

Effect of Conflict Management on Organizational Productivity: A Study of Deposit Money Banks in Ekiti State

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Abstract. The study examined conflict management and organizational productivity in deposit money banks in Ekiti State. This study adopted a descriptive survey research design. The population size for this study consists of 773 members of staff in all deposit money banks in Ekiti State. The sample size for the study consists of 773 total populations since it was not cumbersome to cover. A well-structured questionnaire was used to collect data for the study. The face and content validity of the instrument was ensured by experts. The data collected from the pilot study was calculated using Cronbach's Alpha techniques, and reliability co-efficient 0.80 was obtained. The co-efficient was considered high enough for reliability. The research question was analyzed with descriptive statistics such as frequency count, mean and standard deviation. Analysis of covariance (ANCOVA) was used to test the hypothesis formulated at 0.05 level of significance. The study found that conflict management has effects on organization productivity in deposit money banks in Ekiti State. The study also revealed that there was a significant effect of conflict management on the level of productivity in an organization. The study concluded that organizations should develop diverse but appropriate strategies to resolve and manage conflicts as they arise before escalating to unmanageable level. The study, therefore, recommended that for rule of efficiency and optimum productivity to prevail, staff welfare should be given high and motivation driven consideration.

Keywords: Deposit Money Bank, Productivity, Conflict, Employees

Introduction

Organizations are established to achieve one purpose or the other, individuals are employed from different backgrounds, locations as well as religious affiliations. Organizations are made up of individual actors that must interact with one another in order to achieve the corporate objective of the organization. As individuals come into the organization, they come with their own personal objective, which may be as many as there are people in the organization. These personal objectives may agree with that of the organization but often they are at variance with the organization resulting to conflict which affect the level of productivity. Therefore, effectively dealing with people and their productivity is a huge part of the responsibility assigned to all managers, and employees often find their morale affected by the management style of their supervisors (World Bank, 2005). It is important for managers to realize that a one-size fits-all approach to conflict management is inadequate for the simple reason that people are different (Hart, 2002). Different personalities respond to different management styles; getting to know individual employees will help a manager determine how best to use various management controls to motivate different employees and boost their morale even in the midst of conflicts.

Managers face the challenge of keeping employees motivated and committed during and even in the midst of conflicts. Obasan (2011) indicated that the degree to which a facility supports employees during conflicts directly affects staff satisfaction and wellbeing. Employees resent being left out of the loop, especially when changes are going on, which can cause them to be cynical about future endeavors, their supervisors, and the company. If kept uninformed, they may also assume the worst is that their jobs are at risk.

In short, informed employees are happier employees; they function better, feel like part of the team, and adjust to change more easily. If management's goal is to maintain high employee morale within their organization, part of the process will involve empowering employees to act independently when appropriate by being able to resolve conflicts that arise from within and from outside i.e. giving employees the room to grow professionally - and that includes allowing them to make mistakes which will increase their self-esteem and self-efficacy, thereby boosting their morale (Lye, 2005).

As indicated that the behaviors of workgroup are important at every level in organization, in that behavior of workers, supervisors and managers can be better understood and predicted through analyzing relationships among those who share common group membership at work (Oyetade, 2015). It has been discovered through the Hawthorne's experiment that encouraging groups to work together on a friendly relationships had a positive effect on the performance of workers concerned and there was increase in productivity. Organizational productivity is the boosting of organizational performance to become more efficient in specific areas such as finance, project management, supply chain which is done by applying specific method, tools, in order to give an outcome of organizational excellence (Favero, 2014).

Organizational productivity measures how well an organization function and also an indication of efficiency and competition of a single department. Also it was discovered that allowing workers to have informal group leader has contributed to favorable performance of workers concerned and reduce organizational strife. All these have led to improvement in workers' morale, communication between managers and subordinates and conducive and good management /labor working relationship thereby enhancing better productivity. There is no doubt in saying that the issue of conflict ravaging organizations leading to lower productivity with eventual negative outcomes on gross national product cannot but be addressed. Organizations all over the world have been looking for both adoptive and adaptive ways to cure this enemy within the system and those external to the system i.e. both in the micro and macro forms. This means that organizational productivity could depend on how conflicts are being managed in a particular setting no matter the level of the scale of operations-small, medium or large scale.

The effect of conflict management in an organization is one of the vital things which management of any organization must to do in order to improve productivity or to achieve the set goals of the organization. The fact that there should be a mutual cooperation between the management and the workers is not in doubt. In spite of this yearning conflict can arise from time to time. Conflict management is very important since conflicts are inevitable part of organizational life since the goals of different stakeholders such as managers and staff are often incompatible (Adomi & Ojo, as cited in Agbo, 2020). However, it was observed that the way conflict is managed by the managers are still affecting the productivity of deposit money bank in Ekiti State. Despite the importance of conflict management on employee productivity and organizational performance, conflict management is not sufficiently supported by organizations especially deposit money banks in Nigeria. Thus organizations fail to foresee the advantage of conflict management on employees' efficiency and effectiveness of their organizations that promote productivity.

