

# The Impact of Organizational Conflict on Employees' Performance in Private Commercial Banks of Bangladesh

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**Abstract:** In order to enhance performance of private commercial banks, it is imperative to improve harmony, develop favourable relationship and alleviate organization conflict among the employees. According to Julian and Ramashen (1994), delivering quality services and products to customers is essential for success and survival of today's competitive banking environment. There is no alternative to improve the state of service quality, product quality and corporate social performance, in order to build and enhance a bank's reputation at an acceptable level. Employee performance is critical in this respect. It is also a driving force behind customer retention and attracting new clients in a bank. However, a major hindrance to enhance reputation, increase financial performance and profitability, and delivery of high quality products and services is the 'conflict' phenomenon existent within most organizations. The private commercial banks of Bangladesh are no exception. At most times, performance of employees are adversely affected through conflict situations, although it could also trigger a healthy debate beneficial to the organization. It is therefore a matter of contemporary interest to study and analyze employee performance vis-à-vis conflict situations to create a conducive atmosphere and work environment in financial institutions. From the above background, it is evident that 'performance' is a critical factor on which revolves the well being and enhancement of the private sector - including the banking sector. This study therefore, has undertaken to examine the antecedents of organizational conflict and the circumstances under which the organizational conflict affects employees' performance. This research has investigated the relationship between employee performance and organizational conflict that significantly impact on employees' performance in the banking sector of Bangladesh.

**Keywords:** Private Commercial Bank, Bangladeshi Bank, organizational conflict, conflict resolution, employees' performance, Role Conflict, Relationship conflict, Group conflict, Relationship conflict, Performance efficiency, Performance effectiveness.

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## I. Introduction

In a rapidly changing business environment, the impact of organizational conflict on employees' performance in private commercial banks of Bangladesh has emerged as a major issue of concern. As such, the study has undertaken to investigate conflict resolution strategies that would best serve the interest of the banks and its employees in the banking sector of Bangladesh.

Employees' Performance refers to performance criteria that are set standards for employee behaviour at work (Moore, 2007). This criterion contains much more than how an employee does the work. Employees are rated on how well they do their jobs compared with a set of standards fix up by the employers. Employees' performance is basically related to performance appraisal system to compare standard set and individual goal achievement.

In Bangladesh, performance of public commercial banks in comparison to the private commercial banks has significant difference for achieving goals. Conflicts are predictable part of banking management since the goals of different stakeholders such as managers and team members are often incompatible (Owizy, 2012). Conflict is an unpleasant situation in any bank as long as employees of the bank compete for jobs, resources, power, recognition and security. Conflict in banks can be regarded as a dispute that occurs when interests, goals or values of different individuals or groups are incompatible with each other. This results a situation whereby they are frustrated with each other in an attempt to achieve their objectives. In Bangladesh, it is common observation that conflict exists between different departments and groups in private commercial banks, for example, between foreign trade department and credit department, between branch and corporate office or between general services department and credit department, because of lack of freedom, position, and scarcity of resources. Employees who seek power therefore struggle with others for position or status within the group. Conflict is a part of banks' work life and may occur between individuals, between an individual and group (different departments), and between groups. While conflict is generally perceived in negative manner, it can

also be beneficial because it may cause an issue to be presented in different perspectives. Conflict has both positive and negative effects (Hotepo, Asokere, Abdul-Azeez, and Ajemunigbohun, 2010).

Conflict has significance at the workplace where it can be devastating to the overall organizational environment and employees' performance. Alternatively, from a positive perspective, it can be a beneficial tool for furthering institutional goals and objectives. Conflict management has thus acquired a new dimension in today's world.

Banking industry in Bangladesh started its journey after the independence, with 6 (six) nationalized commercial banks, 2 (two) State owned specialized banks and 3 (three) foreign banks. Currently there are 4 (four) State-owned banks, 31 (thirty one) Private commercial banks, 9 (nine) foreign commercial banks are operating in Bangladesh. Besides, there are 8 (eight) Islami banks are operating. Therefore, 52 (fifty two) non scheduled banks are operating in Bangladesh (Bangladesh Bank, 2014).

