



CONFLICT RESOLUTION AND ORGANIZATIONAL PERFORMANCE OF OIL AND GAS FIRMS IN SOUTH-SOUTH NIGERIA.

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ABSTRACT: *This study examined the relationship between conflict resolution and organizational performance oil and gas firms in south-south Nigeria. The study adopted correlational survey research design. Population of the study constitutes the elements within the study unit. Therefore, the population of the study comprised of twenty-five (25) oil and gas companies. Data for this study were collected through primary data source; the questionnaire was the instrument used in collecting primary data. A total of two hundred and fifty copies of the questionnaire were distributed in a frame of 10 copies per firm. Reliability analysis was performed on the data using the Cronbach Alpha coefficient and it stood at 0.98. The data collected for the study were analyzed through descriptive and inferential statistics. The multiple regression analysis was adopted. The findings revealed a significant relationship between compromising strategy and organisational performance of oil and gas firms in south-south Nigeria. Also, a strong significant linear relationship was revealed between collaboration strategy and organisational performance of oil and gas firms in south-south Nigeria. The study concludes that oil and gas firms should adopt collaboration and compromise strategy, given its effectiveness in conflict management, as demonstrated by this study and supported by numerous other research findings. Furthermore, the study recommends that organizations should focus on increasing the utilization of conflict management strategies like collaboration and compromise strategy to increase organizational performance.*

KEYWORDS: Conflict Resolution, Organizational Performance, Collaboration and Compromise Strategy



INTRODUCTION

Conflict is an inherent aspect of organizational dynamics, particularly in complex industries such as oil and gas, where diverse stakeholders interact within a challenging operational environment. Effective conflict resolution strategies are essential for maintaining organizational harmony and enhancing performance outcomes in oil and gas firms. This section provides a contextual overview of the study, drawing on relevant literature and empirical evidence.

The oil and gas industry in Nigeria, particularly in the South-South region, faces unique challenges related to resource management, regulatory compliance, community relations, and geopolitical factors. These complexities often contribute to intra-organizational conflicts that can impede productivity, innovation, and overall performance.

Scholars such as Rahim (2002) emphasize the significance of understanding conflict management styles and strategies for fostering positive organizational outcomes. Conflict resolution approaches encompass a spectrum of techniques, including collaborative problem-solving, negotiation, mediation, and arbitration (Deutsch, 1973; Lewicki et al., 2003).

Within the specific context of oil and gas firms, studies by Pruitt and Carnevale (1993) and Kolb (2006) highlight the importance of adopting integrative conflict resolution strategies that seek to address underlying interests and concerns of stakeholders. These approaches are essential for mitigating the negative impact of disputes on organizational effectiveness and performance.

Furthermore, organizational performance in the oil and gas sector is multifaceted, encompassing operational efficiency, safety records, environmental stewardship, financial stability, and stakeholder satisfaction (Bryson & Crosby, 1992; Koontz & Weihrich, 2016). Effective conflict resolution strategies contribute to creating a conducive work environment that fosters employee engagement, innovation, and operational excellence (Tjosvold, 2008).

Despite the acknowledged importance of conflict resolution strategies, empirical studies specific to the oil and gas sector in Nigeria, particularly in the South-South region, are limited. This study seeks to fill this research gap by investigating the relationship between conflict resolution strategies and organizational performance within the context of oil and gas firms operating in the South-South region of Nigeria.

By conducting this research, the study aims to provide practical insights and recommendations for enhancing conflict management practices in the oil and gas industry, ultimately contributing to improved organizational performance and sustainability.

Statement of the Problem

In the context of oil and gas firms operating in the South-South region of Nigeria, there is a need to investigate the relationship between conflict resolution strategies and organizational performance. Despite the critical role of effective conflict management in fostering organizational effectiveness and efficiency, there is a gap in understanding how specific conflict resolution approaches impact key performance indicators within this industry context. Oil and gas firms in the South-South region face diverse conflict scenarios related to



resource allocation, stakeholder relations, regulatory compliance, and interdepartmental coordination.

There is a lack of clarity regarding the most prevalent conflict resolution strategies employed by oil and gas firms in the South-South region and their effectiveness in addressing organizational disputes. The study aims to explore how conflict resolution strategies, such as negotiation, mediation, and arbitration, influence key performance indicators such as operational efficiency, employee morale, safety records, and financial stability.

Aim and Objectives of the Study

The aim of this study is to examine the relationship between conflict resolution and organizational performance oil and gas firms in south-south Nigeria. The specific objectives of the study were to:

- i. determine the relationship between collaboration strategy and organizational performance oil and gas firms in south-south Nigeria.
- ii. examine the relationship between compromising strategy and organizational performance oil and gas firms in south-south Nigeria.