The problem is that individuals within an organization have their own peculiar interest apart from the organizational interest. The differences in these attributes account for differences in views and at times give rise to unexpected behaviors within the organization which in turn affect the level of productivity. It is against this background that this study examined the effect of conflict management on the organizational productivity in deposit money banks in Ekiti State.

Purpose of the Study

The main purpose of this study was to investigate the conflict management and organizational productivity in deposit money banks in Ekiti State. Specifically, the study examined the effects of conflict management on the productivity of an organization.

Research Question

1. What are the effects of conflict management on the productivity of an organization?

Research Hypothesis

1. There is no significant effect of conflict management on the level of productivity in an organization.

Literature Review

Ajike et al. (2015) discussed the effect of conflict management on the performance of financial service organizations in Nigeria. The researchers used descriptive survey research designed and the sample for this study consisted of four (4) branches of Access Bank Plc, namely Adetokunbo Ademola branch, Damole/Idejo branch, Ligali Ayoride branch and Ikorodu branch, all in Lagos State. A sample size of 81 respondents was selected for the study. Using random/probability sampling method, the sample was drawn from all the departments in the bank and it also encompassed the top management, middle management and the junior management cadre in order to ensure adequate representation of view and generalizations. From the finding it was discovered that there was a significant relationship between conflict management and organizational performance. It was recommended that in order for bank employees to deal with conflict properly, it may be necessary for the bank officers to disseminate information or give orders clearly by formally instructing their employees on the use of written guidelines such as memos, circular etc. and procedures to prevent communication gap, so that bank staffers will have a clear understanding and correct interpretation of all information and instructions

Obasan (2011) carried out another study on the impact of conflict management on employees performance in the banking sector, using First bank plc Lagos branch as a case study and using a student t distribution to test the significance of response. Purposive sampling technique was used to select the bank of choice and a self-design questionnaire was administered to 50 respondents cutting across all cadres of staff of First Bank of Nigeria Plc (Lagos branch). The study revealed that the main sources of conflict in the organization relate to perception and value problems and also that high employees' morale leads to improved employees' performance if conflict is managed effectively. They found out that there was significant relationship between conflict management and employees' performance.

Agbo (2020) examined the effect of conflict management on organizational performance with reference to Broadcasting Corporation of Abia State. Descriptive survey research design was adopted. Sampling random sampling technique was adopted in analyzing eighty-five (85) questionnaire distributed with the help of SPSS package. Findings indicated that conflict management had a positive and significant relationship with organizational performance.

Green (2016) examined the factors that influence organizational productivity from the viewpoint of employees. The study draws upon a quantitative paradigm using a non-probability sampling technique. Data were collected from a total of 161 employees using a structured questionnaire across two different office sites in KwaZulu-Natal, South Africa. Statistical correlation tests were used to analyze the data collected and the findings indicated that there is a relationship between organizational policies and employee benefit; organizational policies and performance appraisal; and performance appraisal and employee benefit.

Methodology

This study adopted a descriptive survey research design. The population size for this study consists of 773 members of staff in all deposit money banks in Ekiti State. The sample size for the study consists of 773 total populations since it was not cumbersome to cover. A well-structured questionnaire was used to collect data for the study. The face and content validity of the instrument was ensured by experts. The data collected from the pilot study was calculated using Cronbach’s Alpha techniques, and reliability co-efficient 0.80 was obtained. The co-efficient was considered high enough for reliability. From the 773 total questionnaire distributed, 58 were not returned as some were not properly filled. The research question was analyzed with descriptive statistics such as frequency count, mean and standard deviation. Analysis of covariance (ANCOVA) was used to test the hypothesis formulated at 0.05 level of significance.

Results

Descriptive Analysis

Question 1: What are the effects of conflict management on the productivity of an organization?

Table 1: The effects of conflict management on the productivity of an organization