A basic definition of organizational conflict is disagreement between individuals or groups within the organization, which can center on factors ranging from resource allocation and divisions of responsibility to the overall direction of the organization. Conflict means struggle between people with differing wants, thoughts, ideas, values, or goals. Conflict within teams is usual; however, the results of conflict are not predetermined. Conflict might escalate and lead to nonproductive results, or conflict can be beneficially resolved and lead to quality final products (The Foundation Coalition, 2010). Therefore, learning to manage conflict is essential to a high-performance team. Conflict results because of miscommunication between people with regard to their needs, ideas, beliefs, goals, or values. Concept of performance can be defined as dependent, independent or controlling variable measuring from an assortment of operating ratios, net profit after taxes (NPAT) and return on equity (ROE). Approvals and broad perceptions of relative performance can be variously measured (Johnson, 1976).

In one view, conflict in bank management produces negative outcomes. Conflict causes stress, which reduces employee satisfaction (Bashir, 2010). This diminished satisfaction can lead to increase in absenteeism and poor turnover. Conflict can also diminish trust on supervisors and fellow employees, which can slow or stop progress of project implementation. The pileup of internal negative consequences, such as lost trust and slowed progress, can generate a negative impact on customer satisfaction due to failure of deadline for delivering service and reduced service quality (Dontigney, 2012).

Business leaders need to acknowledge organizational conflict and its existence and open the door for creative solutions. It can also encourage an adaptable organization that copes efficiently with the rapid changes faced by modern businesses. The most contemporary "functional view" treats organizational conflict as a positive, productive force (Kelly, 2012). This approach believes that conflict will stimulate both management and employee to increase their knowledge and skill levels. This motivation leads higher innovation, creativity and performance that contribute more to the organization.

A functional view often believes that a successful organization actually needs and thrives on conflict to bring diverse opinions to the management suite. This inspires new ideas and suggestions for more productive performance.

## **II. Rationale of the study**

In Bangladesh, however, not much study has been undertaken on the impact of conflict in workplace – particularly on employees' performance. Nor is there a resolution mechanism in place for handling of conflict situations in a proficient and effective manner. This may put the organizations in a vulnerable position with the risk of major escalation of conflicts that can be potentially harmful for both the organization and its employees. It can also lead to a downslide in staff efficiency which is detrimental for any organization. It is therefore a humble endeavour to select this timely and appropriate study on "The Impact of Organizational Conflict on Employees' Performance in Private Commercial Banks of Bangladesh"

## **III. Objectives**

### **3.1 Broad Objective**

The main objective of the study was to find out the impact of organizational conflict on employees' performance.

### **3.2 Specific Objectives:**

The specific objective of the study were

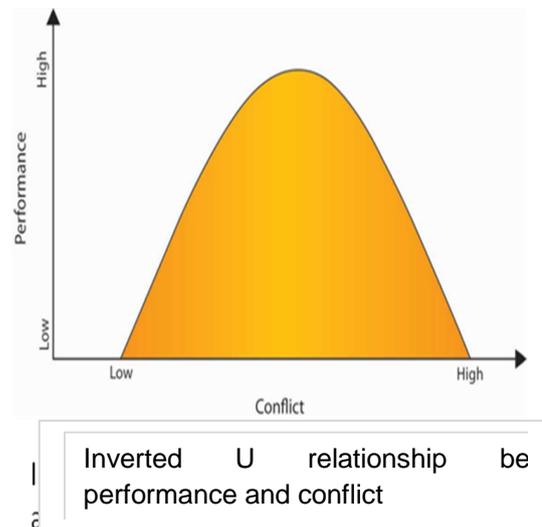
1. To identify the antecedents of conflict among private commercial banks' employees.
2. To find out the types of conflict (constructive and destructive) happens in organization that affect performance.
3. To identify the strategies to mitigate conflict to improve employees performance.

#### IV. Scope of the study

The study has undertaken case studies on conflict issues which has relevance on employees' performance. The study has discussed conflict factors in the context of Bangladesh with a focus on private commercial banks' work environment. The study has also tried to find the effects of conflict on employees' performance and to find the major sources of conflict that impact on performance of the employees. It has also discussed private commercial banks' culture in the country. The study tried to understand how strategies are adopted to improve private commercial banks' performance for achieving its goal and to explore the opportunities that are available for the managers and top management to improve organization development and finally explained the correlation between conflict factors and performance of the employee for betterment in private commercial banks of Bangladesh.

