

CHAPTER 1

RESEARCH OVERVIEW

1.1 Introduction

This research will explore the external causes of conflict at workplace organization, which may be due to employees' financial issues, changes in government policies, technology advancement, as well as family and social life concerns. At the end of the study, this study would highlight what the employees can do to overcome the external issues and how they should divide external problems with organizational problem. The relationship between the dependent variables; organizational conflict and independent variables; employees' financial issues of individual; changes in government policies, technology advancement, as well as family and social life concerns will be examined in order to answer to the research questions and eventually achieve the research objectives. This chapter basically will deliberate the background of the research, the research objective and questions, research hypotheses and the problems aroused for this research. Furthermore, the importance of this study and the chapter layout of this research will also be highlighted.

1.2 Background of the study

The main purpose of this study is to identify the external causes of conflict at workplace organization, which may be due to employees' financial issues, changes in government

policies, technology advancement, as well as family and social life concerns. At the end of the study, this study would highlight what the employees can do to overcome the external issues and how they should divide external problems with organizational problem.

Sometimes personal problems also lead to organizational conflict. When discussing about personal problems, the current employees' financial issue has to be taken into consideration as well. The recent rise of cost of living, has much affected the individuals in coping with their increase in daily expenses, which includes food, transportation, electricity tariff, etc. When the individual has poor financial planning, this would not only affect his family life, but also his career as well. We wish to educate the employees that they should not bring the issue of family and social life into the organization, instead of resolving the conflict in the organization. Nevertheless, if the conflict has occurred, we should learn how to resolve it amicably without affecting the organization.

Most of the organizational literatures have presumed that conflict was counterproductive. One of the researchers, Jehn (1995) has also suggested that conflict might be constructive in organizations under certain circumstances, but empirical studies were lacking. Ever since, workplace conflict has become ever more noticeable in organizations. According to Dumaine (1991) and Nohria (1991), as more decentralized the organizational structures become, workers are becoming more dependent among each other and responsible for more decisionmaking. This may cause other new types of conflict to occur among different groups of workers than were experienced in organizations which are bureaucratically structured (Janssen, Van de Vliert & Veenstra, 1999).

The workforce nowadays is becoming more diverse, with more women, minorities, foreign nationals, and people with different educational background and experiences are entering the workforce. This diversity certainly leads to different kinds of conflicts than were experienced by a more identical workforce (Fiol, 1994; Williams & O'Reilly, 1998).

According to Miller (2006), conflict is the interaction of interdependent people who distinguish differences of goals, aims and values, and who see the other party as potentially interfering with the realization of these goals. Organizational conflict normally happens due to the incompatible emotional as well as behavioral demands in terms of work and non-work related roles. This incompatibility will make the participation more difficult with one another

(Greenhaus & Beutell, 1985). Rahim (2002) indicated that the theory of conflict has experienced significant changes in perspective over the past ten years. The emergence of the term conflict management is one of the basic changes reflected. For effective strategic development, it is important to tolerate certain degree of conflict at different organizational levels, which may be substantive, cognitive or issue-oriented conflict (Rahim, 2002, West & Noel, 2009). Some researches proven that the way the organization manages and identifies the conflict will further determine whether the conflict becomes constructive or destructive in realizing the goals and strategy realization and implementation (Amason, 1996).

The study in this paper attempts to address external factors of the organizational conflict. Therefore the related factors which will be discussed are: (a) employees' financial issues / economic pressure; (b) changes in government policies; (c) changes in technology and (d) personal life balancing. Each of the above factors is exhibited with the possible components that contribute as the cause of organizational conflict.

Data will be collected from a sample of around 200 employees from various organizations around Klang Valley area and a multiple regression study will be conducted to examine the relationship between variables specified.

1.3 Problem Statement

Normally, in an organization, the most common conflict would be interpersonal conflict among the employees. It is easy enough to observe the occurrence of office politics, gossip, and rumors which would eventually lead to conflicts. Besides that, language and different personality styles clashes would often create a great deal of conflict in the workplace. It is also common that in many workplaces there are strong ethno-cultural and racial sources of conflict as well as gender conflict. Very often people are seen to bring their stresses from home into the office leading to further conflict. Furthermore, a strong drive for work related achievement in some employees can clash with participants who do not emphasize work-related success in their lives.

Apart from interpersonal conflict, organizational conflict such as differences in supervisory behavior, pay inequity, resources allocation, and different levels of risk tolerance may also happen between supervisors and subordinates or among the colleagues as well. Overall, conflict can arise where there are perceived or actual differences in treatment between departments or groups of employees.

Some organizations are prone to changes all the time. With the advancement in technology, change management and downsizing, employees may feel stressed out may not being able to cope with the changes. Therefore, they may retaliate, leading to further conflict. Analysis shows that the more changes take places, the more likely there will be significant conflict (Miller, Rogers & Bavelas, 1984)

In this study, the external factors can lead to conflict in the workplace will be examined, apart from those which are mentioned above. External factors such as economic pressures due to recession, changing markets trend, and competitive environment, social and family life will be discussed further. Some organization may even face political pressures and demands from special interest groups. A change in government can have a huge impact on public and non-profit organizations. To look further into external factors of conflict, the relationship between the variables and the organization's performance will be studied. For organizations which have constant relationship with outside organizations, they would find this as a major source of conflict for workplace.

Based on the current issue, the rising cost of living has been much debated lately, especially in the beginning of year of 2014. The announcement on the implementation of Good and Services Tax (GST) in year 2015 has added to the public's concern on the rising cost of living. Nevertheless, the rising cost of living is not merely due to the implementation of GST, but also due to the new electric tariffs, petrol subsidy cuts as well as the increase in toll rates which will be put into effect next year.

There are certain studies made to examine the relationship between cost of living and relations to the workplace stress and conflict. But the recent rising cost of living has very much implicated the organization's conflict management. Those staff who fail to manage their financial in a good manner will face difficulties in coping with the expenditure well. This may cause miscommunication and argument with their family or friends. Eventually, the

employee may bring their personal problem over to their workplace and it would ultimately cause stress at workplace, decrease staff motivation to work, decline in the staff productivity and high turnover rate.

1.4 Research Objectives

There are many reasons contributing to the conflict at workplace organization. Generally we can divide it into internal causes and external causes. Most of us are in the opinion that that organizational conflict happen due to internal factors at the workplace. But nevertheless, there are also external factors that cause the conflict emergence. The principle reason of this study is to discover the external causes of conflict at workplace organization, which may be due to employees' financial issues or economic pressure, changes in government policies, technology advancement, as well as family and social life concerns. This study wish to highlight that there is also of organizational conflict happening due to external causes. At the end, the study would highlight what the employees can do to overcome the external issues and how they should divide external problems with organizational problem. Employees should be educated to manage their financial needs wisely and avoid bringing the issue into their workplace. The findings of the survey would also help the organization to manage and handle their employees better as a way to reduce conflicts in workplace. Assuming that no one can prevent relationship conflict, it is vital to identify how management should respond to relationship conflicts and how these responses are related to organization effectiveness.

1.4.1 Specific Objectives

- (a) *To examine the relationship between employees' financial issues and organizational conflict*
- (b) *To examine the relationship between changes in government policies and organizational conflict*

- (c) *To examine the relationship between technology advancement / changes and the organizational conflict*
- (d) *To examine the relationship between personal life balancing and the organizational conflict*

In unavoidable circumstances, there may be a situation where the conflict would eventually occur due to sudden changes in external environment, not related to organization. At this juncture, this study wishes to identify some of the relevant conflict resolution methods that can be used by the management to manage their conflict wisely. By doing so, the management could take a more effective approach. Apart of that, it would also raise the awareness among the employees on how they can manage the external factors effectively and cope with the changes instead of blaming the organization. The study would involve employees with various job grades, ages, education background and experiences.

1.5 Research question(s)

As the study look into the details of the research objectives, it would eventually help to answer some of the questions which will help us to attain the objectives of the study.

- (a) *How the employees' financial issues affect the work performance and stress level of an employee which eventually leads to conflict at workplace?*

- We will study on how the employees and the employers face the financial issues and economic pressure
- Should the individual treat the financial issues as a personal problem unrelated to the organization which he is working?

- (b) *How the changes in government policies would cause conflict in an organization?*

- Government has made some changes in policies such as cutting down the fuel subsidies, introducing the new electric tariff, implementation of GST

- How would an individual cope with the changes? Does the change cause the individual to have conflict at his workplace?

