
UNDERSTANDING THE EFFECTS OF WORKPLACE CONFLICTS: AN EMPLOYEE PERSPECTIVE

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Abstract: As an integral part of organizational life, conflicts have a considerable impact on the working environment, employees, and the organization. The impact of conflicts is usually associated with their dual nature – various negative outcomes arise from them, but at the same time they lead to some positive results. The negative effects of conflicts are easily noticed by everyone in the organization, while the positive effects are more difficult to recognize.

The purpose of the study is to examine the effects of conflicts in organizations. It aims to explore what are the outcomes of disagreements in the workplace, both positive and negative, from the perspective of employees. The data were collected by means of an online questionnaire in Google forms. The sample consisted of 708 full-time employees from different organizations in Bulgaria.

The study confirms the dual nature of conflicts. Workplace disagreements are not only destructive but can also bring some benefits to organizations. Employees clearly recognize the destructive effects of conflicts. The negative impact is most often associated with the departure of employees, personal insults or attacks and the escalation into cross-departmental conflicts. Some of the problems arising from conflicts are short-term, but others are more serious and last longer, suggesting the need for constructive conflict management. The results reveal that workplace disagreements in large enterprises are significantly more likely to lead to employees leaving the organization, employees being moved to other departments, and escalation into cross-departmental conflicts. Quitting of employees and moving employees are more likely to be observed in organizations in the capital city. Employees also acknowledge some aspects of the positive potential of workplace disagreements. Conflicts in organizations lead to some positive outcomes for the employees and the organization, such as finding a better solution to a problem or challenge, improved working relationships, the birth of a new idea or significant innovation and better understanding of others. Managers are more likely to see the positive potential of workplace disagreements, especially when it comes to finding a better solution to a problem or challenge and generating new ideas or innovations. The great percentage of respondents who do not see any positive outcomes suggests a lack of understanding of the constructive potential of workplace disagreements.

Given both the risk of various negative consequences and the possibility of positive outcomes that may result from conflicts, the implication for organizations is to implement effective conflict management strategies to limit or eliminate the negative effects of conflicts and to draw out benefits of them. Another challenge for organizations is to develop the ability of employees to deal constructively with conflicts. When employees acquire the right skills and are provided with adequate guidance, they can handle workplace disagreements with ease, generating positive outcomes from them.

The study provides original empirical evidence on the dual nature of conflicts in organizations of all sizes and different sectors and therefore it contributes to the research of the poorly studied area of the effects of organizational conflicts in Bulgaria.

Keywords: workplace conflicts, effects of workplace conflicts.

1. INTRODUCTION

As an integral part of organizational life, conflicts have a considerable impact on the working environment, employees, and the organization. The impact of conflicts is usually associated with their dual nature – various negative outcomes arise from them, but at the same time they lead to some positive results (Georgiev, 2005; Vorozheykin, Kobanov, & Zakharov, 2004).

The negative effects of workplace disagreements are mostly related to employee well-being. Stress, a drop in motivation or commitment, anxiety, a loss of self-confidence, a drop in productivity, and unworkable relationships are some of the most common consequences of conflicts (Chartered Institute of Personnel and Development, 2015, 2020). Previous research reveals that the majority of the destructive effects, such as stress, a drop in motivation or commitment and anxiety, are significantly more likely to be experienced by non-managers compared with managers (CIPD, 2020). Findings from previous studies also show that the negative impact on employees can be long-term including permanent loss of confidence (CIPD, 2020). Although less common, there are also formal consequences for employees and the organization, such as disciplinary action, a legal dispute and dismissal (CIPD, 2020).

The negative effects of conflicts are easily noticed by everyone in the organization, while the positive effects are more difficult to recognize. However, the results of a study by CPP show that employees see disagreements at work as a force for progress and innovation (CPP, 2008; OPP, 2008). The outcomes from effective conflict management can actually benefit the organization (CPP, 2008). Conflicts are seen as generators of better understanding of others, improved working relationships, better solution to workplace problems, higher performance in the team. Moreover, as a result of conflicts, employees motivation increases, and innovations or new ideas are born (CPP, 2008).