#### V. Problem Statement

According to the common view most people are uncomfortable with conflict; however, conflict has both positive and negative impact on employees' performance. Conflict can lead to organization's less than optimal performance, or, in the worst case, lead to workplace violent behavior. Surprisingly, a moderate amount of conflict can actually be a healthy (and necessary) part of organization life (Amason, 1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision, If anyone needs to understand its root causes, consequences, and tools to help managing it. The impact of too much or too little conflict can disrupt performance. The goal is to hold conflict levels in the middle of this range. While it might seem strange to want a particular level of conflict, a medium level of task-related conflict is often viewed as optimal, because it represents a situation in which a healthy debate of ideas takes place (Bauer and Erdogan, 2010). In other words, there should be a balance and conflict resolution mechanism in place so as to maintain the optimal level of performance and efficiency. Inverted U relationship is showed in figure (Robbins.P, Judge.A, Vohra, 2012).



In the workplace, conflict and implementation of conflict management substantially influence individual, group, and organizational effectiveness (De Dreu and Van Vianen, 2001). At the individual level, one key consistency across various theories has been the distinction of whether or not conflict is managed in an agreeable and cooperative or disagreeable and competitive manner (Rahim, 1983). At the small group level, researchers have also highlighted this distinction between cooperative versus competitive styles of conflict management (De Dreu and Van Vianen, 2001)

In previous studies about the effect of different conflict management styles on work effectiveness at the group level, researchers have suggested that a dominant conflict management culture is unlikely to relate positively to team functioning and team effectiveness (Pruitt and Carnivale, 1993). Findings in research on workplaces characterized by an avoidant management conflict culture have been mixed. On the one hand, because group members do not discuss differences of opinion for fear of disrupting group harmony, they also avoid discussions needed to generate creative ideas and proactively develop solutions to critical problems (Pruitt and Carnivale, 1993). De Dreu and Van Vianen (2001) found that when there is an avoidant conflict management culture, this increases the levels of both team functioning and team effectiveness. In contrast to both the dominant and avoidant conflict management cultures, a collaborative conflict management culture is consistently associated with positive workplace performance and group level outcomes (Pruitt and Carnivale, 1993).

Previous researchers have not covered thoroughly the impact of the conflict management culture in the workplace on individual level outcomes such as employee performance, more specifically in private commercial banks. Employee performance is one of the most important and significant factors in the achievement of organizational goal. Greater performance has been identified as being associated with a more positive attitude towards the job and with positive workplace outcomes such as increased organization commitment and decreased employee turnover rate (Brown and Peterson, 1993) (Wright and Bonett, 2007).

Therefore, this research has investigated on relationship between employee performance and conflict attributes that significantly impact on employees' performance in private commercial banks of Bangladesh. This report used survey data collection technique from the employees and all related parties in private commercial banks of Bangladesh.

## **VI. Literature review:**

Performance appraisal defines only one part of the broader process of performance management (Raymond, John, Barry, Patrick, 2010). Performance management means process through which managers make sure that employees' activities and outputs are harmonizing with the organization's goals. Performance management system has three parts: defining performance, measuring performance, and feedback on performance.

Key performance indicators in commercial banks are providing financial products and services to customers, ability to manage diversify credit and liquidity risk, and complying the regulations. These aspects of banking affect a bank's choice of risk versus expected return, which in turn affects banks' performance (Bikker, 2010). The main drivers of banks' profitability remain earnings, efficiency, risk-taking and leverage. Various stakeholders (e.g., depositors, borrower management or Board of Directors, shareholders) emphasize different aspects of profitability. These views take into account by market participants (i.e. analysts, rating agencies, consultants and supervisors) when looking at ways of measuring bank performance that meet their needs. European Central Bank (2010) noted bank performance in terms of its capacity to generate sustainable profitability. Profitability is a bank's first line of defence against unexpected losses, as it strengthens its capital position and improves future profitability through the investment of retained earnings. Financial loss of a bank will ultimately decrease its capital base, which in turn puts equity and debt holders at risk. Moreover, since the ultimate purpose of any profit-seeking organization is to protect and generate wealth for its owners.