(c) *How the advancement in technology and new methods would cause organizational conflict?*

- Changes in new methods and introducing the new technology is vital to any organization in order to cope up with the current market trend

- However, not all employees are ready to face the challenge or to adapt to the changes. In this case, they may fail to be competent in their work.

- Subsequently, would it cause conflict as they could not perform up the organization's expectation?

(d) *How the personal life imbalance would be a cause for organizational conflict?*

- Personal life which consists of the employee's family and friends, field of interest beyond their career are something unavoidable.

- How should an employee manage their personal life matters so that it would not affect their work performance?

1.6 Hypotheses of the study

The hypotheses are to generate data based on the survey, which would be used to analyze how far the external factors drive the cause of the conflict in an organization. The result of the survey may vary depending on the employee's perception and it would be used by any organization to study the cause of workplace conflict and find better ways to handle the conflict effectively.

The current employees' financial constrains faced by certain organization after the governments' action such as cutting down on fuel subsidies, new electric tariff, announcement on the implementation of goods and services tax, etc. has forced some of the organizations to cut down their financial expenses. Most importantly, employees are being affected directly. Organization which fails to plan wisely may have to face the consequences

such as high turnover rate, ineffective operations, low staff morale, etc. Based on the study, the following hypotheses have been developed:

H1 : There is a positive relationship between employees' financial issues and organizational conflict

H2 : There is a positive relationship between changes in government policies and organizational conflict

H3 : There is a positive relationship between technology advancement or changes and the organizational conflict

H4 : There is a positive relationship between personal life imbalance and the organizational conflict

1.7 Significance of the study

At the end of the study, the external factors which cause organizational conflict will be identified. By identifying the factors, the study would help to review on how to minimize the conflict occurrence and hence will provide some suggestions to the employees as well as to employers. To look for external factors of conflict, we will review the relationships between the subject organization and other organizations.

There are varieties of ways to discover the sources of conflict, which includes confidential surveys, interviews and focus groups, can be a good way of discovering the sources of conflict. With this, a thorough review of the workplace organization is suggested for such sources of conflict. Additionally, organizational sources of conflict can be predicted based upon best practices from similar organizations as most of the organizations experience such conflict. This study would enable organizations to study the source of conflict. The study will also highlight some methods to manage conflict at individual level, organizational level and most importantly external level. It would help to educate and create awareness among the stakeholders in order to achieve the maximum output of a business organization.

This study will help to identify how the employees and the employers face the financial issues and economic pressure in the current situation. Should the individual treat the financial issues as a personal problem unrelated to the organization which he is working? Besides that, some changes in the government policies such as cutting down the fuel subsidies, introducing the new electric tariff, implementation of GST has also indirectly affected the lifestyle of an individual. This study would help to identify how an individual cope with the changes and whether the change cause the individual to have conflict at his workplace. In some organizations, new methods of working and introduction of new technology is important in order to cope up with the current market trend. At the end of the study, we wish to discover whether those employees who are not prepared for the challenges will be incompetent in their work and causes conflict in their workplace. Finally this study also helps to identify whether personal life imbalance would affect the staff's work performance.

1.8 Scope of the study

This research will be focusing on the external causes of conflict in an organization due to the current situation, such as the employees' financial issues or economic pressure, changes in government policies, technology advancement, as well as family and social life issues. Study will focus on how these external issues contribute to the conflict in workplace. This research will be done based on the data collected from respondents of the related survey. Those respondents are all working staff from various industries in Klang Valley, regardless of their demographic background. At the same time, this research will also try to find the main factor that contributes to the conflict in workplace organization.

1.9 Chapter Layout

Chapter One: Introduction

Chapter one of this research introduces the overall project by presenting the research background, research objectives and questions, explaining the problems that incurred in the current situation that prompted the need for this research and justifying the importance of this research. Overall, this chapter will provide an overview of the research to the readers.

Chapter Two: Literature Review

Chapter two is the compilation of the literature review from various researchers' publications, journal articles from online databases, magazines, books and articles from internet. These information are used as secondary data as reference to the research framework. Some of the empirical study of other researchers will also demonstrate the relationship between the variables.

Chapter Three: Research Methodology

Chapter three is the method used to conduct the research. It serves as the guideline for researcher to further compile the information needed. This chapter will clearly explain the methods and techniques that researcher will be using for data collection and analysis. The processes of research from selection of samples, gathering of data and methods to analyze the data collected will be based on the description and explanation of this chapter.

Chapter Four: Data Analysis

The findings of the research will be presented in this chapter. Data collected will be analyzed based on the methods and approach decided in the earlier chapter. The analyzed data will be interpreted accordingly based on the parameters created by other researchers.

Chapter Five: Discussion and Conclusion

Chapter five will explain on the research findings that were presented in the earlier chapter. The discussion will include some statements by other researchers to support the findings. The conclusion would be the summary of the overall research project and recommendation to other researchers who may want to conduct research on this similar topic.

1.10 Conclusion

Chapter one is the overall plan of the research. This chapter demonstrates the overview of the important processes that will be carried out in completing this research study. The research objectives and questions will serve as the direction for the overall research. This will also be used by the researchers as reference while proceeding further and later stage in this research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Researches done by other researchers will be used as the secondary data and as the main reference for this research. This chapter will combine the research findings by other researchers and this study will be used to explain the related variables involved in this research and eventually help to resolve the research questions. Furthermore, this study will define and explain each variable for this research, namely employees' financial issues and economic pressure, changes in the government policies, advancement on technology and personal life imbalance.

This chapter would include the definition of conflict, the common factors influencing conflict in an organization, review of the literature, the indications and consequences of conflict, various views of conflict and proposed conceptual framework to identify the network of relationship and hypotheses development. This chapter will define the independent variable and dependent variable of the research project. A detailed explanation about the variables with the supported studies from other researchers will be inserted as well.

2.2 Definition of conflict

Rahim (2002) defined conflict as an interactive process within or between social entities such as individual, group, and organization which result in incompatibility, disagreement, or dissonance. Rahim (1986) has classified conflict based on the conditions that conflict may originate from number of sources, such as tasks, organizational values or goals.

Basically conflict is outlined as two or more values, perspectives and opinions that are not agreed upon or aligned yet as it contradicts with the nature and origin. Organizational conflict happen when the behavior or action of an individual, group or department is not in line with the rules, regulations or social norms of part of the organization (Millar, 2006). Conflict constitutes an undeniable does not give the same meaning with discomfort. Actually conflict is not the root problem, the problem occurs when the conflict is poorly managed. Not many will enjoy dealing with conflict as the feeling can be harsh and unpleasant. Especially dealing the conflict with bosses, superiors, subordinates, peers and friends can be mentally exhausting and emotionally draining (Greenhaus & Beutell, 1985).

Conflicts in organization are unavoidable and it is important to manage it in a proper way to minimize the problems that might arise. Ineffectiveness conflict management is the reason of undesirable outcomes (Kellermann, 1996). Therefore it is necessary to explain and identify the determinants of this issue in organizations in order to properly manage them. Therefore it is vital to understand that not all conflicts are bad. Sometimes there can be positive outcomes as well. When conflict is handled professionally, it can play a productive role for an individual as well as the organization as a whole. It is wrong for some who choose to avoid conflict totally as it can sometime play a role for creativity and provide motivation. As such, it is important to learn to manage the conflict and not to let conflict accelerate out of control.

Basically, conflict in an organization is defined as disagreement between two parties where they are not able to come to a common understanding. Organizational conflict can be caused by various factors stemming from the actual or perceived opposition of needs, values and interests of individuals or groups of individuals. Nowadays it has become a part of business operations. A study conducted by University of Colorado (2012) found that management normally spends 25% of their time resolving conflicts in their organization.

Since each individual has their own personal like and dislikes, conflict is actually inevitable. As such, conflict is an important component where human communication is involved. Normally conflicts among colleagues occur when there is a disagreement or misunderstanding on certain ideas or behaviors and if it is not handled appropriately, it may affect the dysfunction of an organization. Organizational conflict often would hinder the business decision or may delay the operation process. At most times, organizational conflict would result a negative impact where employees morale decreases, high turnover, increase of staff's absenteeism and dropping of quality of work.

Generally conflicts occur because people involved have their own needs which may differ from one another. When an unforeseen situation happen and interfere with the goals of the organization or hamper the fulfillment process, the communication process will be strained which can also result in refusals to follow instruction and monetary losses. These problems will develop when there is no teamwork and lack of communication among employees.

