The Influence of Leader Power on Interpersonal Conflict among Employees of Government Linked Companies, Malaysia

Rozilah Abdul Aziz[1], Narehan Hassan[2], Shereen Noranee[3], Sharrifah Ali[4], Nurfadzilah Abdul Razak[5]

[12345]*Faculty of Business and Management, Puncak Alam Campus, UiTM Selangor, 42300 Bandar Puncak Alam, Selangor, Malaysia*

E-mail address:
[1]rozilah@puncakalam.uitm.edu.my

ABSTRACT

Organizational conflict is partly depended on the magnitude of power exercised by superiors in the workplace. The need to investigate how manager's power affects subordinates' interpersonal conflict is crucial so that managers can change or maintain their power to achieve optimum result in organization. Hence, the purpose of this study is to examine the influence of leader power towards interpersonal conflict at Government Linked Companies (GLCs), Malaysia. A total of 388 questionnaires were distributed to employees of GLCs, Malaysia. A Structural Equation Modelling (SEM) analysis revealed that forty-one percent of the variation in interpersonal conflict can be explained by the power possessed by managers. It also revealed there is a strong positive, linear and significant relationship between leader power and interpersonal conflict. Therefore, management should be concerned with the authority given to managers as power could lead to a devastating interpersonal conflict.

Key Words: Leader power, interpersonal conflict.

1. INTRODUCTION

Power is known as a key mechanism that influences decision and organizational outcomes in organizations. It is also believed to be one of the prime sources of workplace conflict that lies in the relationship between subordinates and supervisors (Pache, Anne-Claire,Santos & Filipe, 2010) and proven as an energy to dominate conflict (Rahim, 2011). In a complex and fast changing business environment, everyday managers are called upon and spend approximately 30% to 40% of their workday life dealing and resolving conflict or differences in priorities and preferences of employees working in organizations (Obradovic, Bush, & Boyce, 2011). In a more recent research, Magee, Galinsky and Gruenfeld (2007) discovered that in a worldwide, 10 employees spent at least 6 hours per week dealing with conflict. Magee et al., (2007) further endorsed that 85% of employees at the workplace experiencing conflict to some degree and 29% facing it on a frequent basis.

Despite the numerous literatures in organization studies confirmed that organizational conflict is disasterous to an organization and should be avoided, modern scholars affirmed that conflict must not be eliminated, but should be reduced and managed effectively Richmond and McCroskey (2009). Richmond and McCroskey (2009) further reported that effective conflict management was depended on the strategies used by leaders in organizations. This is supported by Katt, McCroskey, Sivo, Richmond and Valencci, (2010) who supported that the way managers interacted their power to subordinates has a significant implication and strong impact on the implementation of the strategies, policies,

and decision-making in the organizations. Therefore, in managing conflict, a wise and reasonable choice of the conflict strategies were deemed important as the strategies taken would directly influence the relationship between group members and the performance of an individual (Pache, et al., 2010).

A key issue for managers now is in which fashion the conflict faced by the subordinates can be managed constructively in a way that it minimizes harm and maximizes benefit for the subordinates and the organization? Therefore, the power possessed and exercised by managers in the organization was deemed important because it has the ability to change or control the behavior, attitudes, opinions, objectives, needs and values of their subordinates to achieve optimum (Rahim, 2011). Hence, the main objective of the study was to examine the extent of leader power (reward, coercive, expert, legitimate, and referent) explains interpersonal conflict (task and relationship conflict) among the employees of GLCs, Malaysia.

2.   LITERATURE REVIEW

2.1   Theories of Power (Dahl, 1957)

The earliest theorist, Dahl (1957), concept of power is defined as A has power over B to the extent that A can get B to do something that B would not otherwise do. Erchul, Raven and Whichard (2001) define power "as the possibility of imposing ones will upon the behaviour of other person" (p. 323). The theories of power offered by Dahl (1957) and Erchul et al., (2001) are cited in this study because they provide an overview of power in organizations that documents the evolution of thought about the linkages between power and conflict. This approach of power is focused on identifying observable power in leadership behaviour that, in turn, involves conflict, which in this view conflict is assumed to be decisive in providing an experimental test of power attributions.