S/N	Items	SA	A	D	SD	Mean	St.D	Decision
1	Conflicts can result to frustration, anger, fear, distrust or resentment and thereby affect the productivity	383 (53.6%)	287 (40.1%)	37 (5.2%)	8 (1.1%)	3.46	0.65	Agreed
2	Entrenchment of professional ethics	165 (23.1%)	430 (60.1%)	115 (16.1%)	5 (0.7%)	3.05	0.64	Agreed
3	Reduction in customers’ waiting time	154 (21.5%)	387 (54.1%)	152 (21.3%)	22 (3.1%)	2.94	0.74	Agreed
4	Improves quality of service	254 (35.5%)	354 (49.5%)	44 (6.2%)	63 (8.8%)	3.11	0.86	Agreed
5	Reduces late coming and absenteeism	241 (33.7%)	347 (48.5%)	53 (7.4%)	74 (10%)	3.06	0.90	Agreed
6	Reduces industrial disharmony and incidence of conflict	380 (53.1%)	235 (32.9%)	87 (12.2%)	13 (1.8%)	3.37	0.76	Agreed
7	Forestalls de-motivation of staffers’	204 (28.5%)	457 (63.9%)	41 (5.7%)	13 (1.8%)	3.19	0.61	Agreed
8	Gives room for dialogues and compromise between management and staff	156 (21.8%)	522 (73%)	19 (2.7%)	18 (2.5%)	3.14	0.57	Agreed
9	Allows for integration of ideas between management and staff on conflict areas	140 (19.6%)	487 (68.1%)	30 (4.2%)	58 (8.1%)	2.99	0.75	Agreed
10	Promotes better human relations between management and staff	304 (42.5%)	296 (41.4%)	65 (9.1%)	50 (7%)	3.19	0.87	Agreed

Note: Mean greater than 2.50 “Agreed” otherwise “Disagreed”

Source: Field survey 2018. (SPSS output version 20)

The effects of conflict management on productivity of an organization as presented in Table 1 showed that 93.7% of the respondents indicated that conflicts result to frustration, anger, fear, distrust or resentment and thereby affect the productivity of an organization, 83.2% agreed that entrenchment of professional ethics affect productivity, 75.6% agreed that effect of conflict management led to the reduction in customers’ waiting time, 85.% of the respondents shows that effect of conflict management improves quality of service in an organization, 82.2%

of the respondents agreed the effect of conflict management reduce late coming and absenteeism of staff in an organization, 86% of the respondents agreed that conflict management reduces industrial disharmony and incidence of conflict. 92.4% of the respondents agreed that conflict management forestalls de-motivation of staffers’, 94.8% agreed that the result of conflict management gives room for dialogues and compromise between management and staff, 87.7% of the respondents indicated that the result of conflict management allow for integration of ideas between management and staff on conflict areas and 83.9% agreed that the result of conflict management promotes better human relations between management and staff. This result showed that conflict management has effect on organizational productivity as the mean values of respondents in the table are greater than 2.50. This further confirmed the level of agreement of the respondents on the effect of conflict management and organizational productivity.

Test of Hypothesis

H0₂: There is no significant effect of conflict management on the level of productivity in an organization

Table 2: Analysis of covariance (ANCOVA) for conflict management on the level of productivity in an organization

Source	Type III Sum of Squares	Df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	29.748 ^a	1	29.748	58.627	.000	.076
Intercept	146.207	1	146.207	288.143	.000	.288
Conflict Management	29.748	1	29.748	58.627	.000	.076
Error	361.785	713	.507			
Total	6577.000	715				
Corrected Total	391.533	714				

P < 0.05 (Significant)
Source: (SPSS output Version 20)

The result presented in Table 2 revealed that f-cal (58.627) was greater than F table (3.85), df = (1, 713) and P-value (0.000) < 0.05 level of significant. Thus the null hypothesis is rejected. This means that there was a significant effect of conflict management on the level of productivity in an organization. The result connotes that conflict management determines the productivity of an organization in deposit money banks.

Discussion of Findings

The finding of study revealed some effects of conflict management on organization productivity in deposit money banks. The effect resulted to frustration, anger, fear, distrust or resentment that thereby affect the productivity of an organization, led to the reduction in customers’ waiting time, however, improves quality of service in an organization, it reduces late coming and absenteeism of staff in an organization, conflict management forestalls de-motivation of staffers and it gives room for dialogues and compromise between management and staff and conflict management promotes better human relations between management and staff. The study supports the finding of Ajike et al. (2015), Obasan (2011), and Agbo (2020) who revealed that there was a significant relationship between conflict management and organizational performance.

Conclusion and Recommendation

The study examines the effect of conflict management on the productivity of an organization, with a reference to banking industry in Ekiti State. From the finding of the study, it was concluded that organizations should develop diverse but appropriate strategies to resolve and manage conflicts as they arise before escalating to unmanageable level. Organizations should take pro-active action i.e. to go ahead and investigate the causes of conflict in similar organization in banking/ industry and avoid such conflicts from repeating itself in their organization and by so doing encourage goods and working management labor relationship which will lead to better organizational productivity. Therefore, the study recommended that for rule of efficiency and optimum productivity to prevail, staff welfare should be given high and motivation driven consideration. When equitable staff welfare policy is pursued three critical psychological states are experienced. These are meaningfulness of work, experienced responsibility for work outcomes and knowledge of work activities become the norm in the organization and these forestall conflict. When these three psychological states are attained work motivations and job satisfaction will be high and behavioral outcomes such as the quality of work and attendance will be improved upon. The relationship between satisfaction performance is linked to both intrinsic and extrinsic rewards and these are sacrosanct variables in staff welfare.

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