Banking businesses in Bangladesh nowadays are operating in a turbulent environment where organizations are searching for the measures that will allow them to improve their performance and competitiveness. Banking performance measurement parameter in broad framework includes: marketing for deposit and extending credit for business development purpose, reduction of nonperforming loan, recovery of overdue amount from asset customers (loan customers) and maintenance of compliances as per Bangladesh Bank's prescribed rules and regulations from time to time (Fahmida, 2016).

Based on the different set of criteria, performance indicators and conflict attributes, the study has reviewed available literatures on the subject under three main sections. The first section has identified different types of conflict in an organization specially in private commercial banks in the context of Bangladesh; the second section has shown how the conflicts can be made manageable through adapting proper strategies and also by taking effective action plan by the management; the third and final section has focussed on the impact of conflict management on the employees' performance as well as on organization's productivity.

Performance measurement is a fundamental building block of organizational objective achievement and a total quality organization. Historically, banks have always measured performance in some way through the financial performance, be this success by profit or failure through liquidation. However, traditional performance measures, based on accounting information criterion, provide little to support banks on their quality services. Banks' performance is measured by the improvements seen by the customer as well as by the results delivered to other stakeholders, such as the shareholders (DTI, 2010).

The main reasons to select performance criterion are: a) to ensure customer requirements have been met b) to be able to set sensible objectives and comply with these objectives c) to provide standards for establishing comparisons d) to provide visibility and a "scoreboard" for employee to monitor their own performance level e) to highlight quality problems and determine areas for priority attention f) to once the goals have been defined, the next step in developing a performance measurement framework is to define the outcome metrics - what has to be measured to determine if these goals are being achieved (DTI, 2010).

In performance measurement, it is important to remember the difference between efficiency and effectiveness (Probst, Alan 2009). Efficiency is related to cost effectiveness, i.e, the lowest costs for a given output level. In performance measurement, the ratio of total input to useful output or outcome is referred to as "efficiency." Effectiveness is related to if the service level meets the demands of the citizens. An effort is effective if it is adequate to accomplish a propose and produces the intended or expected results. Employee can be effective without being efficient. Efficiency is doing something with the least possible expenditure of resources; Effectiveness is doing something well without regard to cost or level of resource expenditure. Performance indicators are specific numerical measurements for each aspect of performance which is under consideration.

Allan Probst (2009) found performance indicators generally include the following: a) Input b) Output c) Efficiency d) Service Quality e) Outcomes. The performance indicators should also be accompanied by explanatory data. Performance indicators must be quantifiable, measurable, relevant, understandable, and timely. Although some indicators may seem to be neither quantifiable nor measurable at first glance, an objective analysis of the program's components will commonly review some aspect that is quantifiable, measurable, and relevant. Input indicators represent the resources need to a program. Output indicators relate to the quality of service delivery through bank; how much work has been done. Efficiency indicators are determined by using the ratio of inputs used per unit of output (or output per unit). Examples might be: Cost per

counter transaction to provide service in bank. Productivity indicates hours per customer delivering services. Service quality indicators relate to how satisfied customers are; how accurately a service is provided; and/or how timely a service is provided.

On the other side, De Bono (1985) revealed that conflict takes many forms in organizations. There tends to be differences between management and managers and those individuals and groups working under them. There are disputes over how revenues should be divided, how the work should be done, and how long and hard people should work. There are jurisdictional disagreements among individuals, departments, and between unions and management. There are subtler forms of conflict involving rivalries, jealousies, personality clashes, role definitions, and struggles for power and favor. There is also conflict between individuals and their competing needs and demands — to which employees respond in different ways in the organization.

Conflict in the banking industry can affect employees' performance and banks' profitability. Conflict sometimes has a destructive effect on the individuals and groups involvement within the organization. At other times, however, conflict can increase the capacity of those affected to deal with problems, and therefore it can be used as a motivating force toward innovation and change. Argyris (1957) stated in his study that conflict is encountered in two general forms; personal conflict and task conflict.