Nevertheless, we can also see some positive influence of conflict where it produces an opportunity for change or improvement in an organization. By knowing the existence of conflict, the organization may find a creative solution and make way to adapt to the changing development. The solution for handling the conflict may not bring satisfaction to all parties concerned. At the end of the day, conflict is resolved when it brings the maximum functional benefit to an organization and all parties concerned (Yorid & Pakiza, 2002)

Schmidt & Kochan (1972) stated that there is no straight literature study that supports a hard and direct definition of conflict. Nevertheless, there are two opinions; i) when individuals are aggressive and purposely act in a competing way to avoid other to achieve their desired. According to them this is the most popular way which will be used during conflict especially when handling industrial relations cases and intragroup conflict situations; ii) conflict is looked at a more broader view, generally on how the conflict occurs and what action has been taken to manage the conflict. Pondy (1967) has stated that individuals who are involved in a conflict situation must have some sort of idea on which type of conflict handling method will be adopted. Pondy's explanation allows various means of conflict handling methods other than simply competitiveness to function.

Apparently, both approaches are diverse in nature; therefore they are right in their own way. The flow of resources between individuals to improve competitiveness is unavoidable, which would result insufficient and at the same time, conflict between advanced and old knowledge, conflict between individual and group and conflict between task and relationship. Influence mechanism of conflict on personal and organizational performance, these problems would influence different types of conflicts on performance and roles (Huijin & Yu Wei, 2010).

Kapelus (2011) stated that the main causes of organizational conflict can be divided into three categories; (a) poor communication; (b) differences in behavioral aspects and (c) poor structural aspects. These causes of organizational conflict are further discussed as below:

2.2.1 Poor Communication

Although not reflecting a substantive difference, poor communication can have powerful effect in causing conflict. Misunderstanding during the process of communication can determine the success or failure of task given. The problem in the communication process often increases the chance of conflict. Poor communication can happen among the colleagues who are in the similar position. Workers within a department or work team rely on effective communication to keep everyone on the same track regarding business activities. Workers normally need to communicate on job responsibilities and achievement of the business goal. Lack of communication can lead to mistakes, delays and wasted time. Eventually, workers begin to blame each other for poor communicating or not listening.

Communication between supervisors and subordinates are also important in an organization. Formal and informal interaction contributes to relationship development, which helps protect against conflict. If managers fail to communicate directions, task assignments and information precisely, workers can make mistakes or fail to perform their duties. This can cause conflict between the manager, who expects good work, and the employee, frustrated by poor performance. Supervisors also rely on feedback from employees on needs and task

progress and failing to get such feedback may cause the supervisors to get frustrated with their employees.

Looking at a wider scale, organization also has to communicate well with other departments as well to collaborate on company projects and activities. Liaising with other departments to get the information about business is vital to keep the running of the business. Besides that communication also brings business to the organization. Customers expect dealings are communicated with them in an effective manner in order to gain further information about the product or service being offered. Conflict may arise here when employees communicate poorly with customers or clients. A salesperson could get upset with a support employee who offends one of his customers, potentially costing him future sales and commissions. Retail store employees may get frustrated with employees that misinform customers about store policies on the phone or in person. This poor communication could lead to frustrated customers taking their feelings out on unknowing colleagues.

Effective communication skills can be the most useful tool in dealing with organizational and personal conflicts. Fischer and Koue (1991) argued that communication is natural in almost any organizational conflict. The basis of conflicts can be seen lies in the perception of incompatibility regarding various issues in the organizations, the interdependent behaviors of organizational members and the role of interaction that allows expression of incompatibility. This signifies the importance of communication in the study of conflict.

2.2.2 Difference in Behavioral Aspects

Different values and opposing interests of individuals may create disagreements and disputes when comes to decision making. Behavioral differences among individuals would arise based on human thoughts, emotions attitudes and reflect some traits of a personality. Therefore some individual's values or perceptions of situations are likely to generate conflict with others. Even the leaders who are very autocratic may antagonize their subordinates and some minor differences may cause some major conflicts. Difference in perceptions may also cause conflicts among individuals. The needs of individuals and the organization may result in behavioral conflict. This also includes incompatibilities among group members in terms of

personality and interpersonal differences as well as discrepancies of ideas and preferences pertaining non-work related issues. A few studies relates the concepts of affective or emotional conflict and relationship conflict interchangeably (Guetzkow & Gyr, 1954), whereas a number of more recent studies indicate that the task or relationship dimension of conflict is different from the intellectual and emotional component (Pelled, 1996). In a qualitative study done by Jehn (1997a, b) found that organizational members discussed “people problems,” “personal conflicts,” and “interpersonal problems” distinctly from the emotional component of the conflict. He stated that relationship conflicts focused more on interpersonal relationships among peers and conflicts regarding tasks are unrelated to personal issues.

Relationship conflicts within the staff will interfere with task-related effort as they will be more focused on building cohesion rather than working and completing the task. Besides that, individuals will pay more attention in reducing threats and increasing power. Deutsch (1969) indicated that relationship conflicts will hinders the completion of organizational tasks as it will decrease goodwill and mutual understanding among the co-workers. Pelled (1996) summarizes three ways in which relationship conflict may affect group performance. Firstly, it limits the cognitive processing and at the same time decreases the staff members’ capability to assess new information provided by other members. Second, members would be less agreeable to the ideas of othergroup memberswhom they may not or having conflict with. Third, they will be using the time and energy to discuss, resolve, or ignore the often task-irrelevant conflicts instead of using the time to accomplish their work. The negative impact of relationship conflict can also impact the group performance.

2.2.3 Poor Structural Aspects

The organization itself may be a cause for some conflicts to happen. The structure of the organization, such as the size, the reporting lines, and the ambiguity of goals are those factors which would breed grounds for conflict. Incompetent management and leaders could also create conflict in the workplace. Employees may lose confidence and respect towards their managers if they fail to give proper guidance and poor in making effective planning and

decision. Apart from the above, unhealthy workplace competition is also a cause of employee conflict. Some industries cultivate competitive environments more than others. An organization may experience strong competition between employees when salary is linked to employee production. If competitions are not properly managed, it can result in employees sabotaging or insulting one another, which creates a hostile work environment. Unhealthy workplace competition discourages teamwork and promotes individualism.

At most times we would assume that organizational conflicts are caused by the internal factors in an organization as stated above. Nevertheless, this study intends to find out that conflicts in organization are not only influenced by internal factors, but also due to external factors. This study would examine the external causes that drive a conflict in an organization. The reason behind identifying the external factors is to prove that conflict is not only caused by internal organizational factors, but also because of factors outside the organization. Upon identifying the external causes, this study would also identify how the external causes can be avoided. With this, it would educate the employees as well as the employers on how to manage the external factors effectively so that conflict can be avoided and not to wait until it take place and try to resolve the conflict which may sometimes be too late to resolve.

2.3 Signs and Consequences of Conflict

The home can influence the work environment, as well. In some studies, family-work conflict affects health and well-being status of the worker (Beauregard, 2006; Peeters et al., 2005). At the end of family work conflict, such problems as conflicts of the individual with the family, lack of support from spouse, a high number of responsibilities at home, presence of a baby at home and the high number of children can cause problems at work (Greenhaus & Beutell, 1985). The leading ones of these problems are job dissatisfaction, being late for work, absenteeism and poor performance (Kirchmeyer & Cohen, 1999).

The management should be able to recognize conflict and decide on what action to be taken to resolve the conflict. Indications of conflict that need management attention includes low employee morale, increased absenteeism and leave, decrease in production, complaints from other employees / customers / suppliers, frequent arguments / fighting. Signs of conflict also

include any behaviors and actions that are out of the ordinary. Management should maintain open lines communication with their employees to immediately aware of conflicts when they occur, rather than just looking for visual cues of conflict. Some of the negative consequences resulting from organizational conflict would be hinders to the productivity, faltering performance, lack of innovation and creativity and impaired teamwork.

Lynn, (2000) in her study, assessed respondents' personality type, preferred conflict resolution style, and team orientation to determine whether significant relationships exist among the variables and whether significant differences in mean scores of team orientation exist among respondents with the same personality type, preferred interpersonal conflict resolution styles, or demographics.

It is not necessary for conflicts to bring negative implications all the time. There are also at times, conflict could bring positive consequences, create a healthy competitive environment, lead to enhanced communication, help employees to raise and address problems, motivates people to participate in the organization's development and generate creative alternatives to solve complex problems. Although generally having a negative connotation, conflict constitutes an undeniable characteristic of human interaction. Donohue and Kolt (1992) define conflict as "a situation in which interdependent people express differences in satisfying their individual needs and interests, and they experience interference from each other in accomplishing these goals". Since needs and goals are diverse and people necessarily rely on others to some degree, conflict can never be entirely avoided. However, when managed effectively, conflict is potentially beneficial. It may, for instance, inspire creative solutions and organizational change by prompting groups to oppose generally accepted, but outdated principles (De Dreu, 1997).

