Explaining the relationship between conflict management, organizational climate and job performance (Case Study: Shiraz Water and Wastewater Company)

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Abstract

The aim of this study was to investigate the relationship between conflict management, organizational climate, and job performance. The population of this study included 200 employees of Shiraz Water and Wastewater Company. Sample of study was determined 131 subjects by simple random sampling method using Cochran formula. Questionnaire was used to collect data, that its reliability has been tested. To determine the validity and reliability of questionnaire, content validity and Cronbach's alpha coefficient were used, respectively, and its reliability coefficient was obtained 0.89 for conflict management, 0.79 for organizational climate, and 0.81 for job performance. In this study, the structural equation modeling was used to analyze the data. To analyze data and test the hypotheses and other analyses, Lisrel software was used. The results showed that there is a significant relationship between conflict management, organizational climate, and job performance, and mediating role of organizational climate in the relationship between conflict management and job performance was confirmed.

Keywords: conflict management, organizational climate and job performance.
Introduction

In the last two decades, organizational performance management has been considered as one of the interesting topics. Information on performance enables organizations to gain competitive advantages (Vesna, 2008). A critical issue in the process of improving the performance of organizations is guiding the organization inputs, especially human resources, to a direction where organization's goals and system mission are achieved (Parsaeian and the Arabi, 1999). In recent years, many studies have been conducted to identify the causes and consequences of job stress that most of them were in the role-related stresses. Most of studies conducted on stresses arising from job were around ambiguity and conflict referred often as role-related stressors (Jackson and Schuler, 1985). If duties and job responsibilities are not compatible with laws and regulations, resources, opportunities, and one’s expectations of the job, a kind of conflict is created causing dissatisfaction in that person (Alvani, 2000). Inappropriate behaviors to play one role may not be compatible with appropriate behaviors to play another role, and they can be in conflict with each other.

In fact, conflict is created when person finds out that accepting one role makes it difficult to accept another role, and in its extreme state, it involves situations in which two or more roles are reciprocally conflicted. Role conflict refers to aspects of the job that can create a kind of confusion in person (Jackson and Schuler, 1985). In today's highly competitive world where organizations are constantly seeking new and modern methods to maximize the performance of their employees, it is necessary that appropriate organizational climate and employee motivation for survival and success of organization to be increased. Without creative employees and support of creativity by workplace, it is impossible to create innovative organization (Indarti and Paramitha, 2014). Therefore, organizations must pave the way for employees and managers so that they can use their experiences, abilities and capacity to promote organizational goals. Brown and Muberg believe that organizational climate is a set of cultures, customs and practical methods, observed by members of the organization, that: (1) describes the organization, (2) separates the organization from other organizations and institutions, (3) it is relatively stable over time, and (4) it affects and guide people. On the other hand, organizational climate has impact on the willingness of employees to do duties beyond their role in the organization so that both person and the organization make profit from the performance of employees. The aim of this study was to investigate the relationship between conflict management, organizational climate, and job performance.

Management conflict

Management conflict is a type of management that it can run the organization in the best way in conflict situations, create a balance between employees and organization, and eliminate the created conflict. In general, the process of conflict management involves identifying the proper role of conflict among groups and proper use of techniques to resolve conflicts among them for organizational effectiveness. There is no doubt that a conflict in role can be found in all jobs. According to the findings of previous studies, role conflict has impact on various aspects,
including job performance of employees. Role conflict indicates conflicting requests in a single role or among multiple roles. Role ambiguity is another aspect of job stressors referring to degree of uncertainty with regard to job functions and responsibilities (Gupta and Jenkins, 1985; Lewis and Cooper 1988, and Cooper and Marshall, 1976). Meta-analytic findings of Jackson and Schuler (1985) show that high levels of two variables of conflict and role ambiguity in the stressor role is associated with low levels of job satisfaction and high levels of anxiety / stress and intention to leave job. Presence of different people with different personality traits, needs, beliefs, and perceptions makes conflict inevitable in organizations. Nowadays, different kinds of conflict are defined, for example, institutional conflict resulted from nature and objectives of the organization that is challenging, or emerging conflict resulting from formal and informal interactions among employee on their everyday activities, and personality conflict defined as lack of agreement or personal satisfaction to each other (2001 kreitner, and Angelo). In the investigations conducted, four types of role conflict have been identified, including:
- Inter-sender role conflict
  This inconsistency occurs when expectations, demands and pressures that a person faces with them on one hand are inconsistent with expectations, demands and pressures imposing on him on other hand. In other words, in this situation, a person exposed to conflicting expectations, demands and pressures.
- Sender conflict role
  The conflict arises when the person is asked to do a variety of activities that they are incompatible with each other.
- Person-role conflict
  This incompatibility is a result of the roles assigned to the employed person that they are conflicting with his beliefs and values,
- Inter-role conflict
  This conflict occurs when a person faces with two groups of conflicting demands and expectations on the one hand, and individual's expectations and demands out of the workplace on the other hand.

