

Research Article

Evaluation of Relationship between Conflict Management Styles and Organization Effectiveness

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Abstract: The present research aims at evaluation of relationship between strategies of conflict management and performance (effectiveness) of southern oil company. Therefore, the descriptive data were practically collected through field method to assess whether there is a significant relationship or not. The statistical population consisted of 92 employees and managers of southern oil company were selected via random sampling and the computation formula is defined in section three. The Kolmogorov-Smirnov Test was used to determine the normality of the collected data. According to the computational level of significance, the hypothesis that samples are distributed was not rejected. Also, to test determine the relationship between conflict management strategies with organization effectiveness, the Pearson correlation coefficient was applied. The present study tried to test only one major hypothesis (relationship between strategies of conflict management and organization effectiveness) was tested. Finally, the Freedman rating test was used to determine rate of conflict management strategies and dimensions of organization effectiveness separately. In conclusion section, the mathematical function of strategies of conflict management relationship with organization effectiveness based on the Pearson's correlation coefficient was provided in form of a regression model. The result indicated that there is a significant relationship between strategies of conflict management with aspects of effectiveness (presented in the article).

Keywords: Conflict management, organization effectiveness, strategies of conflict management

INTRODUCTION

In personal and social life, conflict is quite natural and in social organizations a degree of conflict always exists among different employees with different statuses. Therefore, conflict is inevitable. Organizations with their diverse nature can create a setting for conflicts and disagreements. Presence of different individuals with different personal peculiarities, needs, beliefs and expectations have made conflict something predictable. Conflict is a part of organizational life that has attracted managers' attention to some extent that discussion about conflict is one of principal debates on organizational behavior and theory. Conflict is one of factors contributes to waste of energy and employees' capabilities. Since, instead of a proper combination of production elements with human resources and moving toward organization's objectives and effectiveness, they dissipate human and financial resources. This with regard to the competitive world today which requires economic and highly qualified productions is less desired by organizations.

To enjoy from their maximum physical, mental and intellectual power, organizations need to remove

interfering and disturbing factors. However, conflict often would not be a damaging element and it's a wrong idea that when conflict happens must be disappeared immediately. In fact, a proper level of conflict has to be established. As a rule of thumb, severe conflict could be useless but an apt level of it can lead to increase of employees and organization effectiveness. Additionally, no conflict in an organization will be in state of stagnation and individuals become de-motivated toward their work and consequently job satisfaction and organizational effectiveness decrease as well.

If managers can find an appropriate solution to deal with conflict, instead of removing it, they can develop job satisfaction and organization effectiveness, guarantee organization achievement and finally increase confidence, trust and job satisfaction of employees. It should be also mentioned that it is not the conflict itself that may cause disintegration and disorder in organizations but it is ineffective management that brings disfavored results. Thus, one of important issues about these organizations relates to how conflict must be managed and resolved.

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Conflict in word means an overt disagreement among at least two persons in a way that one feels lack of facilities, inconsistent among purposes as well as individuals' interference prohibit him/her to achieve his/her goals (Suzan and Hamilton, 2007). Conflict management requires strategies that depend emotionally on self-confidence, flexibility and open mind against different solutions (Ivoshin, 2001). Indeed, strategies of conflict management defines as individuals' response toward conflict situations which in addition to being continuous, it is probable they change in different occasions (Fridmans, 2000).

Regarding Blake and Mouton management network model, two conflicting behaviors can be classified as assertiveness and cooperativeness.

Assertiveness refers to behaviors that consider individual's satisfaction only. However, cooperativeness focuses on others' satisfaction. So, according to each of these tendencies, five strategies of conflict management, i.e., avoidance, compromise, compatibility, competition and collaboration are developed. The present paper mainly tries to study the relationship between styles of conflict management with organization effectiveness.

