THE INFLUENCE OF CONFLICT MANAGEMENT STRATEGIES ON EMPLOYEE SATISFACTION: A CASE STUDY OF KCB BANK KENYA LIMITED, HEAD OFFICE

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ABSTRACT

Managing workplace conflict is one of the most difficult business challenges facing today’s managers. One of the major challenges being addressed by the researcher is the influence of conflict management strategies on employee satisfaction. The objectives of the study was to establish whether the conflict management strategies, (namely avoidance strategy, accommodating strategy, compromising strategy, collaborating strategy and co-operating strategy) influence employee satisfaction in commercial banks in Kenya. The study used qualitative and quantitative research design. The population of the study was the staff members of KCB Bank Kenya Limited (Head Office). The study used snowball sampling to select 10% of target population. Sample of the study was 200 respondents from a population of 2000 employees. Data was collected using structured questionnaire while data analysis was done using descriptive statistics and inferential statistics. The representation of data was done by use of pie charts, bar graphs and frequency tables that aided the researcher in arriving at a descriptively meaningful analysis of the results. The study found that the organization faced the challenge of personal differences, challenge of different faith and culture, challenge of changing environment (globalization and technology), different ways of conflict management, challenge of critical skills associated with handling difficult people and situations, challenge of competition over scarce resources, the challenge of creating structural for consensus processes, challenge of cooperative discourse and the challenge of change. The study further found that the organization used the strategies of accommodating, compromising, competing, collaborating and avoiding at different extent. The study recommended that management of the KCB should take bold step on trainings on conflict management to have the knowledge of managing conflict. The management of the commercial banks in Kenya should also ensure that they are clear conflict management policies that govern the employees in the organization and have clear strategy that manage conflict. The study further recommended further research in another industry to check whether there is similarity on the influence of conflict management strategies on employee satisfaction.

Key Words: conflict management strategies, employee satisfaction, KCB Bank Kenya Limited

INTRODUCTION

Conflict is generally regarded as a disagreement regarding interests or ideas (Esquivel and Kleiner, 1997). Organizational conflict is the discord that occurs when the goals, interests or values of different individuals or groups are incompatible and those individuals or groups block or tend to frustrate each other’s attempt to achieve their objectives (Dana, 2001; Okumbe, 2001).
For every organisation, an optimal level of conflict exists which is considered highly functional as it helps to generate good performance. When the conflict level is too high that is dysfunctional, performance suffers. Consequently, innovation and change are difficult, and the organisation may have difficulty in adapting to changes in its environment. Further, the organisation’s very performance is also threatened if the conflict is at a low level (Beardwell & Claydon, 2007; Iravo, 2011).

Conflict management involves implementing certain strategies to eliminate the negative aspects of conflict, increase the positive aspects of conflict and to enhance performance and effectiveness in an organised setting (Edwin, 2013). Further, conflict management serves the role of enabling groups develop conflict resolution skills such as managing conflict, finding self-awareness about the types of conflict and effectively communicating while in conflict with a team member. As a result, conflict management, when implemented within the organisation, reduces the levels of employee dissatisfaction, high employee turnover and absenteeism and increases productivity, creativity and innovation hence the organization can gain a strategic management.

Employee satisfaction is considerably an important element that should be supported by the organisations’ managers (Wegge, Schmidt Parkes & Dick, 2007). The presence of job satisfaction among staff assumed a positive factor that improves and increases the level of organisation’s outcome (Tazekand, Nafar & Keramati, 2013).

Employee satisfaction is considered to be one of the elements that has an effect on staff performance (Ayodele & Olorunsola, 2012). Employee satisfaction is one of the inner feelings that has a direct association with attitude and behaviour of staff and conducts the way of their performance at the workplace (Azizi, Ghytasivand, Fakharmanesh, 2012).

Hence, the presence of employee satisfaction amongst staff depends on different elements and improved by them (Alam, 2009). Job satisfaction refers to the staff feeling toward their job and workplace that is influenced by internal and external factors and formed by these factors at different levels (Ahsan, Abdullah, Gun Fie & Alam, 2009). In 2012, Maharjan explained that employee satisfaction is assumed as an organizational feeling that should be considered through the organisation’s managers and provide suitable conditions for developing this human need.

