

Improving productivity through conflict management: *Evidence from ‘Skilled Managers’ training programme*

Keywords: conflict, collaboration, skills, management practices, productivity

Context

Recent studies demonstrate a clear link between conflict, wellbeing and productivity in the contexts of the UK (Carnegie UK Trust 2020; Saundry and Urwin 2021). In situations of conflict, line managers are found to play a critical role in managing it and their engagement is positively correlated with organisational outcomes (Sadun, Bloom and Van Reenen 2017; Shaw 2019; Teague and Roche 2012).

There is growing evidence that most line managers lack the skills and training needed to manage people effectively and to resolve difficult personnel issues (CIPD 2012). Training programmes designed to increase core people management skills are one way of securing higher levels of employee engagement, increased wellbeing and improved productivity (Monahan and Balawejder 2020a; 2020b). A dearth of robust academic research in this area makes it difficult to build a persuasive case for investing in training line managers, which are costly in terms of time commitment and finance (Saundry and Urwin 2021), in key conflict management skills.

This study aims to tackle this evidence deficit and address this need for training interventions not well provided by the market. We evaluate the impact on inter-personal skills arising from training managers in conflict and other core competencies that might foster improved working relationships. We do this by designing and implementing a comprehensive training programme.

Previous Literature

Literature on linking conflict management strategies and productivity, and interventions to tackle conflict in organisations has been scant in the contexts of the UK. It has been explored in different contexts of the world involving various stakeholders and specific sectors.

Longe (2015) investigates the impact of workplace conflict management on organizational performance in a Nigerian manufacturing firm. The study shows strong positive impact of conflict management on organizational performance. It also highlights various causes of organizational conflict such as inequitable treatment and grievances over managerial procedures. To address conflicts, this paper recommends integrative conflict management as the best means to improve organisational performance. Collective bargaining strategy was highlighted as means of increasing organisational input. Integrative management strategies were found to be correlated with reducing instances of disruptive conflict. Another suggested intervention to tackle conflict was to involve union leadership or employee representatives in vital decisions that affect the workforce (Longe 2015).

Study by Ongari (2009) showed the leading cause of organizational conflict to be inadequate resources that created competition amongst employees. This paper is based on a sample of 130 managers from government departments, parastatals and private companies. Findings showed that while conflict adversely affected performance and could lead to wastage of scarce resources, there were positive effects as well such as promoting innovativeness and improving quality of organizational resources. Interventions for conflict management that the study

recommends is an open communication policy to ensure all employees receive pertinent information in a timely fashion. It also suggests allowing employees access to financial statements in order to assess how the organization as a whole is performing (Ongari 2009). Similarly, Ogaga (2017) analyses the impact of conflict on the productivity of employees at the Dangote Cement Company, Gboko Plant in Nigeria. It considers three categories of conflict - interpersonal, task, and process conflict, and examines their impact on employee performance. Findings from this study suggest a weak positive correlation between task and process conflict and the output of employee, whereas a weak negative correlation is observed between relationship conflict and productivity (Ogaga 2017).

The detrimental effect of conflict on productivity is also observed in the contexts of banks in Pakistan by Awam and Saed (2015). Their study reveals that most conflict arises between management and employees and while there were different causes of conflict, the most prevalent was again found to be poor communication. It confirmed that conflict had detrimental effect on organizational performance and employee behavior flagging low morale as one of the biggest effects of conflict (Awan and Saeed 2015). Interventions in the form of constant dialogue and group interaction was suggested. The same phenomenon is observed with the middle and junior managers in the banking industry in South Africa. Slabbert (2004) studies the contrasts in conflict management styles using the standardised Thomas Kilmann questionnaire. Interestingly, it reveals that in a traditional organisation middle level management prefers assertive modes of conflict management while junior management display an affinity for unassertive modes. This study further argues that this is symptomatic of strong organisational hierarchy and culture of subservience. These dynamics provide little opportunity for initiative, self-direction and autonomy leading to demotivation which adversely affects organisational performance (Slabbert 2004).

