into functional conflict and have

significant relationship with the organizational effectiveness. Therefore, organizations should emphasize on effective human resources policies and practices with a view to effectively manage the conflicts so that organizations can get maximum benefit out of the dysfunctional conflicts. McClure (2010) in his research identified different types of culture and also developed a model describing how intra-organizational disagreement mediated the association between these cultures and market orientation. This research showed the role of conflict in explaining the relation of organization culture with market orientation. The findings also showed positive association of conflict with bureaucratic organizations and negative association with innovative and supportive organizations, which means that conflict increases with the increase of bureaucracy in the organizations and the level of conflict decreases with the increase of flexibility and collaboration in the organizations. Moghaddam et al., (2013) observed that the skill of managing the conflict effectively is most important for the managers. Past research showed that top and middle level managers spent on an average twenty percent of their time for settling conflicts of different forms. Conflict management is considered more important than decision making, leadership and communication skills (Robbins, 2000).

*The present thesis focuses on the nature of conflict and conflict resolution techniques in the selected service business in Dhaka. Accordingly, a brief overview of service sector is presented below.*

## 1.2.    Growth of Service Sector in Bangladesh

Among the basic sectors of the economy i.e. service, agriculture and industry, service sector is considered to be the most significant now (Islam et al., (2012). The contribution of this sector to the GDP is about 50% (Bangladesh Economic Review-2010). Consequently, the impact on economy is really significant in respect to employment, customer choice and value addition. This sector enjoys a stable growth rate. The growth rates are 5.43% , 6.40%, and 6.59% in 2001-02, 2005-06, 2009-10 respectively and the employment opportunities in the service sector is also increasing(Islam et al., (2012).

The growth of service sector now is a global phenomenon. Both the developed and developing countries see the strong presence of service sector in their respective economies (see table 1.1).

**Table .1.1:   Service Sector Contribution to Economy**

| Country | Service Sector Contributions to GDP(%) |
|---------|----------------------------------------|
| Hong Kong | **92** |
| USA | **77** |
| Singapore | **76** |
| Japan | **76** |
| Mexico | 63 |
| India | **55** |
| China | **43** |

Source: The CIA World Fact Book, 2010

The above table shows that service sector contributes significantly both to developed economies (e.g. USA, Japan) and new growth oriented economies (e.g. India and China). Regional comparisons show that the service sector of Bangladesh is also contributing significantly to GDP, as the other regional countries. A comparative analysis

of South Asian countries shows that in 2006both Bangladesh and India receives about 59% contribution from service sector, while Maldives topped the list with 77% (Zeithaml et al., 2013).

Thus, it became very important to study the different dimensions of service sector including the issue of conflict in service organizations.

## 1.3. Overview of Conflict Research

Pondy (1967) characterization of conflict manifested an ever changing course between groups, involving five phases of conflict. The presence of the seeds of conflict in the organizational environment is called latent conflict. When the groups become aware of it is called perceived conflict. Infelt conflict, situation the disagreements become prominent and the groups might become worried. Manifest conflict happens while conflict is expressed individual behaviors. At the end, conflict aftermath refers to results of the conflict. In line with Pondy's (1967) conflict phases, Thomas's (1976) elaboration on considered observations, feelings, activities, and result. Although, Thomas's expressed his thought in new terms, no difference was observed in the fundamental concepts between Pondy and him (Williams, 2011). Eventually, Putnam and Poole (1987) came forward with a comprehensive definition of conflict focusing on communication, interdependence, and irreconcilable objectives. Though these elements are basic to the concept of interpersonal conflict these highlight the spirit of general conflict process and also applicable to intragroup and interpersonal conflicts well. The conflict models discussed above considered conflict as process these types of model give emphasis to within individual and inter-individual dynamics, which eventually manifested conflict (Korsgaard, Jeong, Mahony, & Pitariu, 2008). The other important deliberation of these types of models is the future implications of conflict in respect to quality of future interactions and further occurrence of conflict incidence.

## 1.4. Research Problem

Managers have to play various roles in organizational environment. In playing these roles they have to interact with individuals/groups representing different levels and of different background. The objectives, goals, work procedures of all these groups may not be in agreement with each other's. Thus, a conflict situation may arise. Besides, behavioural patterns, thoughts process, emotions and attitudes, communication styles and ability are expectedly differ from one person to other. The effect of these differences may also produce conflict. Moreover, organizational structures, resource demand and distribution, coordination and control between and among the departments, creates conflicting situations in the organization. These conflicts between and among work roles, managerial positions and behavioural orientations of the managers may affect work performance of the employees and which may vary also gender wise. For example, Huan & Yazdanifard., (2012) found that workplace conflicts may result in absenteeism and affect employee loyalty.

Study of organization conflict in the context of service sector bears much importance because the environment of service industry has a number of distinct characteristics that may add fuel to the development of conflict situations Mukolwe et al,. (2015). Conflict considered as an unavoidable part of a service organization because one of the very prominent characteristics of service sector is the triadic interaction that exists among management, staff, and customer of service companies, which cause a sense on inter-dependence, fear of disappointment and potential of conflict. Besides, the continuance nature of operational flow may cause stress and pressure among the providers as they become worried about their

success. The level of interdependence between departments in many situations is necessarily high if the customer is to receive a satisfactory service, thus increasing the tendency of occurrence of conflict. Achievement in businesses, in general, and in service sector, in particular, depends to a great extent on conflict management. Nevertheless, the management of different companies are still not very much alert to handle the negative impact of interpersonal conflict on organizational success.