Some studies indicate that working in an organization requires team work and conflict is inevitable as it is a social phenomenon (Pondy, 1967). Although this study was carried out long ago, it is a common situation until today in any organization. In preventing disputes, the important action is to discover the origins of the problems or the main causes of the conflict. Many researchers have studied on conflict and address some variables regarding the sources or causes of it.

2.4 Views of Conflict

Literature states that conflicts within organizations can be viewed from two different perspectives as they can either be seen as normative or dynamic (Millar, 2006). Normative models view conflicts as negative and require attention to resolve while dynamic models see conflicts as positive and in fact advantageous to the organizations. Jameson (1999) argued that whether conflicts are seen as negative or positive depends on the traits and attributes, the objectives and strategies in handling the conflicts. There are various ways in managing conflicts suggested in the literature. Rahim (1992) categorized conflict management styles into five which are integrating, obliging, dominating, avoiding and compromising. Gross and Guerrero (2000) argue that an individual is perceived as competent in an organization should he be able to manage conflicts in the most appropriate and effective manner. The styles adopted by the individuals in managing conflicts are patterned responses, or clusters of behavior, that people use in conflict through communication strategies (Wilmot & Hocker, 2001).

The fact that the impact of conflict is context-dependent highlights the importance of conflict management as a methodological and practical approach (Vanclay, 2012). Conflict management, as used in the organizational psychology and management literature (De Dreu, 1997), refers to efforts made to support the constructive aspects of conflict and to limit the destructive ones. In this sense, conflict management attempts to maximize benefits and minimize costs of conflict.

2.5 Past Studies on Causes of Conflict

There are ample of studies conducted on the causes of conflict in workplace organization. Researchers also found that base of conflict happen due to stress in workplace. Managers and team leaders must learn to identify the symptoms of disruptive conflict. This include poor communication among subordinates, lack of opened communication, lack of respect, unclear

instructions, change between managers and employees, different social and cultural background, different educational background, economic situation and political aspects. The worst cases can disintegrate into personal stress, burnout and workplace disharmony.

Table 1 :Summary of past studies on the causes of conflict in workplace

Year	Researchers	Findings
1967	Holmes and Rahe Holmes and Rahe	<ul style="list-style-type: none"> - Personal factors are often a source of conflict - include career related concerns, such as job security and advancement, as well as financial and family concerns. - Constructed a scale of forty-three life events, and rated them according to the amount of stress they produce. The most notable feature of their instrument is that many positive life changes (i.e., marriage, Christmas, vacations, etc.) are substantial sources of stress. Generally, stress appears to be a result of any change in one's daily routine.
1978	McGrath	<ul style="list-style-type: none"> - Adverse working conditions, such as excessive noise, extreme temperatures, or overcrowding, can be a source of job-related stress.
1979	Albrecht	<ul style="list-style-type: none"> - All stressors are emotionally induced. These are based on peoples' expectations, or ". . . the belief that something terrible is about to happen." (p. 83) Thus, emotionally induced stress arises from one's imagination. - Albrecht believes that our society's number one health problem is anxiety, and that emotionally induced stress can be classified into four categories: <ol style="list-style-type: none"> 1) time stress 2) anticipatory stress 3) situational stress 4) encounter stress.
1983	BhagatBhagat	<ul style="list-style-type: none"> - Work performance can be seriously impaired by external

		<p>stressors. There are many aspects of organizational life that can become external stressors.</p> <ul style="list-style-type: none"> - These include issues of structure, management's use of authority, monotony, a lack of opportunity for advancement, excessive responsibilities, ambiguous demands, value conflicts, and unrealistic workloads. - A person's non-working life (e.g., family, friends, health, and financial situations) can also contain stressors that negatively impact job performance.
1986	Orth-Gomer	<ul style="list-style-type: none"> - When three shifts are used to provide around-the-clock production, major disturbances in people may be unavoidable. - One source of environmental stress ignored in the organizational literature is non-natural electromagnetic radiation.
1986	Arnold and Feldman	<ul style="list-style-type: none"> - Cite three types of interpersonal relationships that can evoke a conflict reaction: <ul style="list-style-type: none"> 1) too much prolonged contact with other people 2) too much contact with people from other departments 3) an unfriendly or hostile organizational climate.
1987	Reitz	<ul style="list-style-type: none"> - Workers on "swing shifts" experience more stress than other workers
1991	Lawless	<p>Identified the five most common causes of worker stress:</p> <ol style="list-style-type: none"> 1) too much rigidity in how to do a job, 2) substantial cuts in employee benefits, 3) a merger, acquisition, or change of ownership, 4) requiring frequent overtime, and 5) reducing the size of the work force. <p>Over forty percent of the work force experienced one or more stress-related illnesses as a result of these five stressors.</p>
1992	Lawless	<ul style="list-style-type: none"> - Nearly half of all workers and supervisors blame the

		<p>recession for higher stress levels and lower productivity. Both are being asked to achieve higher goals with a reduced work force. Supervisors reported slightly more stress than workers; however, they were no more likely to experience job burnout.</p> <ul style="list-style-type: none"> - Lawless proposed that supervisors' higher salaries and having more control over their jobs, partially counteracted the negative effects of stress. Employees who earned less than \$25,000 reported less stress, but they were more likely to burn out because they had less control over their work. Over half of the college graduates in this income category reported feeling burned out
2002	Almer& Kaplan	- Roles ambiguity did have a significant negative association with job performance while roles conflict did not
2003	Kathleen	- Conflicts may develop as a result of limited resources such as not enough time, money, labour, materials and equipment.
2008	Gilbao, Shirom, Fried & Cooper	- Work-family conflict was modestly negative correlated with general performance and self-rated performance
2011	Jaffar, Tharim & Shuib	<p>Identified three types of conflict factors in construction industry :</p> <ol style="list-style-type: none"> 1) Behavioral problems 2) Contractual problem 3) Technical problems
2011	Ghafoor, Aslam&Mohsin	- Inflexible working hours increase the work-family conflicts causes reducing on employee performance
2012	Cotae & Montemayor	<p>Factors affecting conflict in organization :</p> <ol style="list-style-type: none"> 1) Environmental & external factors 2) Individual related factors 3) Firm related factors

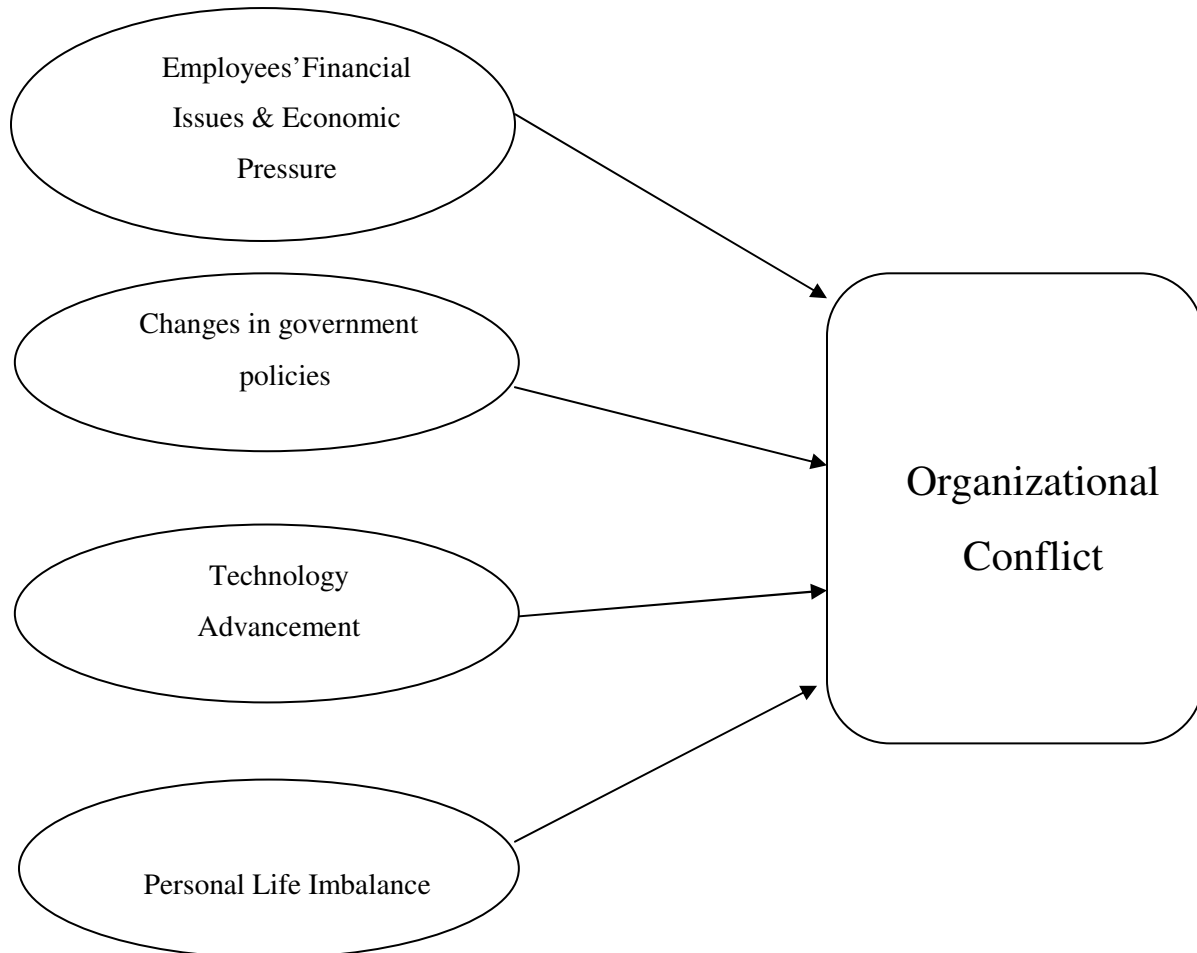
Source : Causes and Cures of Stress in Organizations, © 1993, David S. Walonick, Ph.D.