Conflict is not always destructive, it may be a motivator. When it is destructive, however, senior management or executives need to understand and do something about it; a rational process for dealing with the conflict should be planned. Richard Arvid Johnson (1976) explained that this process includes a planned action response on the part of the manager or the organization, rather than relying on a simple reaction or a change that occurs without specific action by management.

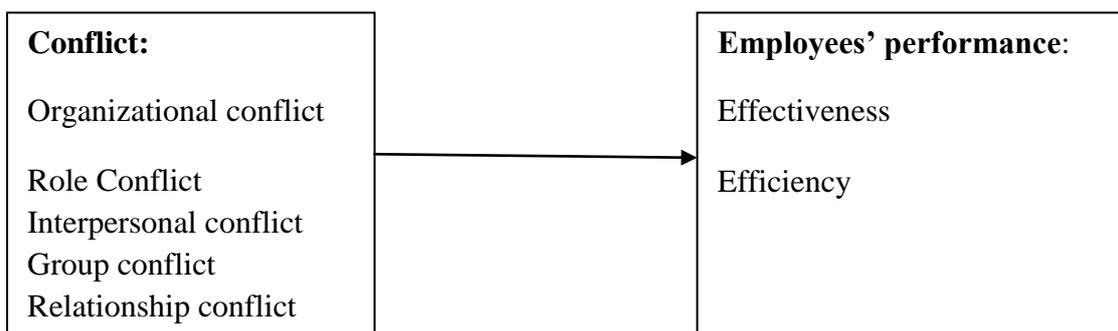
Conflict management leads to improved organization performance and effectiveness. Effective conflict management is the concept of how an organization is achieving planned objectives by harnessing the individual's and groups' efforts. According to Richard et al (2007) organization performance and internal performance outcomes of a team is generally associated with more efficient or effective operations and other external measures.

Esquivel and Kleiner (1997) viewed that conflict is generally regarded as a disagreement regarding interests or ideas. Therefore, organizational conflict relates to arguments that occur when goals, interests or values of different individuals or groups are incompatible and they block or tend to frustrate each other's attempt to achieve their objectives. Jones, George, and Hill (2000) reiterate that these actions and reactions make conflict an inevitable part of an organization's life, since the goals of different stakeholders, such as senior management or executives and staff are often incompatible. Bagshaw (1998) view conflict as a fact of life. In an organization, people compete for jobs, resources, power, acknowledgement and security. Dealing with conflict is difficult because it arouses primitive emotions such as people feeling threatened, which creates a version of the age old stress responses. Personal conflict is a conflict between two people, most often from a mutual dislike or personality clash. Boston University Faculty Staff Assistance Office (FSAO) mentioned in a study of their online report that workplace conflict can occur due to personality or style differences and personal problems such as substance abuse, childcare issues, and family problems. Jehn (1994) wrote in a research that conflict can be beneficial for the performance of student groups as well as organization groups if conflict is task-focused. In fact, this is one of the most valuable ideas that had the greatest influence in moving the research on organizational conflict forward, and allowing researchers to examine whether conflict is negative or positive in workgroups. The distinction between task-related and personal or relationship-focused conflict is thus a critical part of research on conflict. Organizational conflict is focused primarily on three types of conflict: relationship, task, and process. There are four conflict dimensions - emotions, importance, resolution efficacy, and norms (Greer, Jehn, and Mannix, 2008). Relationship conflicts reflect disagreements and incompatibilities among group members about personal issues that are not task related, such as social event's gossip, and world news. Behavioural scientists sometimes describe an organization as a system of position roles. In case of banking industry, each member of the organization belongs to a role set, which is an association of individuals who share interdependent tasks and thus perform formally defined roles. John R. Rizzo, Robert J. House, and Sidney I. Lirtzman (2005) view, role conflict when the behaviors expected of an individual are inconsistent. That person will experience stress, become dissatisfied, and perform less effectively. Role conflict can therefore be seen as resulting from contradiction of the two principles of two individuals which leads to decreased individual satisfaction and decreased organizational efficacy. Other types of role conflict occur when an individual receives inconsistent demands from another person; for example, they are asked to serve on several time-consuming committees while at the same time, they are urged to deliver service to bank customers in their workstation. Another kind of role strain takes place when the individual finds that they are expected to meet the opposing demands of two or more separate members in a banking organization. For example, such a case would be that of an employee who finds himself or herself pressured by their supervisor or department heads to improve the quality of their work, while their work group wants more revenue outcomes in order to receive a higher bonus share. Additionally, the relationship between task conflict and team performance highly correlate with task