In dealing with conflict which hinders productivity through organisational performance, studies have discussed interventions and strategies to tackle. Most of them have been suggestive but not empirically scrutinised to satisfactory levels. Prieto-Remón et al. (2015) surveyed students studying their last year of Industrial Engineering and contrasted their behaviour and conflict management approaches with 17 Senior Project Managers who worked in international consultancies. Three factors were found to influence the conflict management style. They are - nature of the contending issues, the project stakeholder's demand and the urgency to deliver the project. It also asserts the roles and responsibilities assigned directly influence the nature in which a conflict is addressed, independent of the origin of the conflict. Interventions suggest long term analysis by organizations on the impact of different conflict sources in order to tailor the training of Project Managers (Prieto-Remón et al. 2015). Similarly, Hans and Bariki (2012) look at conflict management in oil and gas companies in Oman. The study reveals collaborative and accommodative style as the preferred conflict management approaches by lower-level employees. Reasons cited by employees for this preference was not to enhance productivity but because they had to achieve their goals in a limited time frame (Hans and Bariki 2012).

Cheung and Chuah (1999) examine conflict management styles using 63 case studies among industries in Hong Kong and identify managerial and administration procedures as the major

source of conflict. The findings remark a shift from compromising to confrontational styles of conflict management. The confrontation style also appears to be especially effective in handling interpersonal conflicts and is found to be constructive to the organization. The use of confrontation style has been attributed to the increasingly popular use of matrix organizational structures. The role of the project manager and the coordinator along with intra project team communication is flagged as crucial (Cheung and Chuah 1999).

In a paper by Oore et al. (2015), they propose three organizational interventions to ensure successful conflict handling: individual conflict resolution training that is protocol-based, pre-emptive training; work group conflict interventions to shape norms and expectations in group settings and halt negative spirals. The workgroup-level intervention model - Civility, Respect, and Engagement at Work (CREW) involves defining civil/uncivil behavior and addressing problems with a facilitator. Coaching and mediation consists of another intervention involving addressing complaints and grievances through a third party that does not impose solutions but rather facilitates communication and provides recommendations (Oore et al. 2015).

In a latest study by Shabani, Behluli and Qerimi (2022), the differences in conflict management styles among public and private enterprises is looked at in the context of Kosovo. Using Rahim's Model of dual concern, findings reveal that private enterprises leaned more towards compromising styles while public enterprise managers mostly used dominating styles. This study deviates from other works that suggests only cooperative conflict management styles (integrating, compromising, and obliging) lead to positive outcomes in performance (Mughal and Kahn, 2013). This work argues that all styles could have a positive impact on organizational performance and sectors seem to respond differently to different management styles (Shabani et al. 2022).

Review of the previous studies show that the literature is built on the analysis of smaller sample sizes, often involving particular firms or inadequate number of individuals that have been surveyed. Most studies also suffer from many other methodological shortcomings. Thus, highlighting the scope for improving empirical robustness of the inferences put forth. This study aims to contribute to the field of knowledge by testing an intervention in a robust manner in the context of the UK with relatively larger sample size.

Skilled Managers Training Programme

The *Skilled Managers (SM)* training intervention programme contain several modules geared towards enhancing inter-personal competencies of line managers. Managers are exposed to a variety of potential scenarios through active simulations, at each stage, with a range of possible options for action. Each module includes testing on practical people skills using quizzes. There are points where users are provided with key learning points and given opportunities for reflection.

The course is entirely online - managers can learn at their own pace and via PC, laptop, tablet or smartphone. They can access them flexibly around often long and irregular hours. The content is delivered via short videos and text; and links are provided to podcasts and other content that users may find of interest. Managers who complete the course will have access to an online toolkit which essentially allows all content to be accessed in a way that supports the retention of skills learnt. It also gives them instant advice on the main challenges they face.