Mutual impact of conflicting behavior and the behavior to cope with conflict has some consequences.

These consequences may be positive and constructive and lead to improved organizational performance, or conversely, they can be negative and destructive (Robbins, 1995 and Mirkamali, 2002). Many people think that conflict reduces the performance of organization, but it is not true. Conflict can be constructive or destructive for a group or unit. Conflict levels may be extremely high or extremely low. If the conflict is on either end of the spectrum, performance is reduced. The optimal level is when conflict is at the level that it prevents from recession and causes creativity and innovation, reduces stress, and causes change. Furthermore, conflict should not be to the extent that it leads to confusion and disharmony. A very high conflict reduces the effectiveness of the organization and thus reduces members' job satisfaction, productivity, and production of organization, and increases mobility of employees. On the other hand, at the optimal level of conflict, the indolence and apathy should be minimized. In addition, motivations should be created through challenging environment, so that interesting workspace to be created.
Job Performance

Performance is total job-related behaviors shown by people (Griffin, 1996). Individual performance in an organization depends on type of his personality and organizational role, and success and organizational conditions. Performance is predictive criterion or a key dependent criterion in a framework that we offer. This framework acts as a means to judge on effectiveness of individuals, groups and organizations. Job performance is output of people with regard to a task done. In other words, performance is actual task of people based on the duties assigned for them. In fact, job performance is to realize the tasks and duties assigned for human resources by the organizations (Kasikov, 1989, p. 304). Vaisosuaran and Vance (2000) consider job performance as actions and behaviors that through them employees are involved in organizational objectives. Rujelberg (2007) has defined the performance as activities that are typically part of one’s jobs and activities and he is obliged to do them. Organizational performance is to achieve social and organizational objectives and perform individual responsibilities (Hersey-Blanchard, 1994). Living in knowledge-based societies brings new challenges for labor and organizations. In order to survive and compete, continuous development and learning are essential. In the meantime, managers and supervisors, as pillars of the organization, require training of management skills. Managers should have a clear view of the skills required for their management. In addition, they should have information on skills and abilities needed for the same level managers and other levels of the organization. In the case of lack of this information and awareness, they will not be able to work effectively, receive feedback, and provide other activities related to working changes, training, and their job activities growth (Gentry et al., 2008).

The rate of success in achieving the goals of the organization has direct relationship with human resources performance of organizations. According to different needs and attitudes of managers, expected objectives of performance evaluation may be prioritized differently, which can be divided into three main groups:
• strategic objectives: they include strategic management and revision in strategies.
• communicative objectives: they involve controlling the current situation, showing the future direction, and modeling all other organizations.
• motivational objectives: they involve developing a reward system as well as encouraging the improvement and learning.

Applications determined in order to evaluate the performance of organizations include planning human resources, staffing, determining recruitment tests, training needs assessments and an attempt to hand them, determining the career path, determining the criterion to pay for material rewards, recognizing potential abilities of employees, and making decision on encouragement, promotion and transfer of employees (Desler, 1999). Murray Ainsworth and Newell Smith define performance as a function of role transparency, competence, environment, values, preferred appropriateness, and reward. In Ainsworth and Smith’s equation, performance factors of Meyer's equation have been represented as competence and appropriateness. Studies have consistently shown that in addition to knowledge, skills, and talents, personality is another valid predictor of
job performance, especially underlying performance and person-organization interaction (Cair Stead, 1998). Performance is assessed at three areas of knowledge, skills and ability:

- Knowledge: it involves information and experience learned in order to perform the assigned duties, organizing the information, knowing the information on rules, circulars and procedures, the belief in documenting, and knowing what to do.
- Skill: it involves useful and applied experience, the art of integrating the knowledge and asked work, gathering skill and analyzing data, working with new systems, solving minor problems, and documenting of skill
- Ability: it involves using knowledge and skills learned to perform assigned tasks and duties in the best way in the complicated situations, as far as possible (Ghanbari, 2010).