complexity and conflict resolution approach. The influence of relationship conflict on performance may depend on interdependence of tasks. Conflict resolution can be determined as per conflict factors (Kankanhalli, Tan, and Wei, 2007). Conflict arises in groups because of the scarcity of freedom, position, and resources (Priyankdesh, 2012). People who value independence tend to resist the need for interdependence and, to some extent, conformity within a group. People who seek power struggle with others for position or status within the group. Rewards and recognition are often perceived as insufficient and improperly distributed, and members are inclined to compete with each other for these prizes (Mills, 1967). Group meetings are often conducted in a win-lose climate — that is, individual or subgroup interaction is conducted for the purpose of determining a winner and a loser rather than for solving problem mutually (Johnson, 1976). Positive conflict is very useful in group deliberations. Most groups will look for more information to resolve it when they are faced with a conflict. However, when disagreement is expressed, a more thorough investigation needs to be conducted. When the group makes a decision, it will be based on additional information that had probably been obtained on the conflict (Stack, 2005). Even though some of the feelings generated by conflict may be negative, disagreement indicates the two parties' involvement in the discussion. However, approaching workplace conflicts as opportunities to improve operations is a much more productive solution. Certainly, there are some obvious cons to conflict (Kelly, 2012).

Different conflicts are related with performance of the employee either in positive or negative outcomes. Management makes rational decisions because they know that conflict is very important and it has significant impact on employees' performance. It is an era of competition in banks, all banks are in pursuit to improve their services and products through giving importance to the customers. Any conflict from horizontal level or vertical level causes delay in service(s) provided to customers. Conversely, there is no supposition of a "best way" to control conflict. The process of managing conflict to achieve constructive results in a complex situation which becomes more pronounced for the organization success (Henkin, Cistone, and Dee, 2000). After conducting preliminary data form banking sector, different types of conflicts were seen among the employees who remain on culmination point of shifting from one bank to the other.

Zaidi (2012) found in his study in the context of Bangladesh that maximum conflict is recognized between employee and employer. Conflicts are related to organization benefits provided to the employee and personal attitude difference of employees. However, these conflicts should be manageable if conflict produces negative outcomes. Conflicts also may arise in Bangladeshi organizations due to decision making from top management. Employees have low scope to participate in decision making process so that in many cases there is a conflict between top management and employees. This is a common feature in banking sector of Bangladesh. Relationship of the variables for this study is shown in the following model:



From review literature on the issue of employees performance and organization conflict, it can be concluded that organizational conflict is a state of discord caused by the actual or perceived contradictory needs, values and interests among people working together. Conflict at any level in an organization leads to the decline in organization employees' performance and ultimately acts as a barrier in achieving the organization objectives. Again, in particular issues, conflict can bring positive outcome from employee performance. Conflict may arise from various factors such as long working hours, organization's hierarchical structure, poor communication, difference of intra-organizational values, differing interests, scarce resources or time, poor performance and its related pressures, or uncertainty in tasks. Conflict may occur when two parties have partially involved in a joint action to accomplish a task for achieving goal. Workplace conflict can be personality or style differences and personal problems such as substance abuse, childcare issues, and family problems. Organizational factors such as leadership, management, budget, and disagreement about core values can also contribute in creating conflict. Role conflict in banks takes place when the employees find that they are expected to meet the contradictory demands of two or more supervisors of the organization. Another source of conflict arises in groups is scarcity of freedom, designation of employees, and less than optimal resources allocation of a department for

accomplishment of tasks. Relationship conflicts occur because of the presence of strong negative emotions, misperceptions or stereotypes, poor communication or miscommunication, or repetitive negative behaviours. In the context of banking industry of Bangladesh, not many studies were undertaken to perceive that conflicting factors may either make positive or negative impact on employees' performance. There has also not been much effort adopt the best strategy by managers or top management to mitigate conflict for overall improvement of employees' performance in the banks.