Research Questions

- i. What is the relationship between collaboration strategy and organizational performance oil and gas firms in south-south Nigeria?
- ii. What is the relationship between compromising strategy and organizational performance oil and gas firms in south-south Nigeria?

Research Hypotheses

Ho₁: There is no significant relationship between collaboration strategy and organizational performance oil and gas firms in south-south Nigeria.

Ho₂: There is no significant relationship between compromising strategy and organizational performance oil and gas firms in south-south Nigeria.

REVIEW OF RELATED LITERATURE

Concept of Conflict Resolution Strategies

Conflicts exist whenever an action by one party is perceived as preventing or interfering with the goals, needs, or actions of another party. Conflict can arise over a multiple of organisational experiences, such as incompatible goals, differences in the interpretation of facts, negative feelings, differences of values and philosophies, or disputes over shared resources (Algert & Watson, 2002). As defined above conflict tends to be associated with negative features and situations which give rise to inefficiency, ineffectiveness or dysfunctional consequences. But in some cases, it can actually stimulate creative problem solving and improve the situation for all parties involved (Algert & Watson, 2002).



Conflict resolution according to Alper, et., al., (2000) involve implementation of strategies to limit the negative aspects of conflicts and increase the positive aspects of conflict at a level equal to or higher where the conflict is taking place. The aim of conflict management is to enhance learning and group outcomes, that is, effectiveness of performance in organizational setting. It is not concerned with eliminating all conflicts or avoiding conflict. Rahim (2001) says that conflict resolution strategy is conceptualized as the methods and processes involved in facilitating the peaceful ending of conflict and retribution. He added that committed group members attempt to resolve group conflicts by actively communicating information about their conflicting motives or ideologies to the rest of the group (e.g., intentions; reasons for holding certain beliefs) and by engaging in collective negotiation.

Conflict resolution is the practice of identifying and handling conflict in a sensible, fair, and efficient manner, it requires such skills as effective communicating, problem solving, and negotiating with a focus on interests (Gordon, 2004). There are various styles that can be used to manage conflicts in organizations. Among the early writers, Follett suggested three main ways to handle conflict domination, compromise and integration. Moreover, she also found other such as avoidance and suppression.

Dimensions Conflict Resolution Strategies

Collaboration Strategy

This mode is a win-win orientation. This mode is characterized by high assertiveness and high cooperation. In this collaborative approach, both individuals and teams can achieve a win-win outcome in the conflict. The involved parties collaborate to find a solution that effectively addresses the concerns of both sides (Cheng et. al. 2020; Imtiaz et. al 2022). It involves the integration of ideas to reach the most optimal resolutions in a conflict situation, through a creative process that is sparked by the contributions of other parties involved, the best solution is found. (Kayser & Kaplan 2020; Umana 2019). This approach might be thought of as the best because it results in a resolution through the participation of all parties. In this mode, determining the underlying needs of each party demands a considerable amount of time, effort, and resources. It is often characterized as a process of layering ideas upon ideas to develop the most effective resolution to a conflict that satisfies all parties involved. (Utaka & Silas-Dikibo 2020; Shariq. et. al. 2022). The best resolution in this mode is typically a solution to the conflict that would not have been produced by a single individual.

Compromising Strategy

This mode is characterized by a moderate level of assertiveness and cooperativeness. In order to reach a compromise, it results in a situation where I win some and I lose some. This can be seen as an instance in which neither party gains nor loses; rather, a mutually agreeable resolution is obtained by either dividing the difference between the two positions, exchanging worries, or looking for a medium ground (Igbino et, al 2023). Compromising might also yield a less-than-ideal outcome since it involves a comparatively lower level of effort in its application. (Chaudhary & Arora 2023; Alotaibi 2020). Situations when this mode is effective include: a temporary and/or quick decision to a complex issue is needed, the welfare of the organization will benefit from the compromise of both parties, both parties are of equal power and rank, when other modes of conflict-handling are not working, and when the goals



are moderately important and not worth the time and effort (Alotaibi 2020; Shariq et. al. 2022). When competing or collaborating has failed and the goals of the persons concerned are of medium importance, this strategy is preferred. This mode should be avoided when partial satisfaction of each party's concerns may lead to propagation of the issue or when a leader recognizes that their team is taking advantage of their compromising style (Valente & Lorenc0 2020).