Previous research on the effects of workplace conflicts in Bulgarian organizations has focused mainly on the problem in specific sectors of the economy. A study by Raykova, Semerdjieva, Yordanov, and Cherkezov (2015) found that conflicts have a strong adverse impact on health care professionals in hospitals. The most significant negative outcomes are a decrease in job satisfaction, exchange of personal insults or attacks and lack of cooperation. Workplace disagreements in hospitals also lead to quitting of employees, obstruction of the opportunity for innovation, moving employees to other wards, dismissal of employees and refusal of postgraduate training. Another study among health care professionals reveals that conflicts can lead to some positive results (Raykova, 2019). Constructive effects are associated with the participation of the parties to the conflict in the decision-making process, making changes, and reaching creative decisions.

Bankova (Bankova, 2019) examines the perceptions of employees on the impact of conflicts in public sector organizations. The results of her study show that conflicts are seen as an undesirable phenomenon. In addition to this understanding, municipal employees believe that conflicts disturb the work process and do not perceive them as an opportunity for change or a catalyst for improving relationships.

The consequences of conflicts are also studied through the point view of managers. The findings of Mihaylova's study (Mihaylova, 2019) support the dual nature of conflicts in organizations. Managers are aware of the possible negative effects of workplace disagreements, but at the same time recognize their constructive potential in some aspects, such as strengthening interactions and emergence of new relationships, finding solution to existing problems and raising employee awareness.

Summing up, the review of previous studies suggests that conflicts in organizations has both positive and negative consequences. Given the lack of empirical research on the impact of workplace conflict in organizations of various economic sectors, it appears to be necessary to expand research in this area.

The aim of the paper is to examine the effects of conflicts in different organizations in Bulgaria. We want to explore what are the outcomes of workplace disagreements, both positive and negative, from the perspective of employees.

The paper provides original empirical evidence on the dual nature of conflicts in organizations of all sizes and different sectors and therefore it contributes to the research of the poorly studied area of the effects of organizational conflicts in Bulgaria.

2. MATERIALS AND METHODS

The data for the study come from more extensive research on workplace conflict in Bulgarian organizations. The survey was conducted in April and May 2021 using an online questionnaire in Google forms. The questionnaire was designed on the basis of the methodological framework of CPP (CPP, 2008). It included two questions about the positive and negative outcomes of conflicts in organizations. Destructive effects of conflicts were measured using a multiple-response question. Respondents were asked to indicate the negative outcomes from conflicts in the following categories: personal insults or attacks, sickness or absence, employees were moved to different departments, employees left the organization, employees were fired, project failure, cross-departmental conflict, and bullying. Positive outcomes from conflicts in organizations were also measured using a multiple-response question. Respondents were asked to indicate the constructive effects of conflicts in the following categories: better understanding of others, better solution to a problem or challenge, improved working relationships, higher performance in the team, increased motivation, and major innovation or idea was born. Respondents were also asked to provide demographic information, including their gender, age, educational background, years of work experience and type of position in the organizational hierarchy, as well as information about the organization (size, sector, and type of settlement).