LITERATURE REVIEW

Presence of diverse ideas, disagreement or contradictory opinions may lead to conflict. Understanding different opinions helps managers to pick an appropriate solution to cope with conflict. According to the advances in management intellectual schools during recent years, three independent conflict theories have been proposed. The first is traditional theory of conflict (theory of unity) which claims to stay distant from conflict since it brings many damaging functions within an organization. The second is the theory of human relations that considers conflict quite natural and its consequences in any organizations are not threatening and can potentially establish a positive energy for an organization's performance. The last but not least asserts that not only conflict can create a positive energy in an organization but it also is a necessity for organizational activities called as theory of conflict interaction.

Currently, theory of conflict follows from an interaction school. Although, from human relations viewpoint conflict is acceptable, in school of interaction conflict would be confirmed that a relaxed and coordinating group can return human to his nature, that is he/she may lose her sense, becomes lazy and remain reluctant toward any change, innovation and creativity. As a matter of fact, the core of this school of thought states that existence of conflict urges managers to maintain a specific level of conflict to the point it causes a live, dynamic, creative and critical organization.

A type of conflict categorization is based on the conflict parties in an organization. Accordingly, six types of conflict have been observed within

organizations including inter-personal conflict, intra-personal conflict, within -group conflict, inter-group conflict among organizations and finally conflict among individuals and groups. Also, sources that lead to organizational conflict vary from one organization to other. A number of these sources are consisted of inconsistent purposes and time perspectives, interference of authorities, incongruous system of assessment and gift, inter-dependency of duties, insufficient sources and status disparity (Jones *et al.*, 2000).

Studies about conflict management indicate the function of conflict in different areas like sciences, technologies and solving different management and organization's problems of various businesses. a few of these studies are mentioned in following.) multi objective theory of game models for analysis of conflict in field of reservoir management, Chih-Sheng (2012), conflict management, ddecentralization and agropastoralism in dry land west Africa world development, Matthew *et al.* (2012), Islamic perspectives on conflict management within project managed environments, Randeree and El Faramawy (2011), BIM- and 4D-based integrated solution of analysis and management for conflicts and structural safety problems during construction, Zhenzhong and Jianping (2011), the impact of pre-existing attitude and conflict management style on customer satisfaction with service recovery, Mazaheri *et al.* (2011), Conflict management in Dempster-Shafer theory using the degree of falsity, Schubert (2011) and finally the role of trust in buyer-seller conflict management (Celuch *et al.*, 2011).

In addition some other previously performed investigations include integrating impact assessment and conflict management in urban planning, Peltonen and Rauno (2010), resource allocation under uncertainty in a multi-project matrix environment: Is organization conflict inevitable? By Laslo and Goldberg (2008), the role of culture and personality in choice of conflict management strategy by Kaushal and Kwantes (2006) and identification and prioritizing critical success factors for conflict management in collaborative new product development Industrial Marketing Management (Lam and Chin, 2005).

RESEARCH METHODOLOGY

The present research is of a descriptive and survey type. Its descriptive quality engages in detailed description of an occasion or condition, here description of conflict management. It is also a practical study because the obtained results contribute managers and employees of the organization to identify the strategies of conflict management and to let know about presence or absence of a significant relationship between conflict management and level of organization effectiveness. Furthermore, to collect the data interview and questionnaire were used.

Research hypotheses: The dependent variables related to organization effectiveness consist of customers' satisfaction, employees' satisfaction and financial consequences. The independent variables associated to strategies of conflict management include avoidance, compromise, compatibility, competition and collaboration.

Main hypothesis:

H1: There is a meaningful relationship between conflict management and organization effectiveness.

H0: There is no meaningful relationship between conflict management and organization effectiveness.

Minor hypotheses:

- There is a meaningful relationship between avoidance and organization effectiveness.
- There is a significant relationship between compromise and organization effectiveness.
- There is a meaningful relationship between accommodation and organization effectiveness.
- There is a significant relationship between competition and organization effectiveness.
- There is a meaningful relationship between collaboration and organization effectiveness.