Concept of Organisational Performance

Organizational performance refers to ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results and survival at pre-determined time using relevant strategy for action (Ongori 2009). Organizational performance can also be used to view how an enterprise is doing in terms of level of Profit, market share and product quality in relation to other enterprises in the same industry. Consequently, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization (Ongori, 2009). Organizational performance includes multiple activities that help in establishing the goals of the organization, and monitor the progress towards the target. It is used to make adjustments to accomplish goals more efficiently and effectively (Chandrasekar, 2011). For any business to be successful, functions must be defined and accomplished. Richard et., al., (2009) stated that it is important for an organization to develop strategies that are designed around the skills that would enhance the performance of the organization. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives).

THEORETICAL FRAMEWORK

The foundation of this research is **Contingency Theory**. This behavioral theory was created by Fred Fiedler in 1964. The theory's underlying premise is that there isn't a one, ideal approach to managing an organization; rather, the appropriate course of action depends (is contingent) upon the particular circumstances (Adeoye 2021). According to the notion, a manager's efficacy depends on how well task, or relation, motivation, and environment interact. This indicates that, depending on the situation, several management techniques are required in order to either maintain favorable group dynamics or inspire employees to finish their work (Amhalhal et al. 2021). According to Seriki (2022) six independent constructs (strategy, task, technology, organizational size, structure, and culture) and two dependent constructs (efficiency and organisational performance) make up contingency theory. The efficacy of various conflict management styles is contingent on contextual factors. The selection of a conflict management style is influenced by the specific nature of the conflict and the objectives of the organization. The theory relates to the independent variables through collaboration strategy, accommodating strategy, compromise strategy, and avoidance strategy.



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 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 comprised of twenty-five (25) oil and gas companies. The population was obtained from <https://infoguidenigeria.com/oil-and-gas-companies/>. Data for this study were collected through primary data source; the questionnaire was the instrument used in collecting primary data. A total of two hundred and fifty copies of the questionnaire were distributed in a frame of 10 copies per firm. Reliability analysis was performed on the data using the Cronbach Alpha coefficient and it stood at 0.98. The data collected for the study were analyzed through descriptive and inferential statistics. The multiple regression analysis was adopted.



Model Specification

According to Freedman (2009), regression analysis is concerned with the study of how one or more variables affect changes in another variable.

The formula for multiple regression: $\psi = a_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + e$ (3.1)

- Where: ψ = index of outcome variable
- a = constant term for the independent variables
- b = index of predictor variable
- x = coefficients
- e = error level
- f = function

DATA PRESENTATION

In this section, the data obtained in the questionnaire were presented in tables and interpreted. A total of two hundred and fifty (250) copies of the questionnaire were administered to the respondents (top managers) of oil and gas companies in South-South, Nigeria.

Table 4.1 Questionnaire Distribution and Retrieval

Questionnaire Distribution	Questionnaire Retrieval	Useful Questionnaire	Not Useful
250	238	230	8

Source: Field Survey, 2024.

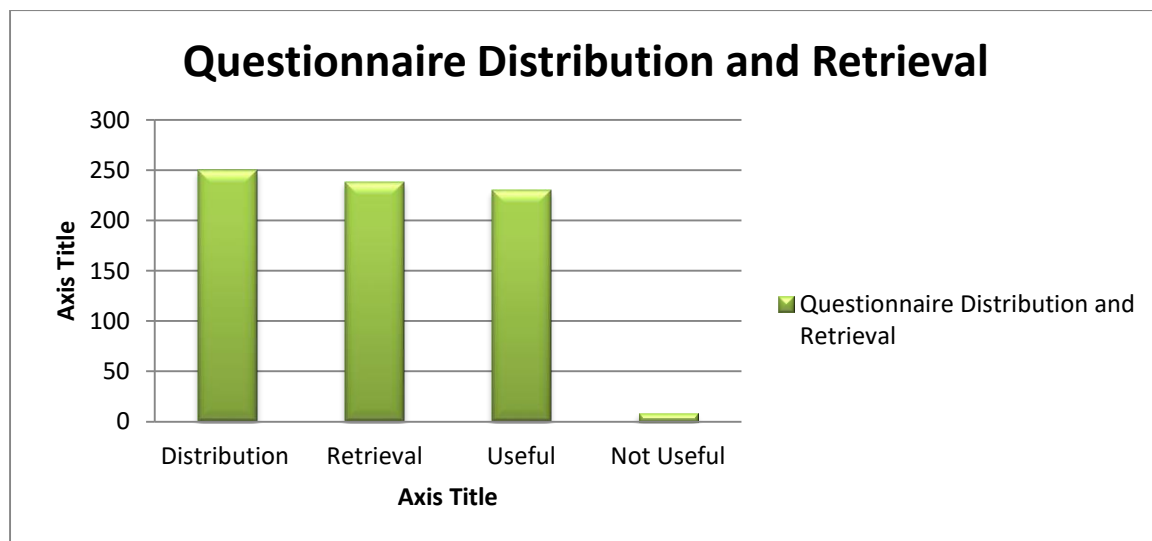




Table 1 and fig. 1 shows the distribution and retrieval of copies of the questionnaire to various oil and gas firms. From the table, it is observed that out of the two hundred and fifty copies of the questionnaire administered to the respondents (top managers), 238 copies were collected, 230 copies were useful and 8 copies were not useful.