**STATEMENT OF THE PROBLEM**

Lang (2009) noted that supervisors spend more than 25% of their time on conflict management, and managers spend more than 18% of their time on relational employee conflicts. This has doubled since the 1980s. He further observed that the reasons for this include the growing complexity of organizations, use of teams and group decision making, and globalization (Lang, 2009). Conflict management is something that companies and managers need to deal with.
Conflict significantly affects employee morale, turnover, and litigation, which affects the prosperity of a company, either constructively or destructively. According to Lang (2009) employee turnover can cost a company 200% of the employee's annual salary.

Differences in the perception of conflict possess implication in its own right. This is due to superior’s uses of conflict styles may be reinforced by subordinates’ responses or the superior may anticipate subordinates’ reaction to the use of conflict styles. It is worthwhile for the superior to be aware of the existence of multiple sources of conflict in work situations and how it promote subordinates’ job satisfaction since dissatisfaction itself could lead to many organizational dysfunctions such as decline in work performances, dissatisfaction, absenteeism, high turnover, and job stress. This study therefore seeks to investigate how conflict management strategies affect employee satisfaction.

Conflict resolution has a thirty to fifty year intellectual history. Some of the studies have been done on various aspects of conflict management, for instance, Relationship among Conflict Management Styles, Employees’ Job Satisfaction and Team Effectiveness. A Comparison between Public and Private Hospital in Taiwan (Lin, 2003); Effect Of Conflict Management in Performance of Public Secondary Schools in Machakos County (Iravo, 2011); The Influence of Conflict at the Workplace in the Management of an Organisation: A Case of the Department of Immigration, Kenya (Njuki, 2012); Organisation Conflict Management Strategies on Employee Job Satisfacton: A Case Study of Nzoia Sugar Company (Omweri, 2013) and Conflict Management Strategies Adopted by Commercial Banks in Kenya (Edwin, 2013).

Most studies viewed are done outside the banking industry. However, those which have been done in the banking industry do not include the influence of the conflict management strategies on employee satisfaction. The proposed study is intended to fill this gap in knowledge.

**GENERAL OBJECTIVE**

The general objective of the study was to study Influence of Conflict Management Strategies on Employee Satisfaction.

**SPECIFIC OBJECTIVES**

1. To establish the influence of avoidance strategy on employee satisfaction in commercial banks in Kenya
2. To establish whether the accommodating strategy influences employee satisfaction in commercial banks in Kenya
3. To establish the influence of competing or dominating strategy influences employee satisfaction in commercial banks in Kenya
4. To establish whether the compromise strategy influences employee satisfaction in commercial banks in Kenya
5. To establish the influence of collaborating strategy of conflict management influences employee satisfaction in commercial banks in Kenya

THEORETICAL REVIEW

Thomas-Kilmann Theory

This study adopted the Thomas-Kilmann Theory (developed by Kenneth W. Thomas and Ralph H. Kilmann in 1976) of analysis of conflict styles developed in 1976 by Rahim (Miller, 2006: 197; Robbins, 2005). Thomas managerial styles theory is the most suitable for the study since the matter being addressed is on the managers’ conflict management strategies on the staff’s job satisfaction. These styles vary on their degrees of co-operativeness and assertiveness no matter their legitimate interests and relationships (Mbithe, 2013). The postulations of this theory hold that there are five conflict management strategies that would fall at various points on the managerial grid. The Thomas-Killman instrument begins with two primary orientations towards conflict resolution, assertiveness (self) and co-operativeness (others).