Data collection and sampling method: The data in this study was collected through library method and questionnaire. That is, in order to collect the history and theoretical basics of the investigation the library method, referring to university libraries and information centers as well as searching databases to know about the latest studies, was used. Considering the research methodology and type of the data two questionnaires, organization effectiveness and conflict management were applied for measurement and collection of the required data.

The population consisted of managers and employees of the southern oil company .a pilot study in a way that 30 questionnaires were distributed among managers and employees. Since the research instrument is a questionnaire, for estimating the number of samples the following formula was used (Momeni, 2007):

$$n = \frac{N \cdot Z_{\alpha/2}^2 \cdot \delta^2}{\epsilon^2 (N - 1) + Z_{\alpha/2}^2 \cdot \delta^2}$$

where,

$Z_{\alpha/2}$: Rate of normal change corresponding level of confidence (1- α) that in the present research the level of confidence was 95% and equals 1.96.

σ^2 : Population variance

ϵ^2 : Permitted error

By the above formula the number of participants was estimated 92 subjects.

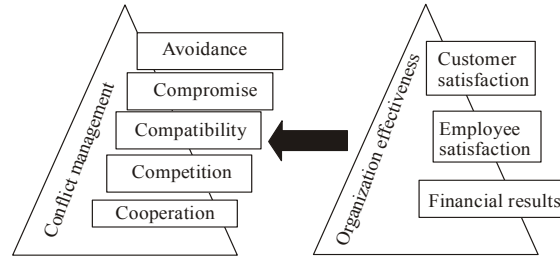


Fig. 1: The conceptual model

Validity and reliability: By validity, one means level of exactness of indicators and criteria are used for measurement of the phenomenon. For determination of validity of the present questionnaire, “content validity” method was applied. Content validity assures the investigator (s) the used instrument appropriately contain items to measure the concept. How much elements of a criterion is broader and coverage the notion more, the content validity will be greater. In the current research, the questionnaire items were designed according to the theoretical basic of each variable then though distribution among experts and professionals, vague and unrelated items were moderated or removed and new items after receiving some recommendations were added to the original questionnaire. Therefore, the items hold a good level of content validity.

This refers to the extent an instrument releases same results in same conditions. In other words, how much is “correlation among a set of scores and other set of scores in a similar test which is achieved independently from a test group. “To measure reliability, the data were randomly divided into two parts then correlation coefficient was explored. The obtained results of the questionnaire reliability indicate that the organization effectiveness and conflict management possess reliability as 0.865 and 0.855, respectively. The results show that the research questionnaire has a proper rate of reliability.

The conceptual model: To specify the relationship between strategies of conflict management and organization effectiveness, at the first stage the criteria relevant to each one should be distinguished. Since the strategies of conflict management (avoidance, compromise, compatibility, competition, collaboration) is determined, for selection of criteria of organization effectiveness, three other measures (customers' satisfaction, employees' satisfaction and financial results) were used. Thus, Fig. 1 shows the conceptual model. As it can be seen the strategies of conflict management are the independent variable (s) and organization effectiveness the dependent variable. Aspects of organization effectiveness are defined in form of customers' satisfaction, employees' satisfaction and financial results and strategies of conflict management are represented in form of five strategies as avoidance, compromise, compatibility, collaboration and competition. The conceptual model is shown in Fig. 1.

RESEARCH FINDINGS

Examination of normality of sample distribution:

The results of test of normality of distribution are represented in Table 1.

According level of significance that is larger than 5% for each of organization effectiveness and conflict management variables, the premise of normal; distribution is not rejected.

Results of Pearson’s correlation coefficient (the main hypothesis):

Considering H1, there is a significant relationship between conflict management and organization effectiveness. The results of Pearson’s correlation coefficient are shown in Table 2.

According to Table 2, p-value is smaller than level of significance 1%, thus it can be deduced that in 99% level of significance there is a strong and direct relationship between organization effectiveness and conflict management.

Results of Pearson’s correlation coefficient for strategies of conflict management (minor hypotheses):

The results of Pearson’s correlation coefficient for strategies of conflict management are shown in Table 3.