DATA ANALYSIS

Table 2: Multiple Regression Analysis on the Dimensions of Conflict Resolution

Model Summary^b

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	of Durbin-Watson
1	.986 ^a	.973	.972	.14359	.104

a. Predictors: (Constant), CS; CMS

b. Dependent Variable: OP

Source: SPSS output (2024)

The above model summary in table 2 produced a correlation coefficient; 'R' of 0.986^a which shows that there is a very strong significant correlation between collaboration strategy (CS); compromising strategy (CMS) and organisational performance (OP) of oil and gas firms in south-south Nigeria. The R² stood at 0.973 which implies that about 97% variation in organisational performance (OP) is attributed to changes in the independent variable dimensions of collaboration strategy and compromising strategy. The standard error is 0.14359, thus, measure of variation of the observation made from the (actual values of Y) around the computed value of Y on the regression line is close to 0 and far from 1. The Durbin-Watson "d" = .104, is between the two critical values of 1.5 < d < 2.5 and therefore we can assume that there is no first order linear auto-correlation in the data. Hence the model is of absolute good fit.

Table 3: ANOVA

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	257.320	4	64.330	3120.128	.000 ^b
	Residual	7.237	351	.021		
	Total	264.557	355			

a. Dependent Variable: OP

b. Predictors: (Constant), CS; CMS

Source: SPSS output (2024)

The probability value of 0.000 indicates that the regression relationship was significant in determining how Collaboration strategy (CS); Compromising strategy (CMS) impact on Organisational performance (OP) of oil and gas firms in south-south Nigeria. The F calculated at 5 percent level of significance was 3120.128. Since F calculated is greater than the F critical (value = 2.4472), this shows that the overall model was significant.

**Coefficients^a**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.295	.032		9.196	.000
	CS	.173	.038	.176	4.574	.000
	CMS	.444	.057	.472	7.732	.000

a. Dependent Variable: OP

Source: SPSS output (2024)

The regression equation in table 4 has established that taking; Collaboration strategy (CS); Compromising strategy (CMS) constant, organisational performance (OP) will increase by 0.295 which is significant at 0.000. This shows that if all the dimensions of independent variable “conflict resolution” were held constant, organisational performance will increase.

The regression result in table 4 shows a model constant (a) value of 0.295 and CS(cs_1) value of 0.173, indicating that, for every one percent increase in collaboration strategy, the dependent variable ‘organisational performance’ will rise by 17%. T-value for CS (cs_1) produced 4.574, is significant at P value (.000), which is less than the chosen alpha of α (0.05). Thus, hypothesis one is rejected meaning there is a strong significant linear relationship between collaboration strategy and organisational performance of oil and gas firms in south-south Nigeria. Also, table 4 regression results shows a model constant (a) value of 0.295 and CMS (cms_2) value of .444 indicating that, for every one percent increase in compromising strategy, the dependent variable ‘organisational performance’ will rise by 44%. T-value for CMS (cms_2) produced 7.732, is significant at P value (.000), which is less than the chosen alpha of α (0.05). Thus, hypothesis two is rejected meaning there is a strong significant linear relationship between compromising strategy and organisational performance of oil and gas firms in south-south Nigeria.

SUMMARY OF FINDINGS

- i. There is a strong significant linear relationship between collaboration strategy and organizational performance oil and gas firms in south-south Nigeria.
- ii. There is a strong significant linear relationship between compromising strategy and organizational performance oil and gas firms in south-south Nigeria.

CONCLUSION

This work focused on investigating the relationship between conflict resolution and organizational performance oil and gas firms in south-south Nigeria. The findings revealed a significant relationship between compromising strategy and organisational performance of oil and gas firms in south-south Nigeria. Also, a strong significant linear relationship was revealed between collaboration strategy and organisational performance of oil and gas firms in south-south Nigeria. The study concludes that oil and gas firms should promote the adoption of the collaboration and compromise strategy, given its effectiveness in conflict



management, as demonstrated by this study and supported by numerous other research findings. Embracing collaboration and compromise strategy as a preferred strategies can significantly contribute to effective conflict resolution within the organizational context.

RECOMMENDATIONS

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

- i. Organizations should focus on increasing the utilization of conflict management strategies like collaboration and compromise 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 compromise as a preferred approach to conflict resolution and organizational performance.

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