Developed for the research.

As reported in the previous studies, the causes and factors of conflict in organization describe various different variables which is reflected in their study. Even though most of the studies have similar variables, the external causes that lead to conflict in organization are not focused thoroughly. The external causes of conflict will be identified in this study and findings will be used to minimize the disputes in workplace organization.

2.6 Research Framework

Figure 1 : Conceptual Model on External Factors that Causes Organizational Conflict



** Developed for this research*

Above is the model of the proposed conceptual framework that would be used to study the external factors that causes organizational conflict. This framework is designed based on the objectives of the research study. The independent variables of the study are the (i) employees' financial issues and economic pressure, (ii) the changes in the government policies, (iii) the advancement on technology and (iv) the personal life imbalance. All these independent variables would affect the dependent variables which is the causes that bring to the organizational conflict. The relationship between the dependent variables and the independent variables will be discussed in depth.

Cotae & Montemayor (2012) stated that when managers do not understand or identify the sources and not able to discover the factors that generating the conflict, that is when the difficulty arises. This would eventually lead to the failure to choose between resolution and managing conflict are rendered inutile and without focus. Therefore they have identified the following clusters affecting conflict: environmental, individual and firm related factors based on which they issue propositions and managerial implications. Most literature reviews talked about organization and firm related factors that caused conflict in an organization. Cotae (2012) stated that firms that are facing conflicts will disintegrate the employee commitment and ultimately affects organizational staff retention.

2.7 Hypotheses Development

The hypotheses are to generate data based on the survey, which would be used to analyze how far the external causes drive as the main cause of the conflict in an organization. The result of the survey may vary depending on the employee's perception and it would be used by any organization to study the cause of workplace conflict and find better ways to handle the conflict effectively. The current financial constrains faced by certain organization after the governments' action such as cutting down on fuel subsidies, new electric tariff, announcement on the implementation of goods and services tax, etc. has forced some of the organizations to cut down their financial expenses. Most importantly, employees are being affected directly. Organization which fails to plan wisely may have to face the consequences such as high turnover rate, ineffective operations, low staff morale, etc.

2.7.1 Employees' Financial Issues and Economic Pressure

Studies show that conflict may disrupt economic activity (Prenzel & Vanclay, 2013). A disagreement between a corporation and workers, for example, could lead to reduced productivity through shirking, pilfering or reduced workplace harmony. At a more serious level, conflict can lead to strike action leading to a halt in production for an extended period of time. This could lead to unemployment or a temporary loss of income, with individuals experiencing financial hardship. For companies, disruptions can have financial and social costs in terms of delays in production, and a loss of reputation and shareholder value (International Alert, 2005). Kapelus (2011) describe the costs and risks associated with conflict, which range from property damage and security costs to a collective boycott of a firm's product. In general, conflicts cause considerable financial and psychological costs, which may be avoided through implementation of conflict-sensitive Social Impact Assessment.

There is limited study that reveals the other way round, which is financial issues would cause organizational conflict. What the study intend to do is whether financial crisis faced by individuals causes them to have conflict among the co-workers and superiors.

H1 : There is a positive relationship between employees' financial issues and organizational conflict

2.7.2 Changes in Government Policies

The policies which are set by the government would help to improve the economic development and the organization culture. However, lately some changes to the government policies have affected the individual directly. When they fail to cope with the changes, they tend to bring the stress to their work related matter and this would eventually lead to organizational conflict. There is limited studies been done to look at how changes in government policies will affect the organizational conflict. However, Sarala (2010) in her studies mentioned that cultural differences and acculturation actually impacts the post-acquisition conflict.

According to Hofstede (1991), national culture can be defined as the collective programming of the mind acquired by growing up in a particular country. Therefore, core values such as feelings of right and wrong, good and evil, beautiful and ugly, rational and irrational would reflect the core values as indicated by Olie (1994). In his previous studies, Hofstede (1980) has identified systematic national cultural differences along specific dimensions in order to understand how national cultures differ.

Some authors suggest that national cultural differences can have far-reaching effects on organizational structure and behavior. For example, some national cultural differs in terms of their legal systems, administrative practices, and working styles. In addition, they can also increase differences in the value and belief systems among the organizational members. In the context of achievement, a few empirical studies indicated that national cultural differences can be challenging in international acquisitions. For instance, Datta and Puia (1995) found that acquisitions characterized by high cultural differences were associated with a decrease in shareholder value. Apart from the above, Brock (2005) highlighted that national cultural differences complicated the post-acquisition integration and resource sharing. This indicates that the underlying reason for these findings is post-acquisition conflict that hinders acquisition value creation. This argument is in line with previous studies conducted by Weber (1996) that have reported negative human resource implications of national cultural differences, such as stress and negative attitudes and increase in top management turnover (Krug & Hegarty, 1997).

The above culture of a country will eventually determine the organizational culture as well. It is the way how an organization runs the business. Therefore any implementation or changes that are carried out by the government will indirectly affect the business organization's culture. For example, with the petrol price increase, it will affect the transportation cost of the staff. If the organization does not make any effort to help to reduce the cost of transportation, the staff would feel the stress and it may affect their work performance. When they could not perform well at their workplace that is when the conflict will tend to arise.

It is noted that limited studies have been conducted in order to study the impact of changes in the government policies to the occurrence of organizational conflict. However, this study will

look into how changes in certain government policies have caused stress among the employees and how it leads to conflict in an organization.

H2 : There is a positive relationship between changes in government policies and organizational conflict

2.7.3 Technology Advancement

It has been well researched for decades on the concept of skill deficiency and its effect upon conflict and firms' ability to realize stated goals. One of the outstanding studies is the one conducted by Turnbull (2010). In his study, Turnbull focused on the effects inside an organization as well as the need to address it and solve it.

The discrepancy between skills that an individual possesses compared to the actual required to complete a task, activity, or product are seen to affect immediately the results. This result reaches the subpar levels therefore affecting both the organization's ability to meet production and performance goals and projections (Chavez & Weisinger, 2008). Upon displaying the performance organizations enter a period of self-assessment and adjudication of decisions with regards employee job security and to job related recruitment of a labor force capable of delivering on past tasks. This will eventually promotes conflict with the existing labor force in the face of job loss risk aversion, and at the same time does nothing to prevent future conflict with the new hires if they should not have the skill flexibility and competence to meet future job related requirements (Plees & Maak, 2004).

The conflict will affect the present and potentially future environment as it is seen to reduce the employee commitment substantially to the organization given that their economic security is becoming unattainable. As such, if staff does not possess the required skills according to the technology advancement, more likely they would be left out and eventually it would lead to organizational conflict:

H3 : There is positive relationship between technology advancement / changes and the organizational conflict

2.7.4 Personal Life Imbalance

Certain previous studies have indicated that employees, in general, experience psychological distress as a result of work-to-life conflict in which workplace demands interfere with their personal and family responsibilities (Burke & Greenglass (1999) and Craig de Silva(2008). Studies also point to work-to-life conflict playing a mediating role between work stressors and psychological distress or other mental health outcomes among workers (Grant-Vallone & Ensher (2001) and Hämmig, Gutzwiller, & Bauer (2009). Workers will encounter both demands and resources that shape their experiences as they navigate their work and personal lives. Demands create stressors for workers, whereas resources may be drawn upon by workers to enhance their well-being (Voydanoff, 2007).