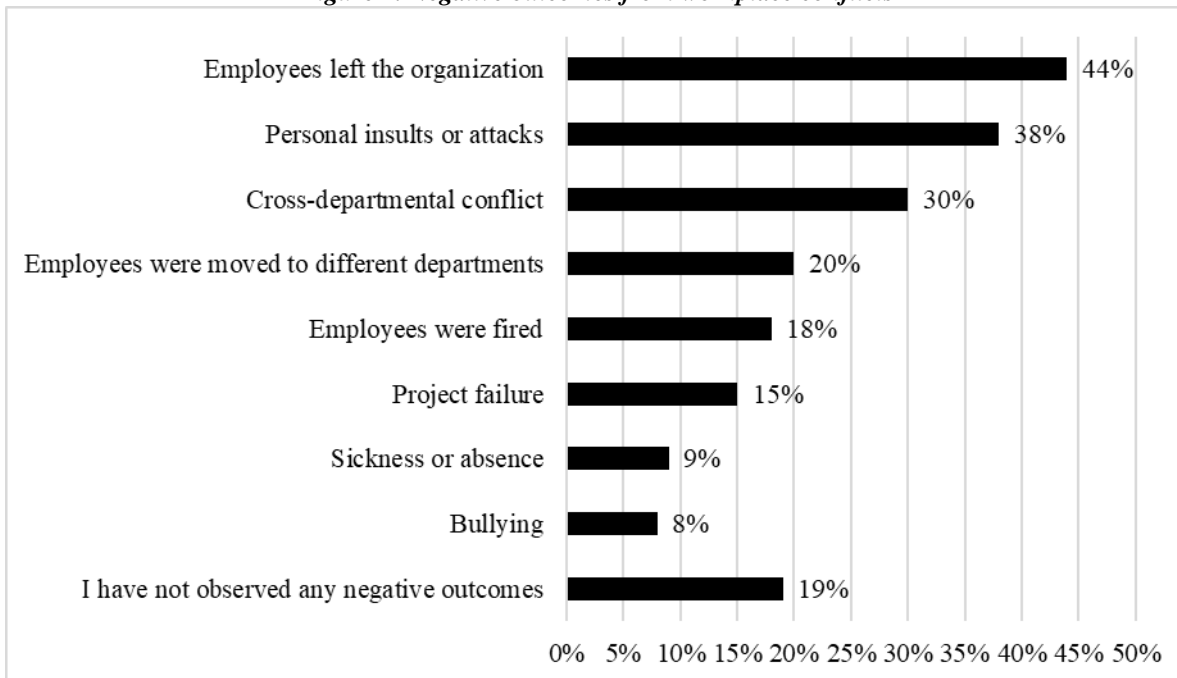
Questionnaire data were collected from 708 full-time employees from various Bulgarian organizations. Of these, 55% were female and 45% were male. Approximately two thirds of respondents were up to 30 years old (29%) or between 31 and 40 years old (34%), a quarter of respondents were between 41 and 50 years old (24%) and 13% of respondents were older than 51 years old. Most employees had a master's or doctoral degree (65%), 22% had a bachelor's degree and 13% had a secondary education. Regarding the work experience, 30% of respondents have worked from 11 to 20 years, 28% - from 21 and more years, 24% - from 6 to 10 years and 18% - up to 5 years. The majority of respondents (70%) were non-managers, 23% were managers and 7% were senior managers. Depending on the organizational size, the largest group in the sample consisted of employees from large enterprises (41%, of

which 29% were from very large enterprises), followed by employees from medium enterprises (26%), from small enterprises (24%) and from micro-enterprises (9%). Most respondents were employed in the service sector (54%), 15% of respondents worked in the commercial sector, 12% - in the manufacturing industry, 14% - in the public sector and 5% - in the voluntary sector. Three quarters of employees worked in organizations in the capital city (77%), 16% - in organizations in district cities, 7% - in organizations in small cities or villages. The data were processed in IBM SPSS Statistics 25.

3. RESULTS AND DISCUSSION

The findings reveal that the destructive effects of workplace disagreements are easily visible to employees. Nearly half of the respondents (44%) witnessed that employees left the organization as a result of escalating conflict (Figure 1). The most frequently mentioned negative outcome of conflicts is significantly more likely to be observed in medium enterprises (44%) and large enterprises (50%) than in micro-enterprises (41%) and small enterprises (35%) (Cramer's $V = 0.114$, Approx. Sig. = 0.027). Conflicts are significantly more likely to lead to a departure of employees in metropolitan organizations (48%) than in organizations in district cities (32%) and in small cities and villages (33%) (Cramer's $V = 0.133$, Approx. Sig. = 0.002).