Table 3 indicates that correlation coefficient for avoidance equals 0.452, compromise 0.568, compatibility 0.654, competition 0.577 and collaboration 0.619 and imply that all of variables hold a direct relationship with organization effectiveness which is confirmed in 95% level of confidence.

Results of Pearson’s correlation coefficient for aspects of effectiveness:

Table 4 represents the results of Pearson’s correlation coefficient for organization effectiveness. As it can be seen from Table 4, correlation coefficient value for customers’ satisfaction equals 0.685, employees’ satisfaction 0.521 and financial results 0.632 that define all of variables possess a direct relationship with strategies of conflict management and is confirmed in 95% level of confidence.

Examination of rate of organization effectiveness and conflict management in current conditions of the organization:

The results of computational hypothesis for specification of meaningful relation between the independent variable, conflict management and the depended variable, organization effectiveness are described in Table 5.

Considering Table 5 the mean value of indicators of competition and employees’ satisfaction are smaller than the mean and show that these two measures are absent in the organization currently.

Table 1: Kolmogorov-Smirnov

	Conflict management	Organization effectiveness
Kolmogorov-smirnov Z	2.127	2.150
Asymp. Sig. (2-tailed)	0.091	0.102

Table 2: Pearson’s correlation coefficient for H1

	p-value	Estimation of correlation coefficient
Strong and direct relationship	0.000	0.752

Table 3: Pearson’s correlation coefficient for conflict management strategies (minor hypotheses)

Strategies of conflict management	Correlation coefficient	Sig.	Test result
Avoidance	0.452	0.000	A direct and significant relation
Compromise	0.568	0.000	A direct and significant relation
Compatibility	0.654	0.000	A direct and significant relation
Competition	0.557	0.000	A direct and significant relation
Collaboration	0.619	0.000	A direct and significant relation

Table 4: Pearson’s correlation coefficient for aspects of organization effectiveness

Organization effectiveness	Correlation coefficient	Sig.	Test result
Customers’ satisfaction	0.685	0.000	A direct and significant relation
Employees’ satisfaction	0.521	0.000	A direct and significant relation
Financial results	0.632	0.000	A direct and significant relation

Rating strategies of conflict management strategies (Fridman’s Test):

In order to rate the strategies of conflict management due to increase of the organization effectiveness, after finding a strong relationship between strategies and organization effectiveness, the Fridman’s Test was used. The obtained results are shown in Table 6.

The obtained results rate the strategies of conflict management as:

- Rank 1 : Avoidance 4.82
- Rank 2 : Compromise 4.81
- Rank 3 : Compatibility 4.17
- Rank 4 : Collaboration 4.06
- Rank 5 : Competition 4.04

This rating indicates that what ranks and to what extent need centralization of organizational activities for strategies of conflict management, respectively.

Rating aspect of organization effectiveness (Fridman’s test):

For rating organization effectiveness after investigating a meaningful relationship between these factors and conflict management the Fridman’s Test was applied. The achieved results are represented in Table 7.

The findings prioritized aspects of organization effectiveness as:

- Rank 1 : Employees’ satisfaction 4.91
- Rank 2 : Financial results 4.91
- Rank 3 : Customers’ satisfaction 3.50

Table 5: Results of T-Student test (the consonant value equals 4)

Indicator	Mean	t-Student statistic	Test result
Avoidance	4.78	8.137	There is the strategy of avoidance at the moment.
Compromise	4.83	5.620	There is the strategy of compromise at the moment
Compatibility	4.83	5.986	There is the strategy of compatibility at the moment
Competition	3.45	1.947	There is not the strategy of competition at the moment
Collaboration	4.99	4.273	There is the strategy of collaboration at the moment
Customers' satisfaction	5.03	9.532	There is the strategy of customers' satisfaction at the moment
Employees' satisfaction	3.30	1.182	There is not the strategy of employees' satisfaction at the moment
Financial results	6.41	13.740	There are the financial results at the moment

Table 6: Results of test of rating strategies of conflict management

Strategies of conflict management	Mean
Avoidance	4.82
Compromise	4.81
Compatibility	4.17
Competition	4.04
Collaboration	4.06

Table 7: Results of rating aspects of organization effectiveness

Aspects of organization effectiveness	Mean
Customers' satisfaction	3.50
Employees' satisfaction	4.91
Financial results	4.65

This proves that implementation of strategies of conflict management in current situation to what extent can be influential on organization effectiveness.

