



## **The Effects of Organizational Conflicts on Team Effectiveness in a Malaysian Statutory Body Institutions**

**Idaya Husna Mohd<sup>1\*</sup>, Muhammad Khalil Omar<sup>2</sup>, Tengku Nural Tengku Asri<sup>3</sup>**

<sup>1</sup>Centre for Management and Administrative Studies, Universiti Teknologi MARA, 42300, Puncak Alam, Malaysia, <sup>2</sup>Centre for Management and Administrative Studies, Universiti Teknologi MARA, 42300, Puncak Alam, Malaysia, <sup>3</sup>Centre for Management and Administrative Studies, Universiti Teknologi MARA, 42300, Puncak Alam, Malaysia. \*Email: [idayahusnamohd@gmail.com](mailto:idayahusnamohd@gmail.com)

### **ABSTRACT**

Working in teams is usually expected to improve organizational effectiveness; however, there are several challenges that would affect team effectiveness. While team members are usually empowered to find a solution to a problem, this raises the question of effectiveness of the team itself, especially in terms of conflict that usually occurs when working in teams. Conflict was suggested to be positive and useful for organizations, but also provides negative effects, interferes with team performance, and reduces satisfaction because it triggers stress and causes team members to perform ineffectively. Therefore, this study investigated the effect of conflicts on team effectiveness in a Malaysian statutory body. Three types of organizational conflicts, namely task, relationship, and process conflicts, were studied, as well as which of the three has the most implication on team effectiveness. A survey was conducted among employees in the Malaysian statutory body regarding organizational conflict and team effectiveness. The results highlighted the understanding of organizational conflict and team effectiveness from the employees' perspective, which showed both task and process conflicts having moderate positive relationships with team effectiveness, while no relationship was observed between relationship conflict and team effectiveness. This study offers recommendations that can help the organization to improve.

**Keywords:** Organization Conflict, Team Effectiveness, Task Conflict

**JEL Classification:** M1

### **1. INTRODUCTION**

Working in teams has become pertinent in any organizations today and it can be achieved through a coordination of both the team members and the job to be done. In fact, working in teams has been receiving increased attention over past two decades (Guzzo and Shea, 1992; Passos and Catanoe, 2005). As it is the nature of team work to work together to achieve the common goal, the empowered teams are mostly able to offer a creative solution to work problems including productivity and product quality. Teamwork is widely used to the extent that the team even includes suppliers and customers and migrating to the alternative decision making. As mentioned by Passos and Catanoe (2005), teams are usually expected to improve organizational effectiveness; however, there are several challenges to teamwork. While members of the team are usually empowered to reach to a solution to a problem, this

raises the question of the effectiveness of the team itself especially in terms of conflict that usually happens when working in a team.

Conflict can generally be described as disagreement regarding interests or ideas. It portrays a negative implication regardless if it is between oneself, between two individuals, groups, or organization (Higgins, 1991). Following its undesirable nature, conflict is something that should be avoided in an organization. Most organizations view conflict as negative, does not support the organizational decisions, and anyone associated with conflicts will be labelled as the bad guy (Whetten and Cameron, 1995). Although conflict can sometimes be regarded as negative, it has some important implications in indicating a team's effectiveness especially in terms of the team decision making process. Thomas, (1992) and Cohen and Bailey (1997) contended that conflict is the greatest challenge in achieving team effectiveness. They further

explained that conflict is the strain that happens when there is a different view or perception among team members. De Dreu and Van Vianen, (2001) further added that conflict is not only being associated with effective and greater work relationship, it also provides positive and negative influence on team work. In addition, organizational conflicts in workplace are usually caused by different values, needs, perceptions, and interest of a group of people who work together in a team. Thus conflicts are classified into three groups; tasks conflict, relationship conflict, and process conflict (Jehn and Mannix, 2001). Task conflict among team players is usually instigated by disagreement of ideas, opinion, viewpoint, and even the task to be done (Troth, 2009). Relationship conflict is related to tension, work pressure, frustration, and personal differences which involves attitude, preferences, personality and interpersonal style (De Dreu and Weingart, 2003; Jehn, 1997).