Potential for the Skilled Managers intervention to impact productivity now seem even more apparent, as a combination of factors are adding to severe post-pandemic staffing challenges. This leads to working conditions that negatively impact well-being and worsen absence, presenteeism and turnover rates. This challenge requires managers who can master at least the basic skills of people management, including communication, providing effective feedback, having difficult conversations, and dealing with conflict. However, managers are under increased pressure and have little time to engage with traditional management development, which itself is arguably flawed. The move online for many activities following the pandemic now presents an opportunity to change this.

In this study we implement this programme as an intervention to conduct a trial involving a sample of 20 organisations using a pre-post analytical design. We track the impact of the training intervention over several months to assess the short- and long-term impacts of the training intervention on organizations that take part in the study. The aim is to provide evidence-based knowledge and a suite of training tools which can be replicated in a range of organisational contexts.

We operationalise conflict management competencies using Rahim's (1983; 2002) framework into five styles of handling interpersonal conflict: *Collaborating*, *Accommodating*, *Competing*, *Avoiding* and *Compromising*. We adapt and contextualise the questionnaire items from the Rahim (1983) Organizational Conflict Inventory and measure responses as levels of agreement using Likert scale with 1 representing "strongly disagree" and 5 representing "strongly agree".

SM training intervention platform is hosted on a Virtual Learning Environment [VLE]. The training is accessed by the managers via an App and focuses on ensuring mobile compatibility for managers who have little time to engage with content. It comprises of four main modules: (i) Effective communication; (ii) Feedback & difficult conversations; (iii) Managing conflict; and (iv) Conflict resolution.

Managers [learners] undertake the training in a systematic way, only being able to move through the training from (i) to (iv), after completing each module in turn; but can dip in and out at any point over the period of a month. Key features of the training include a diagnostic questionnaire that allows the team to categorise a manager's conflict management style (based on the Rahim Organisation Conflict Inventory-II12), completed by each manager prior to (i) and again after completion of (iv).

This constitutes the core content that is hypothesised to change manager practice, changing the way they interact with their reports and leading to performance enhancement.

Methodology

We analyse the impact of training intervention using pre-post analysis. We estimate the effects of intervention by including relevant observed variables as controls and organisational fixed effects, as follows:

$$y_{i,org} = \beta_1[Post - intervention]_{i,org} + \emptyset X_{i,org} + \varphi_{org} + \varepsilon_{i,org} \dots\dots (1)$$

$y_{i,org}$ represents the different conflict management styles for the manager i in a given organisation. X is the vector of control variables such as gender, ethnicity. φ is the organisation fixed effects, i.e., dummy representing each organisation in the sample. ε is the idiosyncratic error. β is the coefficient of interest that captures the conditional correlation between the

training intervention and the measured outcome. Additionally, we also examine if the effects of intervention vary by gender and ethnicity, using the following strategy:

$$y_{i,org} = \beta_a[Post - intervention]_{i,org} + \beta_2 gender/ethn_i + \delta' Post - intervention_{i,org} * gender/ethn + \emptyset X_{i,org} + \varphi_{org} + \varepsilon_{i,org} \dots\dots\dots (2)$$

δ is the parameter of interest that captures the additional premium of the effects of intervention across the assessed categories (of gender, ethnicity).

Results

199 managers from 20 organisations have started with the training intervention. Among them, 169 managers completed it, 63% of them were women and 87% of them were White-British. The response rate is not associated with gender or ethnicity. Table 1 showcases the average scores before and after the training intervention across different conflict management styles. It also includes if the differences between the averages were statistically significant (for 99% CI).

Table 1

Conflict Management Styles	Pre-intervention	Post-intervention	Sig. difference
Collaborating	4.17	4.46	0.29***
Accommodating	3.37	3.28	-0.09***
Competing	2.87	2.64	-0.23***
Avoiding	2.84	2.34	-0.50***
Compromising	3.61	3.79	0.18***

We observe a statistically significant positive association between conflict management styles and the intervention as after the intervention, managers' report higher levels of agreement in the domains of compromising and collaborating and report opposite effect with respect to accommodating, competing and avoiding styles. We find the highest impact for decrease in the 'avoiding', followed by an increase in the likelihood of collaboration among managers. Change in the 'accommodating' as a conflict management style has the lowest magnitude change.