CONCLUSION

With regard to the level of significance for conflict management and organization effectiveness variables in Table 1, the premise samples are normally distributed is confirmed. As Table 2 shows, a strong and direct relationship exists among organization effectiveness and empowering of human resources. Also, according to table (3) rate of correlation coefficient for avoidance equals 0.452, compromise 0.568, compatibility 0.654, competition 0.557 and collaboration 0.619 and indicates that all of all of variables include a powerful relationship with organization effectiveness and it is confirmed with 95% level of confidence. The Pearson's correlation coefficients (aspects of organization effectiveness) are presented in Table 4.

Correlation coefficient of customers' satisfaction is equal with 0.685, employees' satisfaction 0.521 and financial results 0.632 which state that all of variables posses a direct relationship with conflict management and it is confirmed with 95% level of confidence. Evaluation of extent of organization effectiveness and conflict management in present condition of the organization is shown in Table 5. The mean of indicators of competition and employees' strategies are smaller than the average and tell that these two measures are absent at the moment, though other research variables exist in the organization.

To rate the strategies of conflict management and aspects of organization effectiveness after finding a significant relationship, the Fridman's Test was used. According to the obtained results, priority of strategies

of conflict management is as avoidance, compromise, compatibility, collaboration and competition. This rating entails that centralization of organizational activities on strategies of conflict management must be allocated to what priorities and to what extent. Prioritizing of aspects of organization effectiveness is as follows, employees' customers, financial results and customers' satisfaction. This prioritizing indicates that implementation of strategies of conflict management in present condition of organization affects on organization to what extent and order.

The main conclusion of this research pertains that styles of conflict management hold a strong relationship with organization effectiveness and it is denied in form of a mathematical formula and regression model as below. According to Table 3:

$$Y = a + 0.452 x_1 + 0.568 x_2 + 0.654 x_3 + 0.557 x_4 + 0.619 x_5$$

where,

Y : The dependent variable or organization effectiveness

A : Constant value in the regression function

- The parameters of the model define the impact factors of the independent variable in the model.
- Variables $x_1 \dots x_5$ in the model are avoidance, compromise, compatibility, competition and collaboration.

This function in a synthetic use of strategies of conflict management or prioritizing use of these strategies according to their impact factor will be useful for the mangers of southern oil company.

SUGGESTIONS

- It is recommended that the southern oil company through using the function (regression model) provided get engaged in increase of their organization effectives regarding the minor variables of conflict management strategies.
- For precise specification of organization effectiveness the optimizing models like linear planning can be useful in order to determine the optimal limit of minor aspects of organization effectiveness then via implementation of regression

model, cyclical changes of rate of performance are measured and content analyzed.

- In determination and planning for strategies of conflict management, it is recommended that southern oil company well-match its executive programs in field of conflict management strategies according to patterns of organization performance to establish a strong and powerful causal relationship in southern oil company performance.

Recommendations proposed by the research:

- In this model for measurement and determination of organization effectiveness, three variables were used. It is suggested that investigators enjoy from models like EFQM and Malcolm Baldrige for specification of relationship between organization performances as the dependent variable with strategies of conflict management as the independent variable in their future studies.
- Using from mathematical modeling for optimizing amount of influential factors on organization effectiveness and re-administration of study of relationship between strategies of conflict management and organization effectiveness like multipurpose models.
- Specification of other effective variables through future investigation based on Durbin-Watson test and maximizing statistic R^2 .
- Evaluation of degree of conflict management strategies effects on aspects of effectiveness separately and independently.

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