Organizational climate

Organizational climate was firstly proposed by Kurt Lewin in 1951. He proposed that behavior of an individual depends on his surroundings. This concept was introduced in the organizational climate literature in 1960. Two important factors in promoting organizational climate literature were studies conducted by Forehand and Gilmer and James and Jones (Thomas, 2006, 30). The nature of organizational climate is to reveal employees’ perception of their work environment and their interpretation of the organization. Better understanding of organizational climate could be effective in improving the production, motivation, and the degree of satisfaction of employees (Ibid, 2-10). Organizational climate depends on the way of organizing employees in terms of management hierarchy so that the high-level managers of an organization cannot establish very strong organizational climate, but employees can change the organizational climate and weaken or strengthen it (Ibid, 48-54). Different definitions have been proposed for organizational climate. Some of them have been equated with the environment (Farmihani Farahani, 1999). Organizational climate refers to a set of elements and factors that are out of an organization, but these elements and factors have an impact on the activities of an organization in general (Kadivar, 1996). Alagheband (2004) considered it as all external and internal conditions of an organization surrounded it. Litvian and Stringer (1974) define organizational climate as a set of measurable characteristics in the work environment perceived directly or indirectly by those who work in the environment that has an impact on motivation of people and their behavior (Litvian and Stringer, 1974, 13).

Types of organizational climate

In 1960s, Halpin and Craft conducted a study on organizational climate and they identified six types of organizational climate:

Open climate: in this climate, teachers (employees) have high level of spirit and they are working together without aggression and conflict. Management policies facilitate performing the tasks and affairs, where people cause no trouble for each other, and teachers enjoy friendly relations with each other.
Autonomous climate: in such climate, teachers have almost complete freedom so that they can find ways to satisfy their social needs. Teachers (employees) are working on their own and they can achieve their goals quickly and easily.

Controlled climate: controlled climate is characterized with a pressure imposed to achieve the objectives of the organization at the expense of satisfying social needs. In such climate, all people work hardly and spend less time for friendly relations.

Friendly climate: in such climate, manager believes that all employees are members of a family. He avoids of performing those works causing damage for feelings of members.

Paternal climate: Teachers do not work together well and this causes lack of coordination among them. Teachers do not have friendly relations and their spirit is significantly lower. Manager monitors teachers all the time.

Close climate: In this climate, teachers are not involved in the organization affairs. Job satisfaction of teachers (employees) is at a low level. Teachers try to satisfy themselves through communication with each other and private relations. Most teachers are interested to leave job (Mirkamali, 2011).

In today's highly competitive world, organizations are constantly seeking new ways to maximize their performance and their employees’ performance. Appropriate organizational climate and employee motivation for the survival and success of organizations are very important. Certainly, an innovative organization cannot achieve creativity without creative employee and workplace support (Paramitha and Indarti, 2014).

![Figure 1- Conceptual model](image)

**Research Hypotheses**

1. There is a significant relationship between conflict management and organizational climate.
2. There is a significant relationship between organizational climate and job performance.
3. There is a significant relationship between conflict management and job performance.
4. There is a significant relationship between conflict management and job performance through organizational climate.
Methodology

The method of study is cause and effect and applied, since according to characteristics of population of the study, it was conducted at certain period and specified locational domain, and researcher aims to generalize the results to other similar units and sectors using applied method. Questionnaire was used as tool of study to collect data in order to test the hypotheses. This study is correlational matrix analysis or covariance in which the structural equation modeling was used. Statistical population of this study includes all employees of Shiraz Water and Wastewater Company. Sampling method in this study was simple randomized method in which 131 subjects were selected as sample of study using Cochran formula. Data necessary for current study were collected through a questionnaire that its reliability has been tested.