Findings presented in Table 1 are not conditioned on any of the factors that could also be potentially driving the average scores. We therefore estimate the effects as specified by equation (1). The following tables below show the results. Column 1 correspond to the regression without any controls (estimates shown in the Table 1 above), Columns (2) and (3) include controls and fixed effects respectively. Columns (4)-(5) correspond to the specification (2) that involves an interaction term between intervention and the gender/ethnicity.

Table 2

Conflict management style	Collaborating					Accommodating					Competing				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Post-intervention	0.29*** (0.043)	0.29*** (0.046)	0.29*** (0.048)	0.26*** (0.063)	0.34*** (0.042)	-0.09*** (0.018)	-0.09*** (0.021)	-0.09*** (0.021)	-0.07 (0.052)	-0.08*** (0.020)	-0.23*** (0.039)	-0.22*** (0.049)	-0.22*** (0.050)	- 0.26*** (0.059)	- 0.19*** (0.047)
Female		0.01 (0.060)	0.01 (0.087)	-0.02 (0.093)			-0.06 (0.057)	-0.06 (0.085)	-0.04 (0.103)			-0.23** (0.105)	-0.15 (0.152)	-0.19 (0.134)	
Ethnicity (=non-White/British)		0.09 (0.092)	0.12 (0.114)		0.24** (0.102)		0.02 (0.074)	-0.01 (0.081)		-0.08 (0.097)		0.06 (0.175)	-0.11 (0.177)		0.01 (0.117)
Post-intervention x Female				0.06 (0.098)					-0.03 (0.075)					0.07 (0.072)	
Post-intervention x Ethnicity (= non White/British)					-0.34*** (0.106)					-0.02 (0.077)					-0.14 (0.196)
Organisation Fixed effects	No	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Obs	364	329	329	329	339	364	329	329	329	339	364	329	329	329	339

Table 2 (contd.)

Conflict management style	Avoiding					Compromising				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Post-intervention	-0.50*** (0.058)	-0.50*** (0.063)	-0.51*** (0.065)	-0.47*** (0.129)	-0.52*** (0.070)	0.18*** (0.029)	0.18*** (0.025)	0.18*** (0.027)	0.15** (0.056)	0.19*** (0.032)
Female		-0.05 (0.095)	-0.20 (0.128)	-0.17 (0.154)			0.05 (0.072)	0.11 (0.068)	0.08 (0.057)	
Ethnicity (=non-White/British)		0.07 (0.155)	0.05 (0.169)		-0.07 (0.145)		-0.04 (0.156)	-0.06 (0.180)		-0.08 (0.142)
Post-intervention x Female				-0.06 (0.166)					0.04 (0.083)	
Post-intervention x Ethnicity (=non-White/British)					0.16 (0.156)					-0.06 (0.134)
Organisation Fixed effects	No	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes
Obs	364	329	329	329	339	364	329	329	329	339

Pre-post analysis show that the findings remain robust and statistically significant even after accounting for the observed confounding variables. There is an increase in agreement levels by 0.29 and 0.18 points on a five-point Likert (agreement) scale, with collaborating and comprising styles, associated with the training intervention. With respect to accommodating, competing and avoiding approaches, we find a significant decline in the agreement levels reported by the manager post the intervention. We do not observe any heterogeneity in intervention-effects on the lines gender or ethnicity. Only in the case of collaborating, we find the intervention to have a significantly higher effect for non-White/British ethnic managers compared to the White/British managers. Our findings suggest the training intervention demonstrates a positive association with manager's approach in dealing with personnel issues.

Conclusion

There is an extensive literature on what makes a good manager and one of the focuses of our study is to gauge the impact of a training programme that will improve conflict management skills. The investigation has some potential to help in making the case that conflict competence is a core management skill that is not explicitly recognised as such in the wider management and policy literatures. The results from this study contribute to laying a foundation that is evidence led and could potentially allow for replication and scaling up the training intervention to improve the competencies of managers, wellbeing of employees and productivity levels of the organisation.

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