According to Fransen et al. (2011), the structure of the team itself which includes the members' abilities, characteristics, team members' role, leadership skills, and interdependency plays an important role in influencing team effectiveness. However, there were various researchers (Jehn, 1995; Bradley et al., 2012; Lee et al., 2014) who tested the relationship between task conflict and team effectiveness. In a study by Jehn (1995) and Bradley et al. (2012), it was derived that task conflict and team performance are positively related considering the condition of high psychological safety climate. In a more recent study by Lee et al. (2014), the relationship between task conflict and relationship conflict depends on the diversity of team players in the team itself. Significantly, this study further addressed these issues by investigating the relationship between the three types of conflicts; tasks conflict, relationship conflict, and process conflict and the effects on team effectiveness in a Malaysian statutory body. The objective of the study is to: (i) Investigate whether there is a relationship between task conflict and team effectiveness, (ii) investigate whether there is a relationship between relationship conflict and team effectiveness, (iii) investigate whether there is a relationship between process conflict and team effectiveness, and (iv) determine which organizational conflict mostly affects team effectiveness.

## 2. LITERATURE REVIEW

### 2.1. Team Effectiveness

Teams are considered as intricate social system, which requires interdependence between team members (Arrow and McGrath, 1995; Arrow et al., 2000; McGrath and Tschan, 2004; Wageman, 1995). Defined as a pool of individuals with shared task and responsibility, working towards a common goal, the concept of teamwork is being used widely in the past two decades in most organizations in the escalating competition (Sundstrom, 1999, Devine et al., 1999; Gerard, 1995). Other definitions includes of Guzzo and Dickson (1996), Marks et al., (2001), Volmer and Sonnentag (2011), Mahembe and Engelbrecht (2013) of which sees the concept of teamwork as a social entity, which are interdependent because of the tasks they perform as members of a group embedded in one or more larger social systems and who perform tasks that affect others. Tannenbaum et al., (2012) further

argued that most organization are converting from individual based task to team work based task, and the changes has ignited new challenges in terms of research. Volmer and Sonnentag (2011) put forward the conceptualization of team effectiveness as a mixture of team functions and task functions where team functions facilitate the members' communication patterns while task functions are the real actions done to complete the tasks.

### 2.2. Task Conflict and Team Effectiveness

According to Jehn (1995), task conflict arises when a perception misunderstanding occurs among the group members involving differences in ideas, viewpoints and opinions. Jehn and Chatman (2000) highlighted that task conflict is the most favorable type of conflict in comparison to relationship conflict and process conflict. As further explained by Jehn and Chatman (2000) task conflict usually occurs when different opinions, viewpoints, decisions and proposed changes arise. Other researchers (Amason, 1996; Parayitam and Dooley, 2007) contend that there are positive relationship between task conflict and the team understanding, team commitment and also team decision quality. It is during the team discussion that team members will throw in ideas and viewpoint that will be discussed thus contributing towards the effectiveness of the decisions made (Ancona and Caldwell, 1992; Milliken and Martins, 1996).

A moderate level of task conflict is considered positive. A positive task conflict encourages creativity and healthy competition among individuals in team that promotes better decision making process thus better outcome. When there are different perspectives among group members, it will arrive to a discussion where opinions, viewpoints and ideas can be heard and shared. This provides the satisfaction of working in a team as it promotes boosting up the team members' fulfillment, self-esteem, which leads to job satisfaction. In other words, the constructive discussion in task conflict will lead to a better decision making thus promoting better outcomes. Any disagreements or dissimilarities in view points and opinions of the content of the work related discussion are viewed as an improvement towards, team performance and effectiveness. Therefore, this study proposed to investigate the relationship between task conflict and team effectiveness in a Malaysian statutory body.

