



CONFLICT MANAGEMENT STRATEGIES AND ORGANIZATIONAL PERFORMANCE OF OIL AND GAS FIRMS IN RIVERS STATE

Kalu Livinus Achi^{1*} and Queen James Ezekiel-Hart²

^{1&2}Petroleum Marketing and Business Studies, School of Business Studies and Management Technology, Federal Polytechnic of Oil and Gas, Bonny, Rivers State.

*Corresponding Author's Email: livinusachikal@yahoo.com

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ABSTRACT: *This study examined the relationship between conflict management strategies and organizational performance in oil and gas firms in Rivers State. The study adopted correlational survey research design. The population of the study constitutes the elements within the study unit. The population of the study comprised twenty-five (25) oil and gas companies. The data for this study were collected through primary data source; the questionnaire was the instrument used in collecting primary data. A total of one hundred and twenty-five copies of the questionnaire were distributed in a frame of 5 copies per firm. Reliability analysis was performed on the data using the Cronbach Alpha coefficient and it stood at 0.88. The data collected for the study were analyzed through descriptive and inferential statistics. The Spearman Rank-Order Correlation was adopted. The findings revealed a significant relationship between accommodation strategy and organisational performance of oil and gas firms in Rivers State. Also, a strong significant linear relationship was revealed between collaboration strategy and organisational performance of oil and gas firms in Rivers State. The study concludes that oil and gas firms should embrace collaboration and accommodation strategy as preferred strategies for effective conflict management within the organizational context. The study recommends that oil and gas firms should focus on increasing the utilization of conflict management strategies like collaboration and accommodation strategy to increase organizational performance.*

KEYWORDS: Conflict Management Strategies; Organizational Performance.



INTRODUCTION

The oil and gas industry in Nigeria, particularly in Rivers State, operates within a complex and dynamic environment characterized by multifaceted challenges, including regulatory constraints, stakeholder interests, resource management issues, and geopolitical factors. This context often gives rise to various forms of conflict that can significantly impact organizational performance and effectiveness. Effective conflict management strategies are essential for maintaining operational continuity, fostering employee engagement, and enhancing overall organizational performance within oil and gas firms. The selection and implementation of appropriate conflict resolution approaches are influenced by organizational culture, leadership styles, and the nature of industry-specific challenges.

Scholars such as Rahim (2002) emphasized the importance of understanding conflict management styles and strategies for achieving positive organizational outcomes. Conflict resolution approaches range from collaborative problem-solving and negotiation to more formal mechanisms such as mediation and arbitration (Deutsch, 1973; Lewicki et al., 2003).

In the Nigerian oil and gas sector, studies by Amaeshi et al. (2006) and Okorie and Nwoye (2017) highlight the prevalence of intra-organizational conflicts arising from resource allocation, interdepartmental coordination, and community relations. Effective conflict management practices are essential for mitigating the negative impact of these conflicts on operational efficiency and employee morale.

Organizational performance in the oil and gas industry encompasses diverse metrics, including operational efficiency, safety records, financial stability, stakeholder satisfaction, and regulatory compliance (Bryson & Crosby, 1992; Koontz & Wehrich, 2016). Effective conflict management contributes to creating a conducive work environment that supports innovation, collaboration, and continuous improvement.

Despite the recognized importance of conflict management in the oil and gas sector, empirical studies specific to Rivers State are limited. This study seeks to address this research gap by investigating the relationship between conflict management strategies and organizational performance within oil and gas firms in Rivers State, Nigeria. By examining these dynamics, the study aims to generate practical insights and recommendations for enhancing conflict management capabilities in the local oil and gas industry. The findings will contribute to enhancing organizational effectiveness and sustainability in oil and gas firms operating in Rivers State.

Statement of the Problem

The relationship between conflict management techniques and organizational performance needs to be looked into in the context of oil and gas companies operating in Rivers State. In this industry setting, there is a lack of knowledge regarding the ways in which different conflict resolution techniques affect key performance indicators, despite the fact that good conflict management is crucial for organizational efficacy and efficiency. Resources allocation, stakeholder relations, regulatory compliance, and interdepartmental cooperation are among the many conflict situations that oil and gas companies in the Rivers State region must deal with.



The most common conflict management techniques used by oil and gas companies in the Rivers State region are unclear, as is the efficiency of these techniques in resolving internal conflicts. The purpose of the study is to investigate the relationship between key performance indicators including financial stability, employee morale, safety records, and operational efficiency and conflict resolution techniques like negotiation, mediation, and arbitration.