Research has been conducted to explore the nature of work-life balance, as well as the determinants and outcomes in different circumstances. For example, Bloom, Kretschner, and van Reenen, (2011) studied the causes and consequences of a family-friendly workplace, emphasizing human capital as a potential firm resource. They found that family-friendly cultures do not affect the workplace directly, but instead it enhances the ability of employees to combine their work and personal life. Wang and Verma (2012) emphasized that different industries have different type of adoption of work-life balance programs, which supports the institutional theory of organizational responsiveness to work-life balance issues.

Home life and working life are two elements that affect each other correlatively. The roles of the individual in family and working life can sometimes result in conflicts. The most common troubles due to the inconsistencies in the family and working life are being fatigue, underperformance, feeling less qualified and not well at work, dissatisfaction of work and walk-out (Erdamar & Demiral, 2014).

According to Kahn & Wolfe (1964), role conflict is the stress resulting from the difficulty experienced by a person to adapt to another role following adaptation to a role or in other words, from the pressure of assuming two or more roles at the same time. Work-family conflict results from the fact that workers have such roles as working parents and spouse simultaneously and these roles conflict with one another. It is seen that as the stress caused by inconsistency of roles adopted as a requirement of work and family life increases, work-

family balance of the worker is disturbed and work-family or family-work conflict occurs (Greenhaus & Beutell, 1985).

Work-family conflict also known that the incompatibility between work and family has adverse influence on employees' health and well-being (Kinnunen, Feldt, Geurts, & Pulkkinen, 2006; Noor, 2003). Posig and Kickul (2004) supported that balancing work, housework and child-care responsibilities are the main issues that may lead to work-family conflict. Work-family conflict is often a severe stress determinant at work which leads to some negative outcomes (Karatepe & Tekinkus, 2006).

For those employees who fail to balance their personal life and work performance, most probably will end up to face conflict at their organization.

H4 : There is positive relationship between personal life balancing and the organizational conflict

2.8 Conclusion

In cases where conflict cannot be prevented, it is crucial to identify which situations or behavior promote conflict. Conflict can be resulted when one party perceives that the other interferes with a goal and objectives. However, active conflict management and resolution usually requires both sides to be aware of the conflict and to take action to address the issue. Early identification and recognition are therefore important so that constructive approaches to conflict resolution can be taken earlier. (Donohue & Kolt, 1992).

The literature reviews have mostly done studies on the consequences of conflict and managing the organizational conflict. However, studies on the external factors which are causing the conflict to happen are limited. Therefore this study will mainly focus on the external factors that cause organizational conflict. The information in this chapter is useful to give a thorough view and understanding of this study. The relationship of the dependent variables with each independent variable is defined in the hypotheses form. In the next chapter, the hypotheses will be tested based on the respondents with appropriate research method.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

In the first chapter, an overall introduction was presented on this study. It was focused mainly on the problem statement and eventually has led to the research objectives and research questions. Eventually in chapter two, the conceptual framework was proposed, followed by the hypotheses development based on numerous literature reviews. In this chapter, the methodology used to collect the relevant data to test the hypotheses will be highlighted. It will be used as a guideline to further answer the research questions. This chapter will also include the research design, research methods, and instruments and construct measurement used for data collection and data measurement. It will further explain on how the data will be processed and analyzed.

3.2 Data Collection Methods

Both primary and secondary data will be the main source for data collection. Data will be collected to examine the preceding issues; external factors that lead to organizational conflict. The study will involve the use of questionnaires to collect data because i) responses can be easily quantified and summarized, ii) data can be collected quickly, inexpensively and efficiently, and iii) a large number of employees can be reached in a short span of time.

3.2.1 Primary Data

Primary data collected through questionnaires would be very much reliable because the information has not been filtered or interpreted by anyone else. This questionnaire survey also would provide standardization as all respondents would be answering the same questions and are exposed to the same response options for each question. This would also facilitate the administration process as well as reporting the finding and the analysis at the end of the study (Zikmund, 2003).

Quantitative research methods involved relatively huge numbers of respondents and designed to generate information that would be suitable for this research that targets a bigger participant group. Among the quantitative methods, survey using the online instrument will be used for this research as well as hardcopy of the questionnaires (Uma Sekaran & Roger Bougie, 2010).

According to Ghauri and Gronhaugh (2005), survey is an effective tool to get opinions, attitudes and descriptions as well as for getting cause and effect relationship. Therefore using survey as the data collection method will be suitable for this research, which can help to examine the relationship between the independent and dependent variables. In order to conduct the survey, an electronic questionnaire will be designed using the online survey software via Google. This tool will enable user to create online questionnaire, generate link that could invite potential respondents to answer the questionnaire as well as to help consolidate and tabulate responses data. User could then export the report in SPSS software or Microsoft Excel for further analysis.

For this research, a survey link through Google form will be created and distributed via email with a short description of this research project and enclosed with the survey link as invitation to potential respondents. Besides that, survey link will also be shared through the social media website. The questionnaire is targeted only to employees working in Klang Valley area as stated in the title of the questionnaire. Questionnaires were sent to colleagues, course mates, friends and family member via email. Only those individual who are currently employed in Klang Valley area are required to answer the questionnaire. A note was also

included in the email to forward the said questionnaire to their respective acquaintances in order to increase the number of respondents. Apart of the online survey, 100 sets of questionnaires were printed in hardcopy. These copies were distributed among the colleagues, friends and also a few organizations who were not be able to reach out by email.

Questionnaires will be distributed to about 200 participants, consist of employees in various organizations in Klang Valley. The participants would be from various job grades, ages, education background and experiences. This non-probability sample is chosen for convenience and for time- and cost-effectiveness for the researchers. Participants are given time to fill in the questionnaires, and then the questionnaires are collected. A cover note is also given together with each questionnaire to explain the general purpose of the study, and to assure confidentiality of responses. The collected data will be analyzed as to what extend the external factors would cause organizational conflict. The data will be analyzed using statistical methods and software to ensure the relevant issued are examined in a comprehensive and cost-effective manner. Both simple and advanced statistical techniques will be used where appropriate.

After data is collected, it will be performed using SPSS (Statistical Product and Service Solution) program to check the validity and reliability of the questionnaire. Validity of data is the degree to which data structures actually do represent what was to be measured. Whereas reliability of data is data structures that are consistent across the questionnaires. The reliability test will be carried out to test the consistency of the instrument which will measure the consistency between each question and statement.

3.2.2 Secondary Data

As for the secondary data for the research, information is collected through the study of journals online articles related to the research topic. These data are mainly obtained online, academic reference books, magazines and newspapers. Electronic materials are also easily available nowadays and will be the main channel to obtain the secondary data in this research. These electronic materials include academic e-journals, e-magazines, online articles, PhD dissertations which can be found in various online databases. Universiti Tunku

Abdul Rahman has made available the online library portal which lists the databases such as ProQuest, ScienceDirect, Scopus, etc. Data from these online databases are relevant and sufficient as in the library. Furthermore online databases can be assessed at anytime and anywhere conveniently and it is more cost effective and time saving.

3.3 Sampling Design

The target population for sampling design would comprise of employees from various organizations in Klang Valley. The study would explore the external factors that lead to conflicts at workplace. Therefore the study would understand the respondent's response towards the reasons that would create organizational conflict. There would be no restriction on the gender, education background or age group of the respondents.

According to Wimmer and Dominick (2003), a sample is a subset of the population that is representative of the entire population. Therefore if the samples are selected correctly, it will represent the entire population correctly. Gliner and Morgan (2000) stated that using samples in research is more cost and time efficient because researchers could avoid interviews or observations that are expensive and take lesser time to study the participants compared to using the whole population.

Non-probability technique will be used for the sampling method as it is less expensive and used extensively. The sample size of 200 will be used to fulfill the research requirement accordingly. Therefore, a total of 200 sample sizes will be distributed to the employees within Klang Valley. Email was sent out to more than 80 employees who are currently working at Klang Valley. The respondents comprises of colleagues, course mates, friends and family members. A note was also included in the email to forward the said questionnaire to their respective acquaintances in order to increase the number of respondents. Apart of the online survey, 100 sets of questionnaires were printed in hardcopy. These copies were distributed among the colleagues, friends and also a few organizations who were not be able to reach out by email.