**VII. Conceptual framework of conflict management:**

Khun and Poole (2000) established a similar system of group conflict management. In their system, they split Kozan's confrontational model into two sub models: distributive and integrative. Distributive model indicates that conflict is approached as a distribution of a fixed amount of positive outcomes or resources, where one side will end up winning and the other losing, even if they do win some concessions. On the other hand, integrative refers groups utilizing the integrative model that tries to see conflict as a chance to integrate the needs and concerns of both groups and makes the best outcome possible. This model has a heavier emphasis on compromise than the distributive model.

K. Thomas (1992) effort to identify the primary conflict handling intentions. Using two dimensions- cooperativeness (the degree to which one party attempts to satisfy the other party's concerns) and assertiveness (the degree to which one party attempts to satisfy his or her own concerns). The study identifies five conflict-handling intentions: competing (assertive and uncooperative), collaborating (assertive and cooperative), avoiding (unassertive and un-cooperative), accommodating (unassertive and cooperative), and compromising (midrange on both assertiveness and cooperativeness) that managers or top management adopt strategy to reduce conflict that comes negative outcome from employee.

**Competing:** When one employee seeks to satisfy his or her own interests in spite of the impact on the other employees to the conflict, that person is competing.

**Collaborating:** When employees in a department of a bank conflict separately, each employee desire to fully satisfy the concern of all employees, there is cooperation and a search for a mutually beneficial outcome. In collaborating, the employees intend to solve a problem by clarifying different rather than by accommodating various points of view.

**Avoiding:** An employee may recognize a conflict exists and want to withdraw from or suppress it. Examples of avoiding include trying to ignore a conflict and avoiding others with whom one disagrees.

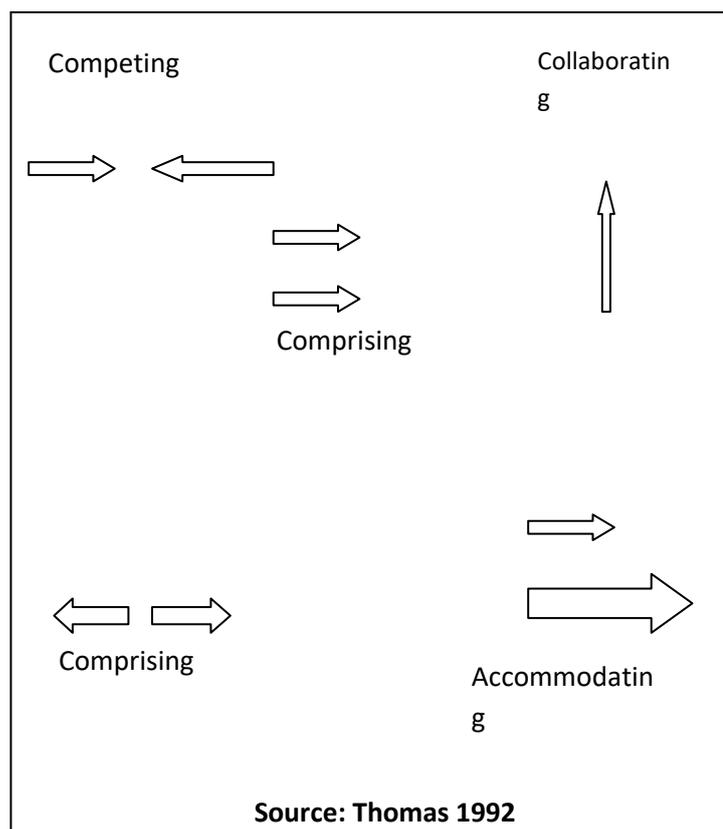
**Accommodating:** An employee who seeks to settle an opponent may be willing to place the opponent's interests above his or her own, sacrificing to maintain the relationship.