Herzberg’s two-factor theory

Employee satisfaction and motivation have been widely investigated in many job situations and against many different theoretical formulations. Motivational theories have been categorized into two main groups, namely, content theories and process theories. The content theories tend to focus on the needs of the individual, trying to explain the different factors that contribute to either encouraging or halting behaviour within that individual. These theories are also appropriately known as “need-based theories.” Some of the more famous theories within this category include Maslows’ Hierarchy of Needs Theory (1954), McClelland’s Needs Theory (1961), and Herzberg’s Two-Factor Theory (1959). The process theories seem to be much more complex and delve deeply into the thinking process of the individual, trying to explain the “why” or “how” of motivation. These theories explain “why workers select behaviours and how they determine whether their choices were successful” (Hunsaker, 2005). They also seem to have more interest in the personal factors within the individual and the psychology involved in their decisions and motivations. Some of the notable process theories include Vroom’s Expectancy Theory (1964), and Adam’s Equity Theory (1965) (Ruthankoon, 2003).

CONCEPTUAL FRAMEWORK

The conceptual framework adopted the managerial teams conflict management strategies as the independent variables, and staff job satisfaction as the dependent variable.
Avoidance strategy

According to Thomas and Kilmann, (1976) the avoidance style of conflict management is perceived as being low in assertiveness and low in cooperativeness. When using this conflict mode a person knows there is a conflict but decides not to deal with it by ignoring, sidestepping, being non-committal or withdrawing from the issue or interaction. It puts parties in a lose/lose relationship where a choice is made not to address the feelings, views or goals of either party. Efforts are made to evade or delay the confrontation, problem or disagreement rather than deal with it. The goal is to avoid the conflict, at least for the moment. (Thomas and Kilmann, 1976)

Avoidance style of conflict management is used when there is a tendency for people, or groups in conflict to withdraw from the conflict situation or remain neutral. Managers using this style are neither assertive nor co-operative. The relationship with the other party is unimportant.

According to Tosi et al (1994), avoidance is commonly used by people who are emotionally upset by the tensions and frustrations of conflict. This may be because they were hurt in previous conflict situations and now they seek to withdraw from those painful memories of the past. They also indicate that avoidance is used due to the belief that conflict is evil, unnecessary or undignified and people avoid it by withdrawing, or simply leaving the scene of conflict.

Accommodating strategy

The Thomas-Kilmann Conflict Mode Instrument illustrates that of the five conflict styles, accommodating or harmonizing, is viewed as the "peacekeeper" mode as it focuses more on preserving relationships than on achieving a personal goal or result. However in a dispute this creates a lose/win relationship where the accommodating party may make a choice to acquiesce to the needs of the other, sometimes out of kindness and sometimes to avoid conflict or stress. "Giving in" and letting the other person "take" is the result when this choice is made. While this may be seen as a weak or non-productive position there are situations when this approach is preferable and will gain more for a person than by taking a strong position. It can be both a productive and unproductive strategy in the "give and take" process (Thomas and Kilmann, 1976).

Accommodating involves minimising or suppressing real or perceived differences while focusing on the other’s views of the situation. A manager using accommodating style of conflict management has more concern for the needs of the other party than his own. According to Schermerhorn (2000), a person using accommodating style of conflict management tends to be co-operative but assertive. They agree to the wishes of others, smoothing over or overlooking differences to maintain harmony. Accommodation results in a lose-win solution and a good relationship between parties is created. According to Hellriegel and Slocum (1996) this
relationship is created when people appeal for co-operation and try to reduce tension and stress by offering reassurance and support for the other person’s views.

**Competing (dominating) strategy**

The conflict style profiles developed by Kenneth W. Thomas and Ralph H. Kilmann portray competing as a power driven mode being high in assertiveness and low in cooperativeness. It puts parties in a win/lose relationship where one attempts to achieve his/her goals at the expense of another. It may involve “hard bargaining” or the use of a person’s authority, position, wealth, or other forms of influence. There is not much consideration for the feelings, views or goals of the other party nor is there interest in collaboration or compromise. The goal is to win or succeed in achieving one’s desired outcome when pitted against that of another who desires something different (Thomas and Kilmann, 1976).

The competing or dominating style involves the use of coerciveness and other forms of power to dominate other people or groups in order to pressurise them in accepting your own view of the situation. It involves being non co-operative but assertive, working against the wishes of the other party and engaging in a win-lose competition and/ or forcing through the exercise of authority (Schermorh 000). Barsky (2002) asserts that competitors are people who have low concern for their own needs. They always want to impose their will and are low in co-operation.