### 2.3. Relationship Conflict and Team Effectiveness

The second type of conflict highlighted by Jehn and Mannix, (2001) is relationship conflict. In contrast to Task conflict, relationship conflict tend to be more dangerous considering the volatility and counter-productive nature that provide a negative impact on the group or team members. Thomas, (1992) and Jehn and Chatman, (2000) contended that relationship conflict promotes negative emotions, vibes and interpersonal relationships among team members and these conflict are not associated to the task but more of a personal feelings. This type of conflict tends to promotes delayed projects and poor project outcomes. Relationship conflicts are caused by different personalities, attitudes, approaches, believe and perceptions among team members. In addition, relationship conflict does not only limit the decision making skills among individuals in teams, it also promotes stress and anxiety level. However, this difference

contributes towards workforce diversity that imposes challenges to the management. What would be the relationship between relationship conflict and team effectiveness in the Malaysian statutory body? Therefore this study further investigates the relationship between these two variables.

### 2.4. Process Conflict and Team Effectiveness

Process conflict, is the third conflict mentioned by Jehn and Mannix, (2001). Process conflict usually arises during dividing the task, delegating responsibility and deciding how to get work done and who will get it done (Behfar et al. 2008). High process conflict usually occurs in larger group and teams as larger groups often have larger amount of members. In groups with larger amount of members, team members tend to get frustrated over the task and responsibilities division and disagreements will easily break out. This leads to negativity among members in the group. However, low level of process conflict in a large group is considered as an advantage. Low process conflict promotes motivation and support competition among team members in a more healthy and positive manners. This is the reason why process conflicts should be kept at low level because a high level of process conflict could trigger stress, jealousy, low motivation and job dissatisfaction. This is where process conflict should be maintained in order for team members and leaders to obtain team effectiveness and job satisfaction in teamwork. What would be the situation in the Malaysian statutory body in terms of the relationship between its process conflict and team effectiveness?

Based on the literature discussed above, researchers proposed the following framework. Figure 1 further explains the relationship between dependent and independent variable of the study.

Therefore we formulated the following hypotheses:

- H1: There is a positive relationship between team effectiveness and task conflict
- H2: There is a positive relationship between team effectiveness and relationship conflict
- H3: There is a positive relationship between team effectiveness and process conflict.

## 3. RESEARCH METHODOLOGY

This study adopted the descriptive study method, where descriptive studies are often designed to collect data that describe the characteristics of persons, events or situations. It also related to the correlation research between the types of conflict toward the team effectiveness in the organization. The unit of analysis for this study was the individual employees at one of a Malaysian statutory body. For the purpose of this study, purposive sampling was used as it is particularly relevant when it is concerned with exploring the universe and understanding the audience. The total of sample size is 50. The researcher had used interval scale which also known as Likert scale for all variables in this study ranging from 1 = “Strongly Disagree” until to 5 = “Strongly Agree.” Data gathered from questionnaires were analyzed using SPSS for Windows. Since descriptive method is being adopted for this research, descriptive statistic will be used to explore the data collected.

## 4. RESULTS AND DISCUSSION

As demonstrated in Table 1, the respondents consisted of 74% female and 26% male. The age group of the respondent showed that most of the respondents are between 31 and 40 years of age, followed by 16% respondents who are <32 years old and 24 % of respondents who are 41 years and above. Most respondents work in trade and services promotion division and management service division (26%) and had work for more than 5 years 90%.

Results from the study indicated that organizational conflicts do exist in this organization. The four major findings of the research are: (i) There is a moderate positive relationship between task conflict and team effectiveness, (ii) there is no relationship between relationship conflict and team effectiveness, (iii) there is a moderate positive relationship between process conflict and team effectiveness, and (iv) task conflict mostly effect team effectiveness.

Based on the results, the R<sup>2</sup> of the model is 0.20. The model which includes organizational conflicts namely, task conflict, relationship conflict and process conflict as independent variables explain 20% of the variance in team effectiveness. Of the three (3) independent variables, only task conflict and process conflict contribute moderately to team effectiveness where task conflict contributes slightly more to team effectiveness ( $\beta = 0.281, P < 0.01$ ) compared to process conflict ( $\beta = 0.276, P < 0.01$ ) (Table 2). Therefore, only hypothesis 1 and 3 are supported. No significant contribution was found between relationship conflict and team effectiveness. Therefore, H2 is not supported. In addition, based on the F test, the model is considered significant (Table 3).