Aim and Objectives of the Study

The aim of this study is to examine the relationship between conflict management strategies and organizational performance in oil and gas firms in Rivers State, Nigeria. The specific objectives of the study were to:

- i. Determine the relationship between accommodation strategy and organizational performance in oil and gas firms in Rivers State.
- ii. Examine the relationship between collaboration strategy and organizational performance in oil and gas firms in Rivers State.

Research Questions

- i. What is the relationship between accommodation strategy and organizational performance in oil and gas firms in Rivers State?
- ii. What is the relationship between collaboration strategy and organizational performance in oil and gas firms in Rivers State?

Research Hypotheses

H₀₁: There is no significant relationship between accommodation strategy and organizational performance in oil and gas firms in Rivers State.

H₀₂: There is no significant relationship between collaboration strategy and organizational performance in oil and gas firms in Rivers State.

REVIEW OF RELATED LITERATURE

Concept of Conflict Management Strategies

Chaudhary and Arora (2023) stated that conflict management is the ability of an organization to identify the sources of conflict and put strategic measures in place to minimize or control conflict. To Alper and Law (2000), conflict management involves acquiring skills related to conflict resolution, establishing structures of conflict models, and putting strategic measures as well as approaches in place. Conflict management focuses on the principle that conflicts cannot necessarily be resolved entirely but can be managed using appropriate actions such as accommodating, avoiding, collaborating, compromise and confrontation (Igbino, 2023). Strategies to conflict management are a futuristic detailed approach that looks into achieving long term wins for the parties involved in conflict. Strategies include negotiation, collective bargaining, mediation, third party intervention, brainstorming and communication (Valente & Lourenço, 2022).



Dimensions of Conflict Management Strategies

Accommodation Strategy

This mode is a win-lose orientation. This approach is marked by a strong inclination towards both unassertiveness and cooperativeness. In this approach, one party disregards their own concerns in order to address the concerns of others (Larasati & Raharja 2020). While this mode can be effective and lead to an immediate resolution of the issue, it involves a significant sacrifice of one's own interests. This approach is utilized when the source of the conflict is more meaningful to the other parties than it is to oneself. The purpose of employing this strategy is to let the other side win while you lose (Umana 2019; Omene 2020). Tabitha and Florence (2019) posited that the accommodating strategy holds that no amount of sacrifice is too great to allow for the restoration of peace. Situations when this mode is useful include when an individual realizes that they are wrong and accepts a better solution, when the issue is more important to the other person or party which can be seen as a good gesture and builds social credits for future use, and when damage may result if one party continues to push their own agenda (Utaka & Silas-Dikibo, 2020). This mode should not be used when the outcome is critical to the success of the team and when safety is an absolute necessity to the resolution of the conflict (Mills & Mene 2020). Due to its long-term orientation, accommodating is ineffective for addressing task conflict but works well when handling interpersonal conflict.

Collaboration Strategy

This mode is focused on win-win situations. High levels of cooperation and aggressiveness define this mode. By working together, teams and individuals can resolve the problem in a way that benefits all parties. The concerned parties work together to discover a solution that satisfactorily satisfies their respective issues (Cheng et al., 2020; Imtiaz et al., 2022). It entails integrating ideas to find the best possible solutions in conflict situations. The best answer is achieved through a creative process that is spurred by the contributions of other parties concerned. (Umana, 2019; Kayser & Kaplan, 2020). Because all parties participate in reaching a conclusion, this strategy may be regarded as the finest. In this approach, it takes a significant amount of time, energy, and resources to ascertain each party's fundamental needs. It is frequently described as a process of building on ideas in order to create the best possible conflict resolution that meets the needs of all parties. (Shariq et al., 2022; Utaka & Silas-Dikibo, 2020). In this mode, the optimal resolution is usually one that would not have been possible for one person to come up with on their own. According to Turesky et al. (2020), collaboration is encouraged by many leaders because it can lead to not only positive outcomes but, more importantly, the development of stronger team structures and innovation.