According to Ivancevich and Matteson (1996), dominating tends to be a power-oriented style. In order to use it successfully one must have sufficient power and authority to force one’s resolution on the other person or group. Such an individual may hold the balance of power because he/she is higher up in an organisational hierarchy and therefore has more authority than others. He/she may have critical control over important resources such as budgets, personnel and important knowledge or be allied with powerful groups.

**Compromising strategy**

Compromise involves the willingness of all parties to concede some of their own views and to focus another’s views to reach agreement. When compromise style of conflict management is used, there is no distinct winner or loser and the resolution reached is probably not ideal for either group. With mediation, the intervener does not have the authority to dictate an agreement. Mediators may offer specific recommendations for compromise or integrative solutions. In other cases, they may guide disputants toward developing solutions themselves (Greenberg & Baron 1997). Arbitration on the other hand, is a form of third party intervention in disputes in which the intervening person has the power to determine the terms of the agreement.
Compromising style involves give-and-take whereby both parties give up something to make a mutually acceptable decision. It may mean splitting the difference, exchanging concessions or seeking a middle ground position (Mbithe, 2013).

It is appropriate when the goals of the conflicting parties are mutually exclusive or when both parties, who are equally powerful, for example, labour and management, have reached a deadlock in their negotiation. This style may be useful in dealing with strategic issues, but heavy reliance on this style may be dysfunctional as opined by Cherono (2007).

Matthias (2007) pointed out that the compromising style is reflected in behaviour that is intermediate in both assertiveness and co-operation. This technique is based on process of give-and-take and may involve negotiation. According to Newton & Davis (2002), compromising is effective in dealing with interpersonal conflict when it benefits both parties. Okumbe (2001), indicated that compromise is applied when goals are important but not worth the effort or potential disruption of more assertive modes.

**Collaborating Strategy**

Collaborating style of conflict management is sometimes called problem-solving or integrating, involves working through conflict differences and solving problems so that everyone wins. It seeks to resolve conflict by placing maximum focus on both groups’ concerns. According to Ivancevich and Matteson (1996), successful problem solving requires that conflicting groups display a willingness to work collaboratively towards an integrative solution, which satisfies the needs of all concerned.

Barsky (2002) comments that, “these people have low concerns\ for their own needs and high concerns for the needs of others”. The managers actually value positive relationships with others. They more often than not go out of their ways to please the other members of staff even at the expense of forgetting their own needs to satisfy them. Literature appears to favour the use of collaborative style and points out those collaborative management strategies generate higher quality decisions than distributive strategies (Brahnam et al., 2005).

As Brahnam et al. (2005) highlights, since there is typically less emphasis in modern business on competitive negotiation and more on inter-organizational relationships, it is not surprising to find that the most valued conflict management strategy in business is collaboration, that is the win-win style of managing conflict, namely collaborating id the only conflict management style that considers the interests of both parties and focuses on mutual gains, and it is therefore argued that this style produces superior outcomes with more through exploring the conflict issues more comprehensively (Van Slyke, 1999 in Goodwin, 2002).
In fact, fully, each of these strategies has numerous outcomes on organisation and managers’ behaviour. Indeed, applying accurate styles leads to development of the organisation and creates job satisfaction among staff (Behfar, Peterson, Mannis & Trochim, 2008). Consciousness about the correct styles offers a proper field for working and reduces negative feelings towards work among the staff (Kavousi, 2008).

**RESEARCH METHODOLOGY**

This study used the mixed research approach. The researcher undertook an extensive review of document, guidelines and reports available and collect information through interviews and administering questionnaire to a sample of individuals. The findings that were gathered through this design were summarized in a way that provided descriptive information. The targeted population were two thousand (2000) staff members working for the different departments KCB Bank Kenya Limited Head Office that have experienced conflict situations and those who have employed conflict management strategies. Two hundred (200) staff members were targeted from each Division within the KCB Bank Kenya Limited Head Office.

There are ten (10) divisions within the KCB Bank Kenya Limited Head Office namely: Office of the Chief Executive Office (CEO); Office of the Managing Director (MD); Office of the Company Secretary; Human Resources Division; Corporate Division; Finance Division; Treasury Division; Retail Division; Credit Division and Marketing and Communications Division.