To determine the validity and reliability of questionnaire, content validity and Cronbach's alpha coefficient were used, respectively. Its reliability for Robin’s conflict management questionnaire (1991) was 0.89, for Halpkin and Craft’s organizational climate questionnaire (1963), it was 0.79, and for Paterson’s job performance questionnaire (2010), it was 0.81. In this study, the structural equation modeling was used to analyze the data. For data analysis and hypothesis testing and other analyses in this paper, Lisrel software was used. Therefore, after drawing the analytical model of study based on data and using Path diagram application, the measurement model was obtained by running the Perlis application of LISREL software. In this study, hypotheses were tested using B coefficients and t-test. Additionally, model fitness indices were calculated automatically by Perlis application.

Data analysis

First, chi-square index is calculated to test the null hypothesis. Significant value of chi-square indicates that null hypothesis should be rejected, stating that the model is not used in the available population. GFI and AGFI are affected by sample size and they can be large for models formulated weakly.

NFI: it represents normalized fitness index, and when its value is between 0.90 and 0.95, it will be unacceptable, and values higher than 0.95 will be excellent.

NNFI: it represents non-normalized fitness index, and when its value is greater than 0.1, it is considered equal to 0.1.

RMSEA: it is Root Mean Square Error of Approximation reported in decimal.

Among mentioned indices, RMSEA and GFI are more important. RMSEA index for good models is 0.05 or lower. Models that their RMSEA is 0.1 or greater have weak fitness. As GFI index approximates to 0.1, it indicates good fitness of the model.

Table 1- Fitness indices of research model
<table>
<thead>
<tr>
<th>Estimated values</th>
<th>Standard values</th>
<th>Fitness index</th>
</tr>
</thead>
<tbody>
<tr>
<td>900</td>
<td>-------</td>
<td>Degrees of Freedom</td>
</tr>
<tr>
<td>3964.42</td>
<td>Due to dependency to sample size, it is not good index</td>
<td>Chi-Square</td>
</tr>
<tr>
<td>0.137</td>
<td>0.05</td>
<td>RMSEA</td>
</tr>
<tr>
<td>0.90</td>
<td>0.90</td>
<td>NFI</td>
</tr>
<tr>
<td>0.94</td>
<td>0.90</td>
<td>NNFI</td>
</tr>
<tr>
<td>0.95</td>
<td>0.90</td>
<td>CFI</td>
</tr>
<tr>
<td>0.061</td>
<td>0.05</td>
<td>RMR</td>
</tr>
<tr>
<td>0.73</td>
<td>0.90</td>
<td>GFI</td>
</tr>
<tr>
<td>0.69</td>
<td>0.90</td>
<td>AGFI</td>
</tr>
</tbody>
</table>

As shown in Table 1, goodness of fit of all indices is relatively at acceptable level.

The following two Diagrams illustrate the general models of Lisrel software output containing both structural model and sampling, that they will be discussed in detail later.
Figure 2: base model with path coefficients
Figure 3: base model with t values

Chi-Square=3964.42, df=500, P-value=0.00000, RMSEA=0.137
Testing hypotheses

The first hypothesis

The researcher claims:

1. There is a significant relationship between conflict management and organizational climate.

H0: There is no significant relationship between conflict management and organizational climate.
H1: There is a significant relationship between conflict management and organizational climate.

Table 2: The results of standard coefficients and t statistic

<table>
<thead>
<tr>
<th>Predicting variable</th>
<th>Predicted variable</th>
<th>Estimated coefficient</th>
<th>T statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict management</td>
<td>Organizational conflict</td>
<td>1.51</td>
<td>6.67</td>
</tr>
</tbody>
</table>

According to Table 2, the path coefficient value between conflict management and organizational climate is 1.51 and related t value is 6.67 >1.96. Therefore, according to t test with critical value of 0.05 at the 95% confidence level, null hypothesis can be rejected. Therefore, the first claim of the researcher is confirmed and it can be said that there is significant relationship between conflict management and organizational climate, with 95% confidence level.

Second hypothesis

2. There is a significant relationship between organizational climate and job performance.

H0: There is no significant relationship between organizational climate and job performance.
H1: There is a significant relationship between organizational climate and job performance.