**Compromising:** In compromising, there is no clear winner or loser. Rather, there is a willingness to ration the object of the conflict and accept a solution that provides incomplete satisfaction of both conflicting concerns. The distinguishing characteristic of compromising, therefore, is that each employee engaged in conflicts intends to give up something.

Composition of human resources in the banking industry in Bangladesh is of various religion and academic background with diversified experience or with no experience. When all

Assertiveness

Unassertiveness



Source: Thomas 1992

employees work as team for achieving organization objectives, it is usual that difference of opinion among individual employee in general and groups are seen. Under the circumstances, it is important to establish how conflict among employees would affect on the employee's performance and to what extent some of the conflict can be absorbed as a course of normal outcome for achieving overall objectives. More specifically, this study embarks upon enhancing the performance of private commercial banks through assessment of different types of conflict and do away with those that create negative performance or establish a proactive conflict management system to improve productive performance.

## **VIII. Methodology**

### **8.1 Data Sources**

Primary literature sources were the first occurrence of a piece of work. This included published sources such as reports, central and local government publications. This also included unpublished manuscript sources such as letters, memos etc., besides secondary literature sources such as books and journals are the subsequent publication of primary literature. Both primary and secondary sources were explored for this study. Secondary sources included published and unpublished articles, conference papers, books and bulletins etc. Primary data were collected by a survey using questionnaire technique.

### **8.2 Sampling Techniques**

The study was an initiative to ascertain the effect of conflict on the employees' performance in a banks' work environment, e.g., Bank Asia Limited, Eastern Bank Ltd, Dhaka Bank Limited and Prime Bank Limited. The proposed research aimed at understanding which major factors of organizational conflict impact employees' performance. The adoption and practice of conflict resolution in banks can increase the organization's productivity which in turn can improve the quality of management's decision of the banks and contribute in generating more revenue and profit.

The study has been conducted by taking sample from the selected private commercial banks in Bangladesh. The purpose was to evaluate the performance of banks' employees taking conflict factors into consideration. The study has selected reputed banks from total population of 49 banks. Questionnaire was sent to the employees from the samples, however both online and offline questionnaire technique has been applied. In sampling plan, the study has been used simple random technique sampling of probability sampling. 200 respondents has taken from sampling frame to investigate the impact of organizational conflict on employees' performance and 100 respondents for understanding strategy for conflict resolution for enhanced performance.

### **8.3 Limitation of the Research**

The study has been conducted only in private commercial banks of Bangladesh i.e., Bank Asia Ltd, Dhaka Bank Ltd, Prime Bank Ltd, Eastern Bank Ltd, which may not be applicable to the other industries (even for non Banking Financial Institution) in Bangladesh. In addition to this, employees' concern while answering the questionnaire in terms of willingness to answer the questions and disclose information during the survey may somewhat distort the analysis.

## **IX. Contribution of the research**

The study aimed to understand the impact of conflict on employees' performance in the banking sector, especially in the private commercial banks of Bangladesh. This study will benefit the banking organizations by addressing the state in which conflicts arise and it's positive outcome on employee performance in keeping customer interest. This study has attempted to look into the state where conflict negatively affects on employees' performance. This study was directly dealing with the employees of the banking industry and how they could contribute to the profits of the organization. Here, the focus on the society stretches beyond the profit dimensions thus focusing on the triple bottom line of an organization. Since the study incorporated a huge array of relevant literatures from the past, this research will enhance the understanding of anyone who wishes to dig further on the topic.

## **X. Future research agenda**

- There is a scope of study regarding the issue in the context of Bangladesh considering non banking financial institutions.
- More study may be done relating the issue on industry specific i.e., RMG sector or Pharmaceutical sector in context of Bangladesh.

## XI. Conclusion

To enhance the performance of private commercial banks, it is imperative to improve harmony, develop favourable relationship and alleviate organizational conflict among the employees. This study has undertaken to examine the antecedents of organizational conflict and the circumstances under which the organizational conflict affects employees' performance. The research has investigated the relationships between employee performance and conflict attributes that significantly impact on employees' performance in banking sector of Bangladesh. The study has been conducted to investigate the types of conflict that has impact on employees' performance and how proper strategies can mitigate the conflict to improve employees' performance.

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