Even though several classifications of leader or supervisory power have been set forth, the bases of power taxonomy suggested by French and Raven (1968) include reward, coercive, legitimate, expert and referent was adapted in this study as it is still appears to be fairly representative and popular in application (Rahim, 2011). This study also adapted bureaucratic model of conflict as the model focuses on the analysis of superior-subordinate conflicts along the vertical dimension of hierarky, that is conflicts among the parties to an authority relations (Rahim, 2011). Hence, this may lead to not only relatively predictable behavior which is rigid and largely immune to personal persuasion but also provide the potential for conflict as the organization must adapt to the human incompatibility (Barron, Diprose & Woolcock (2007).

Interpersonal conflict can theoretically be represented in different ways across levels of analysis (Korsgaard, Jeong, Mahony, & Pitariu, 2008). It emphasizes the interactions of human factors in an organization setting (Modaff, DeWine & Butler, 2008). The theory of interpersonal conflict stem from past work of Guetzkow & Gyr (1954), Jehn (1995) and Amason (1997), who distinguished two forms of interpersonal conflict: relationship conflict (RC) and task conflict (TC). According to Korsgaard et al., (2008) interpersonal conflict existed whenever superiors attempted to act against the subordinates' wants, desires, needs or preferences.

2.2   The Relationship between Leader Power and Interpersonal Conflict

Research examining power within organizations has predominately focused on power at the individual level, including examining different sources of power and types of influence tactics (Zanzi, Arthur, & Shamir (1991). Elias (2008) and French and Raven (2001) claimed that besides other organizational outcomes such as job satisfaction, the end result was conflict. It is supported by Coleman (2003) and Betancourt and Khan (2008) who affirmed that when each party wished to maintain or maximize the amount of influence or power upon other

members, conflict transpired. According to French and Raven (2001) and Keller (2009) leaders strategized the use of power to shape the behaviours of their subordinates. In addition, Koslowsky, Baharav, and Schwarzwald (2011) reported that power strategies helped to shape the desires and opinions of subordinates. Kouzes and Posner (2007) also found that power has an association with conflict. Raven and Kruglanski (1971) reported power significantly influence conflict. De Reuver (2006) also reported that there was a positive relationship between power and conflict. This means the more power exercised on the subordinates, the higher the conflict experienced by the subordinates.

In addition, Koslowsky, et al., (2011) highlighted that managers who used different kinds of power to gain compliance from subordinates and attempted to change the attitudes and behaviors of subordinates would end up in a conflict situation. This is supported by Keller (2009) who also reported that the attempt to control and change the

subordinates could lead to conflict because the feeling of resistance among subordinates being controlled. Koslowsky et al., (2011) further affirmed that the used of power could determine conflict behaviour, affect the perception of behaviour and dictate the achievement and efficacy of dispute outcomes among people as the potential of misusing power to subordinates was greater. It is supported by Jehn, Greer, Levine and Szulanski (2010) who confirmed that in any situation in which more than one individual strived to have power over others, conflict was likely to transpire. When managers wished to maximize the amount of power upon other members, conflict transpired (Coleman, 2003; Betancourt & Khan, 2008). Based on the discussions above, the following research framework and hypotheses were developed to reflect the relationships between leader power and interpersonal conflict. Therefore this study aimed to investigate the influence of leader power and interpersonal conflict at GLCs in Malaysia.