Table 3: The results of standard coefficients and t statistic

<table>
<thead>
<tr>
<th>Predicting variable</th>
<th>Predicted variable</th>
<th>Estimated coefficient</th>
<th>T statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational climate</td>
<td>Job performance</td>
<td>1.09</td>
<td>6.64</td>
</tr>
</tbody>
</table>

According to Table 3, the path coefficient value between organizational climate and job performance is 1.09 and related t value is 6.64 >1.96. Therefore, according to t test with critical value of 0.05 at the 95% confidence level, null hypothesis can be rejected. Therefore, the second claim of the researcher is confirmed and it can be said that there is significant relationship between organizational climate and job performance, with 95% confidence level.

Third hypothesis:

3. There is a significant relationship between conflict management and job performance.

H0: There is no significant relationship between conflict management and job performance.
H1: There is a significant relationship between conflict management and job performance.

Table 4: The results of standard coefficients and t statistic

<table>
<thead>
<tr>
<th>Predicting variable</th>
<th>Predicted variable</th>
<th>Estimated coefficient</th>
<th>T statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>conflict management</td>
<td>job performance</td>
<td>1.83</td>
<td>5.88</td>
</tr>
</tbody>
</table>

According to Table 4, the path coefficient value between conflict management and job performance is 1.83 and related t value is 5.88 >1.96. Therefore, according to t test with critical value of 0.05 at the 95% confidence level, null hypothesis can be rejected. Therefore, the third claim of the researcher is confirmed and it can be said that there is significant relationship between conflict management and job performance, with 95% confidence level.

Fourth hypothesis
4. There is a significant relationship between conflict management and job performance through organizational climate.

H0: There is no significant relationship between conflict management and job performance through organizational climate.
H1: There is a significant relationship between conflict management and job performance through organizational climate.

Table 5: The results of standard coefficients and t statistic

<table>
<thead>
<tr>
<th>Direct relationship</th>
<th>Estimated coefficient</th>
<th>T statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>conflict management → organizational climate</td>
<td>1.51</td>
<td>Significant</td>
</tr>
<tr>
<td>organizational climate → job performance</td>
<td>1.09</td>
<td>Significant</td>
</tr>
<tr>
<td>Direct relationship</td>
<td>conflict management → job performance</td>
<td>1.51×1.09</td>
</tr>
</tbody>
</table>

According to Table 5, we examine the indirect relationship between conflict management and job performance through organizational climate by direct impact of conflict management on organizational climate. Then, we examine the direct impact of organizational climate on job performance. If direct impacts are confirmed and significant, indirect impact can be also confirmed. Based on Table 5, the indirect impact of conflict management and job performance through organizational climate is 1.64.

Results of study and their analysis

Based on first hypothesis, path coefficient value between conflict management and organizational climate is 1.51 and related t value is 6.67 >1.96. Therefore, according to t test with critical value of 0.05 at the 95% confidence level, null hypothesis can be rejected. Therefore, the first claim of the researcher is confirmed and it can be said that there is significant
relationship between conflict management and organizational climate, with 95% confidence level.
Results of second hypothesis indicated that the path coefficient value between organizational climate and job performance is 1.09 and related t value is 6.64 >1.96. Therefore, according to t test with critical value of 0.05 at the 95% confidence level, null hypothesis can be rejected. Therefore, the second claim of the researcher is confirmed and it can be said that there is significant relationship between organizational climate and job performance, with 95% confidence level.

Results of the third hypothesis showed that path coefficient value between conflict management and job performance is 1.83 and related t value is 5.88 >1.96. Therefore, according to t test with critical value of 0.05 at the 95% confidence level, null hypothesis can be rejected. Therefore, the third claim of the researcher is confirmed and it can be said that there is significant relationship between conflict management and job performance, with 95% confidence level.

Results of fourth hypothesis is examined based on the Table information. To investigate the mediating role of organizational climate in the relationship between conflict management and job performance, if direct impact of conflict management on organizational climate and direct impact of organizational climate on job performance are confirmed, mediating role of organizational climate between conflict management and job performance is also confirmed.
The path coefficient of conflict management on organizational climate 1.51 is significant with confidence level of 95%, with t value of 6.67 and error level of 0.05. Additionally, the path coefficient of organizational climate on job performance 1.09 is significant with confidence level of 95%, with t value of 6.64 and error level of 0.05.
Therefore, the mediating role of organizational climate in relationship between conflict management and job performance is 1.51 × 1.09 = 1.64 and the researcher claim is confirmed.
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