Figure 1. Negative outcomes from workplace conflicts



Source: Created by the author on the basis of the results of the study.

Four out of ten respondents (38%) reported personal insults or attacks as a result of a conflict in the workplace, while three out of ten employees (30%) witnessed the escalation of disagreement into a cross-departmental conflict. Managers (36%) are significantly more likely to report the last negative effect compared with non-managers (29%) and senior managers (15%) (Cramer's $V = 0.133$, Approx. Sig. = 0.011). This result is not surprising, as managers have observations on both the relationships in their team and the interactions of the team with the other teams in the organization and can therefore more easily assess whether the conflict has escalated into a cross-departmental conflict. Conflicts are significantly more likely to lead to cross-departmental conflicts in large organizations with between 250 and 500 employees (34%) and very large organizations with more than 500 employees (38%) than in micro- (20%), small (23%) and medium-sized organizations (27%) (Cramer's $V = 0.139$, Approx. Sig. = 0.008). An explanation for these differences can be found in the organizational structure of large organizations that includes more units, between which the likelihood of conflict occurrence is higher. Respondents working in the commercial sector (41%) are significantly more likely to report cross-departmental conflict as a destructive effect of another conflict compared with respondents working in other sectors: manufacturing industry - 27%, service sector - 29%, public sector - 27% and voluntary sector - 18% (Cramer's $V = 0.121$, Approx. Sig. = 0.035).

A fifth of the respondents (20%) reported that employees had been moved to different departments as a result of workplace conflicts. This negative effect is significantly more common in large (26%) and very large organizations (32%) compared with micro- (9%), small (10%) and medium-sized organizations (17%) (Cramer's $V = 0.223$, Approx. Sig. = 0.000). Respondents are more likely to state that employees were moved to different departments if they work in the capital of Bulgaria: 23% compared with 15% of respondents working in district cities and 4% of respondents working in small cities and villages (Cramer's $V = 0.128$, Approx. Sig. = 0.003).

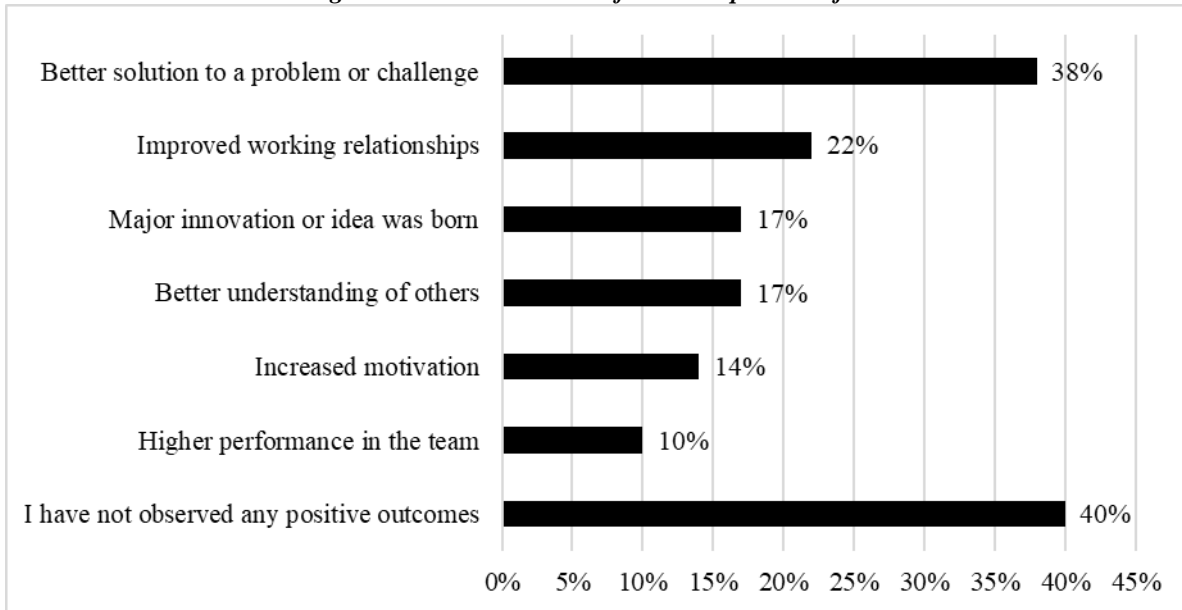
Almost a fifth of the respondents (18%) witnessed the dismissal of employees due to conflicts. Employers in micro- (22%), medium (23%) and large enterprises (24%) are significantly more likely to lay off employees as a result of workplace conflicts than employers in small (11%) and very large enterprises (15%) (Cramer's $V = 0.135$, Approx. Sig. = 0.011).