3.3.1 Target Population

Cavana, Delahaye & Sekaran (2001) stated that population or target population is the entire group of people, event or things of interest that the researcher wishes to investigate. This research particularly wishes to examine the external causes of organizational conflict. As such, the target population is those currently employed in any organization. The target population has been narrowed down to whom are currently located in Klang Valley only. This would help to reduce the time and cost involves for the research and at the same time, the credibility of the data collected is also increased.

3.3.2 Sampling Frame and Sampling Location

Sampling frame is a listing of participants who meet the criterion and are accessible by researcher through various resources such as telephone or membership directory, university registration listing and others. However, sampling frame may not be suitable for this research as nonprobability sampling method will be applied for samples selection. For convenient purpose, the target population for this research will be the employees who are currently employed in Klang Valley.

3.3.3 Sampling Elements

Cavana (2001) explained that sampling element uses a single member of the population. In other words, each individual from the targeted population is considered as an element. In this research, sampling element is relatively wide as the population that are relevant to the study comprised of those working individuals who are currently employed from various demographic backgrounds, education background as well as various industries.

3.3.4 Sampling Techniques

The sampling technique used for this research is the nonprobability sampling method, which is conducted by sample selection because of the limited time and cost. The research samples are conveniently chosen regardless of their age, gender, education background, position and other criteria to avoid bias responses. An electronic survey link under the online survey software will be sent to around 100 contacts of individuals. On the other hand 100 copies of the questionnaires were also distributed to employees in Klang Valley area from various industries. The ultimate reach of the survey is estimated to be around 200 respondents. The research samples may consist of volunteer sample as they would choose to answer the survey link on their willingness. According to Wimmer and Dominick (2003), the convenient sampling would help to collect exploratory information and useful data.

3.3.5 Sample Size

There are no specific formulas or methods to determine a sample size for every research method. Normally the sample size for research is based on the type of studies or research which is being carried out, taking into consideration on the time and financial constraints and other possible factors (Wimmer & Dominic, 2003). Generally for qualitative research, a small number of participants are required because of the in-depth of information, whereas for quantitative research it requires more participants to gain better confidence in the research results. Cresswell (2010) has conducted an estimation of sample size on different types of researchers and found that 30 participants is an acceptable sample size for correlational study that explores the relationship between variables while almost 350 participants for survey research. Around 200 participants will be determined as the adequate sample size. This is also inline with the subsample of age [20 years and below, 21-30, 31-40, 41-50 and 51 years and above], where sample size of 30 is applied for each age group. It will be quite necessary to have 30 samples for each category. Besides that, the sample size for this research is also decided bearing in mind the time and financial factors.

3.4 Research Instrument

Self-administered questionnaire will be used to conduct this study. This instrument will be used as the tool to collect data and responses, which will be analyzed in the following chapter. Burn & Bush (2006) stated that self-administered survey is a data collection in which the respondent reads the questions and completes the survey on his or her own answers without the presence of interviewer or computer assistance.

3.4.1 Purpose of using Questionnaires

Questionnaire is the most commonly used instruments in survey research as it would enable us to collect large amount of data at a reasonable cost and without geographical constraint. Questionnaires are more objective and the responses are gathered in a standardized way. Generally it is also relatively quick to collect information using questionnaire. Potential information can be collected from a large group in a short span of time. According to Wimmer & Dominick (2003), questionnaire could provide a variety of statistics for data analysis because it allows researchers to collect and examine variables such as demographic information attitudes and behaviors of the respondents. Looking at the objectives of the research while considering the financial and time limitations, questionnaire seems to be the most suitable tool to reach out to large number of respondents within Klang Valley and collect necessary data to resolve the research objectives. Furthermore, since half of the questionnaire will be sent through email links, it would be more convenient and able to reach respondents from any parts of Klang Valley within a short period of time.

Although electronic questionnaire is still practical as it is faster and easy to administer, less expensive, there may be risk of slow response rate or some maybe less computer literate. To overcome this, 100 hardcopy of the questionnaire were also distributed among employees in Klang Valley area. Five companies around the University's areas were identified and each company was given 20 sets of questionnaires. The questionnaires were then collected back after a few hours.

3.4.2 Questionnaire Design

The questionnaire will be designed based on the literature reviews to find out more on the external factors that causes the conflict in an organization. The feedback and answers obtained from the respondents will be used to determine the research objectives and it would also help to process the data analysis faster.

Questionnaire items used in this study are all from the previous literature, which has good content validity. The questionnaire would comprise of close-ended questions or scaled response questions in which the respondents are requested to choose from response options or scale point on the questionnaire (Burns & Bush, 2006). The questionnaire will be prepared in two different parts; Part I (Demographic Profile) and Part II (Working Environment Information).

In Part I of the questionnaire, questions asked are on the demographic data of the respondents' personal information. As such, respondents need to provide information on their gender, age, race, salary, and occupation as well as education level. In Part II, questions will be mainly focused on the working environment, whether the respondent finds their working environment conducive or otherwise. Respondents will be asked questions pertaining to their opinion on the factors contributing to the occurrence of conflict in an organization as well as their views on the conflict management issues in their respective organizations.

Part II will focus mainly on the independent variables; employees' financial issues & economic pressure; changes in government policies, technology advancement and personal life imbalance. This section will be designed according to the five-point Likert scale measurement question. Hair, Bush & Ortinau (2006) stated that this method is a frequently used measurement scale that allows respondents to indicate their own level of feeling for certain issue or topic and all respondents will be asked to indicate whether they agree or disagree with each statement. The attitudes of the respondents will be indicated by checking how strongly they agree or disagree with the questions that range from strongly agree to strongly disagree. All questions will be designed as close-ended questions as it would be easier for answering and lesser time consumption. Close-ended questions will allow

respondents to answer from the list of choices given and the responses can easily be quantified. Moreover all the questions will be constructed in short and precise format so that respondents could easily read and understand what is being asked.

3.5 Construct Measurement

3.5.1 Origin of Construct

The construct measurement for this study will be developed based on the following variables:

Table 2 :Construct of Organizational Conflict and Measurement Item

Construct	Measurement Items
Sample Measurement items	<ul style="list-style-type: none"> i. Organizational conflicts are mainly caused by internal factors such as poor structural design, poor leadership, etc. ii. Most of the time organizational conflicts are caused by external factors such as economic situation, government interference, etc. iii. Conflict in organization will bring negative performance to the organization iv. Sometimes conflict in organization will bring positive outcomes as well v. Improved communication will help to reduce the organizational conflict

Source :Prenzel & Vanclay, 2008

Table 3 :Construct of Employees' Financial Issues and Measurement Items

Construct	Measurement Items
Sample Measurement items	<ul style="list-style-type: none"> i. The current financial implication has caused stress at my workplace ii. I am not able to cope with the of the overall price increase in food, fuel and other goods and services iii. I have difficulty in managing my financial well and that leads to ineffectiveness at my workplace iv. I am unable to improve the quality of my work performance as I have not enough money to spend v. Inability to spend wisely has caused me to be passive and become low in self-esteem

Source : Prenzel & Vanclay, 2008

Table 4 : Construct of Changes in Government Policies and Measurement Items

Construct	Measurement Items
Sample Measurement items	<ul style="list-style-type: none"> i. Government’s move to increase the electric tariff has affected my financial constraint and indirectly affected my work performance to deteriorate ii. Government’s decision to cut the fuel subsidy has resulted an increase in the transportation cost and has indirectly affected my work performance to deteriorate iii. The implementation of Goods & Services Tax has affected my overall budget planning in times to come. This has caused me to be stressed and could not perform well in workplace. iv. Government policies on fuel subsidy and implementation of Goods & Services Tax will bring benefits in the future and will not affect my work performance

Source : Prenzel & Vanclay, 2008

Table 5 : Construct of Technology Advancement and Measurement Items

Construct	Measurement Items
Sample Measurement items	<ul style="list-style-type: none"> i. I have difficulty in understanding the current advanced technology methods, resulting I could not cope with the work processes ii. I find it is redundant to update myself with the new technology iii. New technology has increased my workload than previous iv. Learning about the new technology is a waste of time and money

Source : Erdamar & Demiral, 2014

Table 6 :Construct of Personal Life Imbalance and Measurement Items

Construct	Measurement Items
Sample Measurement items	<ul style="list-style-type: none"> i. My responsibilities at home reduce the time and effort that I should spare to my job ii. As I have too many responsibilities at home, I push my job into the background and this lead to deficiencies in my work life iii. My job produces stress that makes me difficult to fulfill my personal and family duties iv. Troubles and problems at home affect my professional life negatively such as getting to work on time, accomplishing daily tasks and working overtime

Source : Prenzel & Vanclay, 2008

3.5.2 Scale of Measurement

The scales of measurement used in this research to quantify and measure the data collected consist of the nominal and ordinal scales. Both scales will be used in the first section of the questionnaire, which asked about the respondent's demographic profile. According to Gliner & Morgan (2000), nominal scales uses letters or numbers to categorize variables that are only in descriptive names while ordinal scales categorized variables that are only in descriptive names while ordinal scales categorized variable according to an ordered relationship such as low to high or objects that are ranked along certain dimensions. In the survey questionnaire, nominal scales will be used to categorize the data for questions on gender, race, education level, position and industry they are currently working. On the other hand, ordinal scales will apply to other questions such as age, years of employment with the current employer and also the salary range. In the meantime, the questions in section two of the questionnaire are designed for respondents to rate their opinion on each statement, from strongly disagree [1] to strongly agree [5]. As such, the scale of measurement used in these sections is the interval scale. A five point Likert scale is used as a measure for questions in section two.