Because the sample frame is two thousand, ten percent of the two thousand was an acceptable level for interviewing and response to the questionnaire. The sampling technique used to arrive at the number of respondents was purposive/snow ball technique. Data collection procedure included use of questionnaire that was administered individually to the selected respondents.

The researcher analysed data using Statistical Package for Social Science (SPSS) with an aim of establishing relationships. The researcher summarized the data by use of frequencies, distribution tables, and percentage. The representation of data was done by use of pie charts, bar graphs and frequency tables that helped the researcher to arrive at a descriptively meaningful analysis of the results.

**RESEARCH RESULTS**

**Kinds of workplace conflicts faced at the workplace**

The study sought to determine the kinds of workplace conflicts faced at the workplace by the respondents. From the study findings, 19.78% of the respondents indicated the challenge of creating structural for consensus processes, 18.68% indicated the challenge of change, 12.09%...
indicated different faith and culture, 9.89% indicated personality differences, 9.89% indicated individual competence and performance, 7.69% indicated critical skills associated with handling difficult people and situations, 5.49% indicated differences in styles of working, 4.40 indicated challenges of changing environment (globalization and technology), 3.85% indicated competition over scarce resources and 2.75% indicated different ways of conflict management. This depicts that most of the respondents were experiencing a challenge of creating structural for consensus processes.

**Accommodating Style**

The study sought to determine the extent to which accommodating style is applied to manage conflict in the Bank. According to the findings, 90.66% of the respondents strongly agreed that their superior tries to work with me for a proper understanding of a problem but 9.34% of the respondents disagreed. Further, 86.26% of the respondents strongly agreed that their superior tries to work with them to find solutions to a problem which satisfy their expectations but 13.74% were on contrary. Also, 80.22% of the respondents strongly agreed that their superior collaborates with them to come up with decisions acceptable to us while 19.78% of the respondents disagreed on that. Further, 73.63% of the respondents strongly agreed that their superior tries to investigate an issue with them to find a solution acceptable to both of them but 26.37% of the respondents indicated otherwise. In addition, 68.68% of the respondents strongly agreed that their superior collaborates with them to come up with decisions acceptable to us while 31.32% were on contrary. Finally, 51.65% of the respondents strongly agreed that their superior exchanges accurate information with them to solve a problem together but 48.35% of the respondents indicated otherwise.

**Obliging Style**

The study sought to examine the extent to which obliging style is applied to manage conflict in the Bank. From the findings, 62% of the respondents strongly agreed that their superior often goes along with their suggestions they give while 15.38% of the respondents indicated otherwise. Further, 61.54% of the respondents strongly agreed that their superior tries to satisfy their expectations. In addition, 57.14% of the respondents strongly agreed that their superior usually accommodates their wishes but 42.86% of the respondents were on contrary. Further, 47.25% of the respondents strongly agreed that their superior usually allows concessions to them but 52.75% of the respondents indicated otherwise. In addition, 41.76% of the respondents strongly agreed that their superior generally tries to satisfy the needs of the staff members while 58.24% of the respondents were on contrary. Finally, 39.56% of the respondents strongly agreed that their superior give in to their but 60.44% of the respondents disagreed.
Competitive Style

The study sought to establish the extent to which competitive style is applied to manage conflict in the Bank. From the study findings, 95.05% of the respondents strongly agreed that their superior negotiates with them so that a compromise can be reached while 4.95% of the respondents disagree. In addition, 84.07% of the respondents strongly agreed that their superior tries to find a middle course to resolve an impasse but 15.93% of the respondents disagree. Further, 89.01% of the respondents strongly agreed that their superior usually proposes a middle ground for breaking deadlocks while 10.99% of the respondents indicated otherwise. Also, 54.95% of the respondents indicated that their superior uses give and take so that a compromise can be made but 45.05% of the respondents indicated otherwise.