Figure 1: Theoretical framework

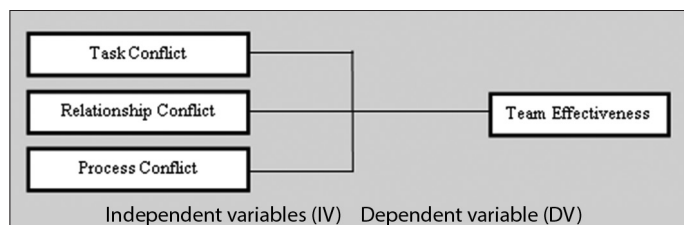


Table 1: Demographic profile

Profile	Category	%
Gender	Male	26
	Female	74
Age	<30 years old	16
	31-40	60
	41 and above	24
Position	Top management	16
	Middle management	34
	Executive	26
	Non-executive	24
Division	Trade and services promotion	26
	Management services	26
	Exporters development	24
	Strategic planning	24
Experience	<1 year	2
	1-3 years	2
	3-5 years	6
	More than 5 years	90

**Table 2: Coefficients<sup>a</sup>**

Model 1	Unstandardized coefficients		Standardized coefficients	t	Significant
	B	Standard error	Beta		
(Constant)	1.626	0.559		2.908	0.006
MTC	0.293	0.141	0.281	2.085	0.043
MRC	-0.050	0.094	-0.071	-0.530	0.599
MPC	0.244	0.120	0.276	2.031	0.048

<sup>a</sup>Dependent Variable: MEANTE**Table 3: ANOVA<sup>a</sup>**

Model 1	Sum of squares	df	Mean square	F	Significant
Regression	0.845	3	0.282	3.546	0.022 <sup>b</sup>
Residual	3.652	46	0.079		
Total	4.497	49			

<sup>a</sup>Dependent Variable: MEANTE, <sup>b</sup>Predictors: (Constant), MEANPC, MEANRC, MEANTC

Results from the study indicated that organizational conflicts do exist in this organization. The four major findings of the research are: (i) There is a moderate positive relationship between task conflict and team effectiveness, (ii) there is no relationship between relationship conflict and team effectiveness, (iii) there is a moderate positive relationship between process conflict and team effectiveness, and (iv) task conflict mostly effect team effectiveness.

## 5. CONCLUSION

Recapitulating on the findings, this study showed the effects of organizational conflict, namely task conflict, relationship conflict, and process conflict, on team effectiveness in this organization. Results from the study indicated that organizational conflicts do exist in this organization with four major findings, as follows: (i) There is a moderate positive relationship between task conflict and team effectiveness, (ii) there is no relationship between relationship conflict and team effectiveness, (iii) there is a moderate positive relationship between process conflict and team effectiveness, and (iv) task conflict mostly affects team effectiveness. A moderate task and process conflict can be constructive and healthy for the organization as it can aid in individual development and team effectiveness improvement. Conflict steers people to face possible defects in a solution. It also helps in choosing a better solution by understanding the real interests, goals and needs are enhanced and, ongoing communication around those issues is induced. Constructive conflict however, occurs when people personally transform and develop themselves from the conflict. Nevertheless, if not managed properly, conflict can be a damaging threat to an organization. There are a few recommendations that would help the organization to improve, which include: (i) Developing appropriate strategies for conflict resolution, (ii) encouraging open communication and rewards, and (iii) exposing employees to organization conflict management through workshops and seminars. In conclusion, although conflicts have both negative and positive effects, the management and employees should work towards achieving the positive effect rather than the negative, especially in increasing

organizational innovativeness and improving the quality of decisions in the organization. In addition, conflicts build the spirit of teamwork and cooperation among the employees or team members in the organization.

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