Concept of Organisational Performance

Organizational performance is the capacity of a business to use an appropriate plan of action to achieve goals like high profit, high-quality product, significant market share, good financial outcomes, and survival at a certain period (Ongori, 2009). Organizational performance can also be used to see how a company is performing in comparison to other companies in the same industry with regard to profit, market share, and product quality. As a result, it represents the workforce's productivity as evaluated by income, profit, and the organization's overall



development and progress (Ongori, 2009). Organizational performance encompasses a variety of activities that support the establishment of the organization's goals and track its progress towards them. It is employed to make modifications in order to achieve objectives more successfully and efficiently (Chandrasekar, 2011). Any firm that wants to succeed needs to have its functions defined and completed. According to Richard et al. (2009), it is critical for a company to create plans that centre on the competencies that will improve the organization's performance. The actual output or results of an organization as compared to its expected outputs (or aims and objectives) is what is referred to as organizational performance.

Theoretical Review

Contingency Theory serves as the cornerstone of this study. Fred Fiedler developed this behavioral theory in 1964. The fundamental notion of the theory is that there is not a single optimal strategy for managing an organization; rather, the best course of action is dependent upon the specific situation (Adeoye, 2021). It is believed that a manager's effectiveness is determined by the degree to which task or relationship, motivation, and environment interact. This suggests that a variety of management strategies may be needed, depending on the circumstance, to either preserve positive group dynamics or motivate staff to complete their work (Amhalhal et al., 2021). Contingency theory, according to Seriki (2022), is composed of two dependent factors (efficiency and organizational performance) and six independent constructs (strategy, task, technology, organizational size, structure, and culture). Contextual considerations determine which conflict management strategies work best. The particulars of the disagreement and the organization's goals impact the choice of conflict management approach. Through cooperation, accommodation, compromise, and avoidance strategies, the theory connects to the independent variables.

Empirical Review

Ofobruku (2022) conducted a study in Delta State, Nigeria to examine the effect of conflict management on organizational performance of some selected deposit money banks in Nigeria. The research employed a survey research design, utilizing a questionnaire to gather responses from 112 bank staff members who constituted the sample size. The data underwent analysis through ordinary least square regression. The findings indicated that organizational performance is notably influenced by collaboration and collective bargaining, whereas compromising showed no significant impact on organizational performance.

Shabani et al. (2022) investigated the impact of conflict management styles on organisational performance: a comparative analysis in Kosovo. The study sought to identify conflict management styles within both public and private enterprises and evaluate their impact on organizational performance. The sample size consisted of 100 managers from each sector. Results revealed that compromise was the predominant style in the private sector, with avoidance being the least utilized. Conversely, the dominating style was most commonly observed in the public sector, with the obliging style being the least utilized. According to the OLX model, organizational performance within the private sector is notably influenced by the obliging style, whereas in the public sector, the compromising style plays a more substantial role in shaping organizational performance.

Imtiaz et al. (2022) examined the impact of conflict management styles on the employee motivation and performance of banking organizations in Bahawalpur, Pakistan. The study



employed a convenience sampling technique to gather primary data from 385 employees working under managers or supervisors in the banking sector of Bahawalpur. Structural Equation Modeling (SEM) was utilized for data analysis to explore relationships among variables. The findings indicate that the integrating conflict management style has an insignificant impact on organizational performance but does positively influence employee motivation. In contrast, accommodating and avoiding conflict management styles significantly and positively impact both employee motivation and the performance of banking organizations in Bahawalpur.

METHODOLOGY

The study adopted the quantitative approach using a correlational survey research design. Population is used in research and statistics to represent the entity to be investigated. Population of the study constitutes the elements within the study unit. Therefore, the population of the study consisted of twenty-five (25) oil and gas companies. The population was obtained from <https://infoguidenigeria.com/oil-and-gas-companies/>. The data for this study were collected through primary data source; the questionnaire was the instrument used in collecting primary data. A total of one hundred and twenty-five (125) copies of the questionnaire were distributed in a frame of 5 copies per firm. Reliability analysis was performed on the data using the Cronbach Alpha coefficient and it stood at 0.88. The data collected for the study were analyzed through descriptive and inferential statistics. The Spearman Rank-Order Correlation was adopted.

Data Analysis and Presentation

In this section, the data obtained in the questionnaire were presented in tables and interpreted. A total of one hundred and twenty-five (125) copies of the questionnaire were administered to the respondents (top managers) of oil and gas companies in Rivers State.

Questionnaire Distribution and Retrieval

| Questionnaire Distribution | Questionnaire Retrieval | Useful Questionnaire | Not Useful |
|----------------------------|-------------------------|----------------------|------------|
| 125 | 122 | 110 | 12 |

Source: *Survey Data (2024)*.