Research Framework

Exogenous Variable

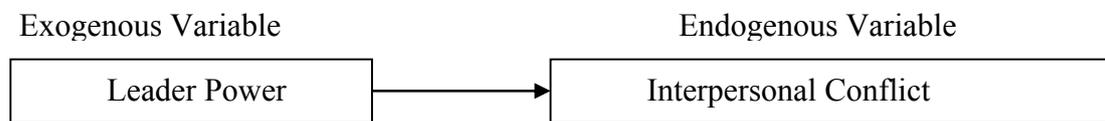| Leader Power |

Endogenous Variable

| Interpersonal Conflict |

Fig.1: Model adapted from Lusch (1976)

The following hypothesis has been postulated

H1: There is a positive, liner, and significant relationship between leader power and interpersonal conflict

3. RESEARCH METHODOLOGY

The study embarked on a quantitative approach to identify the correlations between leader power and interpersonal conflict. The purpose of using correlation research design was to measure the degree of relationship between variables and to what extent one variable explains another variable under study (Sekaran, 2010).

In this study, the population was the employees working directly under Human

Resource Manager (HR Manager) regardless of the positions held at the time the survey was conducted. Overall there were 708 employees selected from 985 GLCs in Malaysia. The choice of the subject is most appropriate and the researchers found that these employees were in the best position to provide the information required. The sampling frame was obtained from the Ministry of Finance. Putrajaya, Wilayah Persekutuan. Then, the process of selecting the respondents randomly was done using the random.org (Randomness and Integrity Services Ltd.) system. Only numbers generated from the random integer generator were selected and treated in the analysis

process. The respondents were identified and were included in the data for analysis.

SEM requires sample size to be adequate as covariance and correlations are less stable when estimated from small sample sizes (Sekaran 2010). A total sample of 400 and over is considered as undesirable because the methods become very sensitive and goodness-of-fit measures will indicate a poor fit (Hair, Black, Babin & Anderson, 2010). Since the population for GLCs in Malaysia is 708, the sample size needed is only 248 (Krjecie and Morgan, 1970). .A simple random technique was applied so that every element in the population has a known and equal chance of being selected as a subject (Sekaran 2010). The research instruments in this study were adapted from Raven, Schwarzwald & Koslowsky, (1998) for Interpersonal Power Inventory (Cronbach Alpha ranging from 0.815-0.901) and Intragroup Conflict Scale (ICS) from Jehn (1995) and Organizational Conflict Scale (OCS) from Cox (1998 (Cronbach Alpha ranging from 0.924 -0.939). Exploratory Factor Analysis (EFA) was conducted on the data and results met the basic assumptions of normality and linearity. The 6-point Likert scale was used ranging from strongly agree (1) to strongly agree (6) (Lissitz and Green, 1975).

A total of 400 questionnaires were self-administered to the respective HR Managers in GLCs. The HR Managers then distributed the questionnaires to the selected employees. Eventually, a total of 392 participants answered and returned the questionnaire, however, due to incomplete responses (excessive missing values = 1) and straight lining (no variation in the answers throughout the questionnaire = 3) 4 of the questionnaire were not used at all, leaving 388 usable questionnaires. As the minimal amount of sample size by Krejcie and Morgan (1970) was 248, a total of 388 were deemed usable for further analysis and it met minimum requirement of 200 to 400 cases for a typical SEM analysis (Hair et al, 2010).

4   Data Analyses and Findings

The fit indices reported in this study were the Root Mean Square Error of Approximation (RMSEA), GFI goodness-of-fit index, (CFI) for incremental fit index, and the Normed Chi-Square (NC) for model parsimony (Byrne, 2010; Hair et al., 2010; Tabachnic & Fidell, 2007). To indicate that the model is adequately fit, the cutoff values are 0.90 or higher for CFI and GFI (Byrne 2010; Hair et al.,, 2010), 0.08 or lower for RMSEA. The acceptable range for normed chi-square was 1 to 5 (Schumacker & Lomax, 2004). As illustrated in Table 1, the model fit criteria and acceptable fit interpretation based on Byrne (2010) and Kline and Boyd (2005).