Although less common, there are other negative consequences of conflicts for employees and the organization such as project failure (15%), sickness or absence of one or more participants in the conflict (9%) and bullying (8%).

Two out of ten respondents (19%) did not observe any negative outcomes from conflicts (Figure 1). Employees are significantly more likely to claim this if they work in a micro- or small enterprise. Respectively, 25% and 25% of these employees did not observe any destructive results of conflicts compared with 16% of employees in medium, 13% of employees in large and 17% of employees in very large organizations (Cramer's $V = 0.121$, Approx. Sig. = 0.036). These differences may be due to more informal communication in micro- and small enterprises which facilitates interactions between employees and encourages a more cooperative work environment in which emerging disagreements are resolved in a constructive way.

The respondents in our survey also acknowledge some aspects of the positive potential of workplace disagreements. Four out of ten respondents (38%) said that conflicts have led to a better solution to a problem or challenge (Figure 2). This constructive outcome is significantly more likely to be reported by managers compared with non-managers (46% of managers and 48% of senior managers versus 34% of non-managers) (Cramer's $V = 0.116$, Approx. Sig. = 0.008).

Figure 2. Positive outcomes from workplace conflicts



Source: Created by the author on the basis of the results of the study.

Other influential factors in recognizing the latter positive effect of conflicts are the organizational size and type of settlement. Employees in very large organizations (50%) are significantly more likely to identify better solution to a problem or challenge as a result of a conflict compared with employees in smaller organizations (micro- - 31%, small - 33%, medium-sized - 33% and large enterprises - 35%) (Cramer's $V = 0.157$, Approx. Sig. = 0.002). This constructive effect of conflicts is significantly more likely to be observed by respondents in metropolitan organizations compared with respondents in district cities and in small cities and villages (40% versus 37% and 18%) (Cramer's $V = 0.113$, Approx. Sig. = 0.011).

Slightly more than a fifth of the respondents (22%) reported an improvement of working relationships as a result of conflicts. The birth of a new idea or major innovation is another recognizable positive effect of conflicts, mentioned by 17% of the respondents. Managers are significantly more likely to see the positive potential of conflicts in this aspect compared with non-managers (24% of managers and 21% of senior managers versus 14%) (Cramer's $V = 0.115$, Approx. Sig. = 0.009). There are also significant differences in the answers of the respondents depending on the organizational size and the type of settlement. Employees are significantly more likely to report the birth of a new idea or a major innovation if they work in a very large enterprise (25%) compared with those working in micro- (13%), small (13%), medium (16%) and large enterprises (9%) (Cramer's $V = 0.151$, Approx. Sig. = 0.003). The latter positive effect is significantly more recognizable by the respondents in metropolitan organizations (19%) than the respondents in organizations in district cities (12%) and in small cities and villages (6%) (Cramer's $V = 0.104$, Approx. Sig. = 0.022).