From the table, it is observed that out of the one hundred and twenty-five copies (125) of the questionnaire administered to the respondents (top managers), 122 copies were collected, 110 copies were useful and 12 copies were not useful.



Demographic Analysis

The demographic variables of the respondents were presented and analyzed in this section. The demographic variables include age and gender of the respondents.

| Gender | | Frequency | Percent | Valid Percent |
|--------|--------|-----------|---------|---------------|
| Valid | MALE | 65 | 60 | 60 |
| | FEMALE | 45 | 40 | 40 |
| | Total | 110 | 100.0 | 100.0 |

Source: *Field Survey (2024)*.

The table above shows the gender distribution of the respondents used for the study. Sixty-five (65) respondents, which represent 60 percent of the population, were males while the remaining forty-five (45) respondents, which represent 40 percent of the population, were females.

Hypothesis One

Ho₁: There is no significant relationship between accommodation strategy and organizational performance in oil and gas firms in Rivers State.

| | | | accommodati on strategy | organizational performance |
|-------------------|-------------------------------|-----------------|----------------------------|-------------------------------|
| Spearman (rho) | accommodation strategy | Correlation | 1.000 | .588** |
| | | Coefficient | . | .001 |
| | | Sig. (2 tailed) | 110 | 110 |
| | organizational performance | Correlation | .588** | 1.000 |
| | | Coefficient | .001 | . |
| | | Sig. (2 tailed) | 110 | 110 |
| | | N | | |

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: *SPSS-generated Output*

The table above presents the result of the bivariate analysis carried out between accommodation strategy and organizational performance of oil and gas firms in Rivers State. The result indicates that accommodation strategy is significantly and positively correlated with organizational performance ($\rho = .588^{**}$) and this correlation is significant at 0.01 level as indicated by the symbol **. Consequently, the null hypothesis (H_{o1}) is rejected and the alternate hypothesis is accepted. This means that we then accept that there is a moderate positive and significant relationship between accommodation strategy and organizational performance of oil and gas firms in Rivers State.



Hypothesis Two

Ho₂: There is no significant relationship between collaboration strategy and organizational performance in oil and gas firms in Rivers State.

| | | | collaboratio n strategy | organization al performance |
|-------------------|---------------------------------------|-------------------------|------------------------------------|--|
| Spearman (rho) | collaboration strategy | Correlation Coefficient | 1.000 | .644** |
| | | Sig. (2 tailed) | . | .001 |
| | | N | 110 | 110 |
| | organizational performance | Correlation Coefficient | .644** | 1.000 |
| | | Sig. (2 tailed) | .001 | . |
| | | N | 110 | 110 |

**Correlation is significant at 0.01 levels (2 tailed)

*Correlation is significant at 0.05 levels (2 tailed)

Source: SPSS-generated Output

The table above shows the result of bivariate analysis carried out between collaboration strategy and organizational performance of oil and gas firms in Rivers State. The result indicates that collaboration strategy has a very strong positive correlation with organizational performance ($\rho = .644^{**}$) and the symbol ** signifies that this correlation is significant at 0.01 level. As a result of this, we then reject the null hypothesis (H_{o2}) and accept the alternate hypothesis which states that there is a strong positive and significant relationship between collaboration strategy and organizational performance of oil and gas firms in Rivers State.

SUMMARY OF FINDINGS

- i. There is a significant relationship between accommodation strategy and organizational performance in oil and gas firms in Rivers State.
- ii. There is a significant relationship between collaboration strategy and organizational performance in oil and gas firms in Rivers State.

CONCLUSION

This work focused on investigating the relationship between conflict management strategies and organizational performance in oil and gas firms in south-south Nigeria. The findings revealed a significant relationship between accommodation strategy and organisational performance of oil and gas firms in Rivers State. Also, a strong significant linear relationship was revealed between collaboration strategy and organisational performance of oil and gas



firms in Rivers State. The study concludes that oil and gas firms should embrace collaboration and accommodation strategy as preferred strategies to effective conflict management within the organizational context.

RECOMMENDATIONS

Based on the result and conclusion made, the following recommendations were made:

- i. Oil and gas firms should focus on increasing the utilization of conflict management strategies like collaboration and accommodation strategy to increase organizational performance.
- ii. The management should be sensitive to conflicts and set up effective communication channels to facilitate an improvement in conflict management.
- iii. Oil and gas firms should embrace collaboration and accommodation as a preferred approach to conflict resolution and organizational performance.

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