Figure 1 shows a hypothesized structural equation model for Leader Power (each measured by five indicators: reward, coercive, legitimate, expert, and referent) and one endogenous interpersonal conflict (relationship conflict and task conflict). The hypothesized model of constructs achieved a comparatively acceptable fit as indicated by the goodness of fit indices. The chi-square/degrees of freedom ratio (CMIN/df ratio) was within the recommended level (<2.00), p-value (<0.05), GFI, CFI and TLI (> 0.90), and RMSEA of value between 0.03 to 0.08. For the structural model, overall model Chi Square (χ^2) was 510.480 with 342 degrees of freedom, $p<0.05$ and CMIN/DF=1.493. This indicates that the model fits the data well since CMIN/DF value was less than five. The RMSEA for the model was 0.036 indicating that the model fits the data well since the value of RMSEA is less than 0.08.

The values of all indices lies between zero to one where value close to one indicates as an adequate fit while more than 0.95 indicates a very well fit model (Hulland, 1996). Results revealed GFI= 0.911 and CFI=0.978 and were greater than 0.90, and p=0.000 <0.0). These results indicate the model has a good fit and the model fit is acceptable. In summary, it has been empirically and theoretically examined that the best fit model has been achieved after the paths have been confirmed. Structural Model has been accepted as the final model.
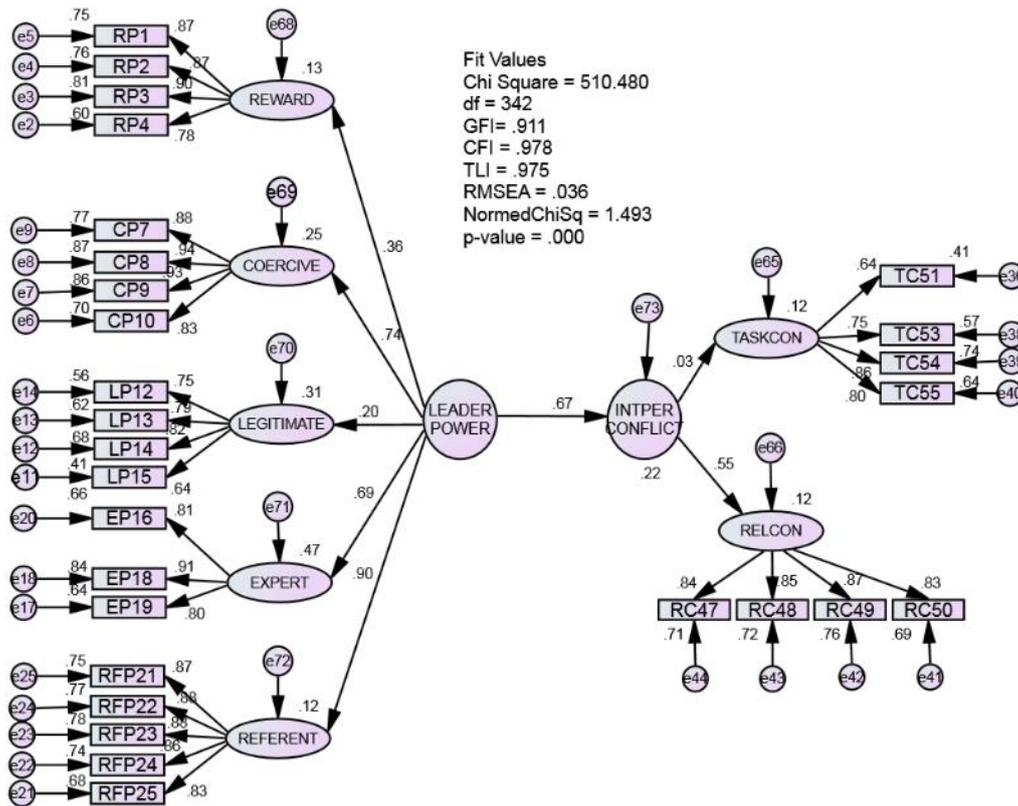
. Figure 1: Hypothesized Structural Model (Standardized Estimates)