According to the respondents in our survey conflicts in organizations also lead to a better understanding of others (17%), increased motivation of employees (14%) and higher performance of team members (10%).

Four out of ten employees (40%) have not seen conflicts lead to anything positive. Non-managers (45%) are significantly more likely to claim this compared with managers (30% of managers and 23% of senior managers) (Cramer's $V = 0.161$, Approx. Sig. = 0.000). Respondents working in the public sector (60%) are significantly more likely to say they have not observed any positive effects of conflicts compared with those working in other sectors: manufacturing industry - 38%, commercial sector - 31%, service sector - 38% and voluntary sector - 39% (Cramer's $V = 0.174$, Approx. Sig. = 0.000).

Our findings seem to be consistent with evidence from previous studies. Conflicts in organizations lead to various negative outcomes for the employees and the organization. Some of the problems arising from conflicts are short-term (such as personal insults), but others are more serious and last longer, suggesting the need for constructive conflict management. This is true to a greater extent to some organizations than others. The results reveal that workplace disagreements in large enterprises are significantly more likely to lead to employees leaving the organization, employees being moved to other departments, and escalation into cross-departmental conflicts. The departure of employees and the relocation of employees are more common in organizations in the capital city.

The findings also show that the employees in the surveyed Bulgarian organizations do not perceive conflicts as a completely negative phenomenon and recognize some opportunities that arise from them. Managers are more likely to see the positive potential of workplace disagreements, especially when it comes to finding a better solution to a problem or challenge and generating new ideas or innovations. A possible explanation for these results can be found in the broader view of managers. Due to their position in the hierarchy, they know the organizational reality better than the employees (Mihaylova, 2021). Managers have more information, have the opportunity to monitor the whole process of conflict emergence, development, and resolution, and have a more objective assessment of the consequences of conflicts. Finding a better solution to a problem or challenge and generating new ideas are also more likely to be recognized as constructive results of conflicts by employees in very large organizations and organizations in the capital city. The great percentage of respondents who do not see any positive outcomes suggests a lack of understanding of the constructive potential of workplace disagreements.

A limitation of the study is its focus on interpersonal conflicts in organizations. Intrapersonal, intragroup, and intergroup conflicts remain outside its scope. Another limitation is that the study is based solely on employees' perceptions of the effects of conflicts. The opinions of the parties to the conflict, the managers of the surveyed employees and other members of the organizations are not examined, which can be a concern for the objectivity of the results. The study is also weak on the use of convenience sample that included respondents who happened to be accessible to the researcher. Thus, the sample is not representative, and cannot provide generalizable results.

4. CONCLUSIONS

The study presented in the paper aimed to investigate the effects of conflicts on employees and the organization. While previous studies examined the problem in specific economic sectors in Bulgaria, this paper extends the research in organizations of all sizes and different sectors to provide more comprehensive analysis of the impact of conflicts.

The present study confirms the dual nature of conflicts. Workplace disagreements are not only destructive but can also bring some benefits to organizations. Employees in Bulgarian organizations clearly recognize the destructive effects of conflicts. The negative impact is most often associated with the departure of employees, personal insults or attacks and the escalation into cross-departmental conflicts. At the same time, there are some positive outcomes from conflicts such as finding a better solution to a problem or challenge, improved working relationships, the birth of a new idea or significant innovation, and better understanding of others.

The study on employees' perceptions of the impact of conflicts in organizations provides valuable knowledge of the functional significance of conflicts and the changes that take place after them. Despite its limitations, the study makes contribution to a better understanding of the consequences of workplace conflicts.

Given both the risk of various negative consequences and the possibility of positive outcomes that may result from conflicts, the implication for organizations is to implement effective conflict management strategies to limit or eliminate the negative effects of conflicts and to draw out benefits of them. Another challenge for organizations is to develop the ability of employees to deal constructively with conflicts. When employees acquire the right skills and are provided with adequate guidance, they can handle workplace disagreements with ease, generating positive outcomes from them.

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