Compromising Style

The study sought to evaluate the extent at which compromising style is applied to manage conflict in the Bank. According to findings, 54.95% of the respondents strongly agreed that their superior uses his/her expertise to make a decision in his/her favour but 45.05% of the respondents disagreed. Further, 46.15% of the respondents also strongly agreed that their superior uses his/her authority to make a decision in his/her favour but 53.85% of the respondents disagreed. Also, 41.21% strongly agreed that their superior generally is firm in pursuing his/her side of the issue while 58.79% of the respondents disagreed. In addition, 35.71% of the respondents strongly agreed their superior uses his/her influence to get his/her ideas accepted. Strongly Agree but 64.29% of the respondents disagreed. Finally, 24.18% of the respondents strongly agreed that their superior sometimes uses his/her power to win a competitive situation of a problem but 75.82% of the respondents disagreed.

Avoiding Style

The study sought to establish whether avoiding style is applied to manage conflict in the bank. From the findings, 97.80% of the respondents strongly agreed that their superior avoids an encounter with them but 2.20% of the respondents disagreed. Further, 91.21% of the respondents strongly agreed that their superior tries to avoid unpleasant exchanges with them but 8.79% of the respondents disagreed. Also, 86.26% of the respondents strongly agreed that their superior tries to keep his/her disagreement to himself/herself in order to avoid hard feelings while 13.74% of the respondents disagreed. Further, 78.57% of the respondents indicated that their superior tries to stay away from disagreement with them while 21.43% disagreed. In addition, 56.59% of the respondents strongly agreed that their superior usually avoids open discussion of his/her differences with them but 43.41% disagreed. Finally, 36.81% of the respondents strongly agreed that their superior attempts to avoid being “put on the spot” and try to keep our conflict to himself/herself but 63.19% of the respondents indicated otherwise.
Job Satisfaction

Further, the study sought to determine the extent to which the respondents were satisfied at work. According to the findings, 96.70% of the respondents strongly agreed on sharing of knowledge and skills with the colleagues, superiors and subordinates but 3.30 disagreed. Also, 90.11% of the respondents strongly agreed on positive relations with the colleagues, superiors and subordinates while 9.89% disagreed. In addition, 70.33% of the respondents strongly agreed that they are happy about work while 29.67% disagreed. Also, 61.54% respondents strongly agreed on level of creativity strongly agreed but 38.46% of them disagreed. In addition, 54.95% of the respondents strongly agreed on level of productivity but 45.05% disagreed. Further, 53.30% respondents strongly agreed that they were willing to work while 46.70% disagreed. Lastly, 39.56% of the respondents strongly agreed on willingness to share the grievances with the colleagues, superiors and subordinates but 60.44% disagreed.

CONCLUSIONS

From the study it is noted that the commercial banks faced the challenge of personal differences, challenge of different faith and culture, challenge of changing environment (globalization and technology), different ways of conflict management, challenge of critical skills associated with handling difficult people and situations, challenge of competition over scarce resources, the challenge of creating structural for consensus processes, challenge of cooperative discourse and the challenge of change. The challenge that was most popularly faced was competition over scarce resources. All the banks faced all the challenges. From the study it is noted that the KCB used the strategies of accommodating, compromising, competing, collaborating and avoiding. The strategies that were most popularly used were avoiding and collaborating. It is advisable for commercial banks to use a combination of two or more strategies so that objectivity is observed.

RECOMMENDATIONS

The management of the KCB should take bold step on trainings on conflict management to have the knowledge of managing conflict. They should also ensure that all the employees are having enough knowledge on conflict management by having frequent in-house training. The KCB should embrace the fact that workers come from different backgrounds, faith and different cultures and therefore KCB would be able to understand each employee behavior and know how to deal with them in case of any conflict between employee or with the customers around. The management should ensure that the competition for resources is minimal. Increasing more resources in KCB like for instances enough computers and providing in-house training to their employees on new technological. The management of the commercial banks in Kenya should also ensure that they are clear conflict management policies that govern the employees in the organization and have clear strategy that manage conflict. Carry out frequent research so as to
understand what other banks and other organizations do in case of conflicts. Through research, they will be able to consumer behavior and hence adopt to a certain strategy that will be able to address the conflict management between employees and customers.

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