Figure 1 also depicts that the model explained a substantial portion of the variance in endogenous variables (squared multiple correlations). It indicates that the exogenous variables leader power (referent, coercive, legitimate, expert, and referent) explained 22 per cent of the variance in interpersonal conflict (R-squared of 0.221). It also revealed that the F-statistics (510.480) and the corresponding p-value is highly significant (0.0001) or lower than the alpha value of 0.05. This indicates the slope of the estimated linear regression model is not equal to zero confirming that there is a strong positive, linear and significant relationship between leader power and interpersonal conflict (r=0.67). This shows that the more power being exercised to subordinates, the higher the subordinates will experience interpersonal conflict.

5. Implications of study

This study has contributed several practical implications based on the research results, specifically in terms of human resource management practices in GLCs and other organizational context. The research model incorporated the boundary conditions under which the interpersonal conflict would be affected. The study provides empirical evidence to support the recent theoretical contributions about the importance of leader power on effectiveness of conflict. Understanding the role of leader will be useful to the practicing managers.

The study introduces the notion that power possesses by managers in the organizations play a critical and significant role in conflict. It serves a guideline for Human Resources Management of the organizations especially in changing the ideas and opinions of subordinates through different kinds of power. The reasons for its significance become clear when managers consider the consequences of failing to resolve conflicts. It would help managers to sense, mark, and deal with problem before they got out of control When managers understand the cause of power-conflict in their organizations, they will at least, be equipped to take intelligent,, educated, calculated risks with know probabilities attached to the success or failure of their supervisions and decision-making (Sekaran, 2010)

The research also provides empirical evidence to support the recent theoretical contributions about the importance of leader power on effectiveness of conflict. The

majority of research on conflict has often studied the effects of conflict towards job satisfaction, organizational outcomes, but was scarcely researched on what could influence the interpersonal conflict. Besides, this study has given some additional implication in terms of methodological aspects, particularly source of rating method and statistical using structural equation model (SEM).

6. Discussion and Conclusions

The finding suggests that leader power has a strong impact on interpersonal conflict. Correspondingly, the literature suggests that when managers wished to maximize the amount of power upon other members, conflict transpired (Coleman, 2003; Betancourt & Khan, 2008). The result confirmed that power has a strong positive relationship (r-0.67) with interpersonal conflict. This finding is supported by Kouzes and Posner (2007) who found that power also has an association with conflict. This result indicates that the more power imposed to subordinates, the higher the interpersonal conflict occurs. This is similar to the findings of Griffin and Moorhead (2011) who reported that conflict increased among subordinates when leaders inappropriately exerted more power on them. Griffin and Moorhead (2011) further explained that when leaders misused their power, they developed strong feelings of distrust among subordinates. The results of distrust in several possible outcomes could lead to conflict (Rahim, 2011).

Therefore, the purpose of this study was to extend and support prior research by examining the influence of leader power on interpersonal conflict. The current study validates the notion forwarded by de Griffin and Moorhead (2011), Kouzes and Posner (2007) and Pierro (2012), indicating that power has a significant relationship with interpersonal conflict. For that matter, generally leaders depend upon power strategies to shape the behaviors of their subordinate (Meyer, Becker, & Vandenbrghe 2014) and their desires and opinions (Koslowsky, et al., 2011). The current study findings provided a starting point for researchers to expand upon this association and develop a causal link between power and conflict beyond the limited scope of the current study at GLCs, Malaysia.

Further, researches may also want to include trust and communication style as mediators to provide a richer understanding as to the actual reasons of interpersonal conflict among employees at the workplace. Future studies should also incorporate other predictors of interpersonal conflict because this behavioural outcome is attributed to many factors, not limited to leader power only. This study was also analysed the data based on the second order measurements of all the variables involved. Hence this study was not able to measure each and individual dimensions of the latent variables that could bring different results in adding new knowledge to the literature. Therefore, it is recommended to analysed the data by using a first order measurement that could possibly give better findings to the study.

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