Many past researches revealed the increasing importance of effective management of organizational conflict. For example, a study conducted by the Centre for Effective Dispute Resolution revealed that majority of conflicts affect the normal flow of business operation to a great extent and the costs of conflict in UK business about £33 billion every year (CEDR, 2006). Individual output also greatly affected by organizational conflicts, for example, a 25 percent reduction in productivity reduces an average working week to fewer than 20 hours (Cram, 2002). Past research findings revealed that 30 percent to 70 percent of a manager's time invested for dealing with organizational conflict (Taylor, 2008;Watson, & Hoffman, 1996). Conflicts left unresolved, cause dissatisfaction, hamper working relationship, and pose the danger of spreading conflict in other areas of operation. As a result, work environment becomes stressful and work performance gets affected. Moreover, very few research works on organizational conflict in service sector especially in the context of Bangladesh are available. This thesis fills this gap in literature by studying the effects of organizational conflicts on employee performance especially in private sector service organizations.

The incidence of conflict is very common in the private sector of Bangladesh. The government of Bangladesh has been pursuing private sector led growth plan for long. The private sector is the driving force behind the innovation and growth in all important sectors of the economy both manufacturing and service. The private sector plays important role in education, power generation, airlines, healthcare, leisure and recreation and infrastructure. The sixth five year economic plan of the government (2011-2015) looked for private sector investment for financing the major part of the economic activity. Private sector management issues are defined by the concept of by managerialism, which is meant to employ to manage the private sector operations (Dunleavy, 1994). One of the key characteristic of private sector is the isolating policy formulation from day to day management. It follows flat organization structure. Management is given utmost importance. Good corporate governance is assumed to ensure transparency, accountability, customer satisfaction. Flexible management systems represent dynamism of private sector in Bangladesh. Employment contract in private sector is not permanent like public sector rather it's based on performance and productivity and satisfactory completion of task and duties (Kalimullah, 2012). The market oriented concern of private sector also makes the system more competitive for the employees as well. Agency theory in particular originated from the premise of private sector to show the deviation commonly seen between managers and shareholders due to conflict of interest which, managers experience while performing organizational responsibilities. All of these characteristics of the private sector lead to organizational conflict.

Early conflict research in the context of Bangladesh also found that conflict resolution is becoming significantly important for organizational success in private service companies. Parvez and Rahman (2007) in their study on education sector of

Bangladesh considering private university case as sample observed that the leaders and top-level management experience high level of conflict and usually pursue collaborative approach in handling the conflicts. Rahman and Hossain (2015) found that role conflict and interpersonal conflicts are more common in the private sector of Bangladesh, which, in turn adversely affect the work performance.Similar, research was also carried out in other South Asian countries, especially in India and found that communication gap is a major reason of conflict in India and about one third of all conflict is not actually resolved in India Sasidhar, et al., (2012), which raises major productivity concerns in Indian companies. Abbas and Karage (2015) observed that proper management of interpersonal conflict is critical for organizational success and management practitioners of present time are formulating innovative styles for smooth management of conflict. Thus, it's important to know more about the nature of organizational conflict and conflict handling styles of managers to ensure sustainable growth of the organization

As managers spend a substantial portion of their work hour for managing conflict, its' important for them to aware of the several kinds of conflict they may encounter in the organizational environment and secondarily, they also should know the appropriate techniques to cope with these techniques, so that these conflicts do not adversely affect their work performance. Therefore, carrying out of study on the issues of conflict is very much justified in the context of organizational environment. In brief, conflict is a critical aspect of work life, which deserves heightened research attention especially, in eastern countries like Bangladesh.

Most of the organizations experience conflict, which happens between management and employees. It's found that the process of resource allocation, sharing

benefits, and benefits and compensation is not always justifiable by objective criteria in the organizations. Besides, individual attitude to other people of the organization is not always friendly. Consequently, the interpersonal relationships in the organization become hostile. Individual become envious with each other, which eventually results in conflict and adversely affect the work performance(Rahman and Hossain, 2015). Given that this thesis examined the different dimensions of these conflicts in the context of service sector of Dhaka, Bangladesh to help management and policy makers to know the conflict situations and help design appropriate conflict handling techniques.

## 1.5.    Aims & Objectives of the Research

The fundamental objective of this thesis is to examine the nature of the organizational conflict experienced by the employees of service sector. In doing so, this thesis examines the nature of organizational conflicts and the types of conflict handling styles prevailing in the selected private business organizations in Dhaka city. Finally, it also investigates the effect of conflict on the employee work performance and whether the conflict handling techniques affect the work performance of the employees.

## 1.6.    Research Questions

RQ1. Which types of organizational conflict are most common among the mid-level employees employed in service sector of Dhaka city?

RQ2. Which types of conflict handling styles are commonly used by the mid-level employees employed in service sector of Dhaka city?

RQ3.  Do these conflicts affect the work performance of the executives?

RQ4. Do the different conflict handling technique correlates with employee work performance?

## 1.7.    Scope of the Research

The current study primarily explores the nature of different categories of conflicts experienced by the male and female mid-level executives' working in the service sector of Dhaka, Bangladesh. In doing so, it studies the three basic types of conflicts i.e. Individual, interpersonal, and group and their effect on work performance of the executives. Besides, this thesis also evaluates the five conflict handling styles (e.g. compete, collaborate, accommodate, avoid, compromise) to see how do they correlate with the three types of conflicts and work performance. Gender variation of the conflicts is also examined. The population of this study is the employees of the service sector working in Bangladesh.

## 1.8.    Contributions of the Research

The thesis has significant contribution to the world of knowledge. These issues are discussed below:

Firstly, this research addressed the presence of all three types of conflicts relevant to individual employees i.e. individual level conflict, inter personal conflict and group level conflict in the lives of Dhaka City executive group and also examines the effectiveness of the five conflict handling styles in managing those three conflicts with a view to see the final effect on  work performance of the executives.