Table 7 :The summary of Likert Scale used to measure the variables:

Variables	Likert Scale
i. Dependant Variable	
- Organizational Conflict	1 = Strongly Disagree
ii. Independent Variable	2 = Disagree
- Employees' Financial Issues and Economic Pressure	3 = Neutral
- Changes in government policies	4 = Agree
- Technology advancement	5 = Strongly Agree
- Personal life imbalance	

3.6 Data Processing

Data processing is important before the actual data is being analyzed. This is to check through and filter any invalid or incomplete data that will affect the outcome of the data analysis. Normally data which are submitted online are complete as the online system would not allow the respondent to submit the questionnaire if they did not complete any of the question. It is important to check through the questionnaire whether it is well-structured and feasible before it is being distributed to the target respondents. All questions in the survey were developed in simple language to enable easy understanding to the respondents. This will help to increase the respond rate as well. As most of the questions in the survey are close ended questions, there is no need for data editing to be carried out for this research. After the compilations of the data were done, data coding were done on the demographic questions from Part I of the questionnaire. Numerical coding from one to ten will be inserted into the Statistical Package Social Science (SPSS) version 17.00 software that is used for data analysis. Part II of the questionnaire had adopted the five point Likert scale as measurement. The collected data will then be compiled and tabulated to enable data transcribing through SPSS software.

3.7 Data Analysis

The Statistical Package Social Science (SPSS) version 17.00 software will be used to analyze the data collected from the survey research. This quantitative research is done on a number of respondents which will give valuable information that could represent the targeted population. Descriptive analysis will be used to obtain more understanding of the data and often the basis for more complex analyses (Polonsky & Walter, 2005). The analysis will be carried out from the data which were gathered from Part I of the questionnaire, the demographic profile of the respondents. These data will provide a summary of the respondent's profile and more likely as self-explanatory data. Pie charts with percentage distribution are being created for each question under demographic profile to show the

segmentation of respondents in terms of gender, age, race, education level, and years of employment with the current employer, the current position, industry as well as the salary information of the respondents.

Internal reliability test is done as an assessment of the degree of consistency between multiple measurements of variables. According to Wimmer & Dominick (2003), any scale of measurement that has not undergone reliability test is not a strong research because the unreliable measures cannot measure the relationship between the variables. Being that the case, Cronbach's Alpha reliability analysis will be used in this research to examine the reliability of the items used as measurement for the variables. Based on the analysis done by Hair et.al (2006), each item need to score a minimal agreed reliability value for Cronbach's Alpha, which is 0.70 to be verified as reliable.

Inferential Analysis is normally used to find out the relationship between two variables, the differences in a variable among different sub-groups and how a few independent variables might explain the variance in a dependent variable. Pearson's Correlation analysis will be carried out as the first process in inferential analysis. This will provide the overall understanding on the relationship between the independent variables and the dependent variables. Data will be analyzed based on *Pearson r value* and the significance level. As stated by Lind, Marchal and Wathen (2008), any correlation coefficient that is within -1.00 or +1.00 indicates a perfect correlation between the variables. The significance relationship between the variables is determined by the significance level, which is less than .05.

Apart from the above, multiple regression analysis will be used to analyze the relationship between one dependent variable and several independent variables. In this research, multiple regression analysis will be used to examine the relationship between the independent variables (employees' financial issues, changes in government policies, technology advancement and personal life imbalance) and the dependent variables which is the organizational conflict.

CHAPTER 4

DATA ANALYSIS

4.1 Introduction

Once the questionnaires are collected and data collection is completed, the Statistical Package for Social Science (SPSS) software will be used to analyze the data. All the output of the analysis will be presented in this chapter in the form of tables and charts. Some explanation will be provided based on the output of the analysis. Mainly, this chapter will look into three types of analysis which is the descriptive analysis, which focuses on the demographic profile of the respondents, internal reliability analysis and the inferential analysis, which includes the Pearson's Correlation Analysis, Multiple Regression Analysis as well as the hypotheses testing.

The measurement of questionnaire involves assigning numbers to a variable according to certain rules which reflects the characteristics of phenomenon being measured. A scale can be defined as a tool or mechanism in which an intended characteristic of an item can be measured. The questionnaire for this study is divided into two parts; Part I (Demographic Profile) and Part II (Working Environment Information).

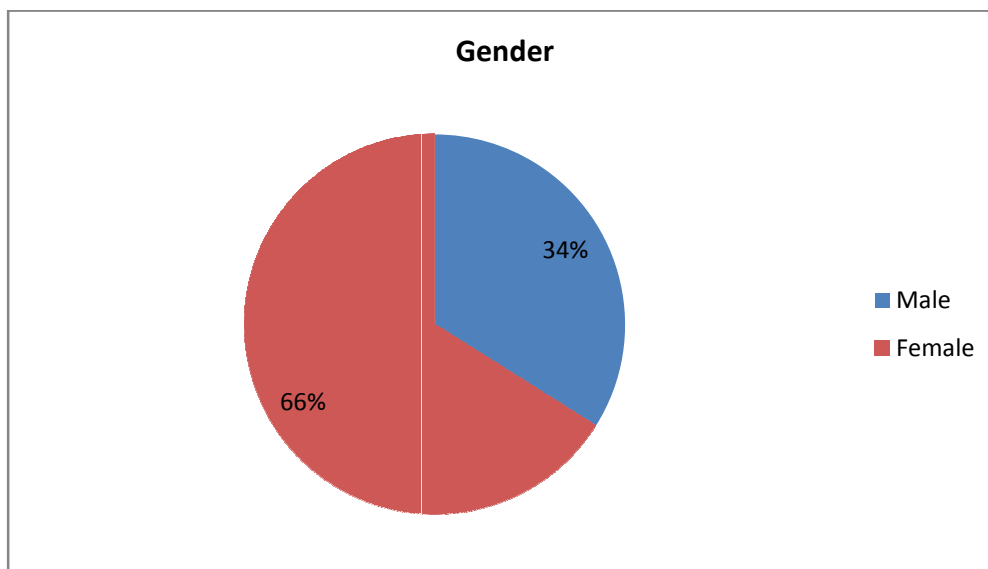
4.2 Descriptive Analysis

Descriptive analysis will be used to describe the variables by calculating the summary statistics and the percentages. The range and percentage will be used to measure and describe the statistics of descriptive summary in this study. The descriptive analysis will be able to provide simple and accurate figures by summarizing the dependent and independent variables. 87 respondents participated in the online survey and 78 respondents filled-up the hardcopy of the questionnaire bringing the total of respondents to 165.

The frequency distribution will be used to report the number of responses received for each questions. It will then be converted to percentage and reflected through pie charts. As such, the frequency distribution will be used to summarize the demographic information of the respondents based on the questionnaires (Burns & Bush, 2006).

Figure 2.0 shows the number of respondents participated in the survey based on gender. Out of 165 respondents, 56 of them are male, which is 34% and 109 respondents are female. It is quite common for larger number of female respondents as more females are being employed in the corporate world nowadays.

Figure 2 : Respondent's Gender



As illustrated in Figure 3.0 below, most of the respondents participated in the survey are working adults aged between 31- 40 years old, which represents 45% of the total respondents. The second largest respondents are aged between 21-30 years, which is 29% of the total respondents. About 18% of respondents are those aged between 41-50 years old and only 4% of the respondents are below the age of 20 years old and above 50 years old respectively.

Figure 3 : Respondent’s Age

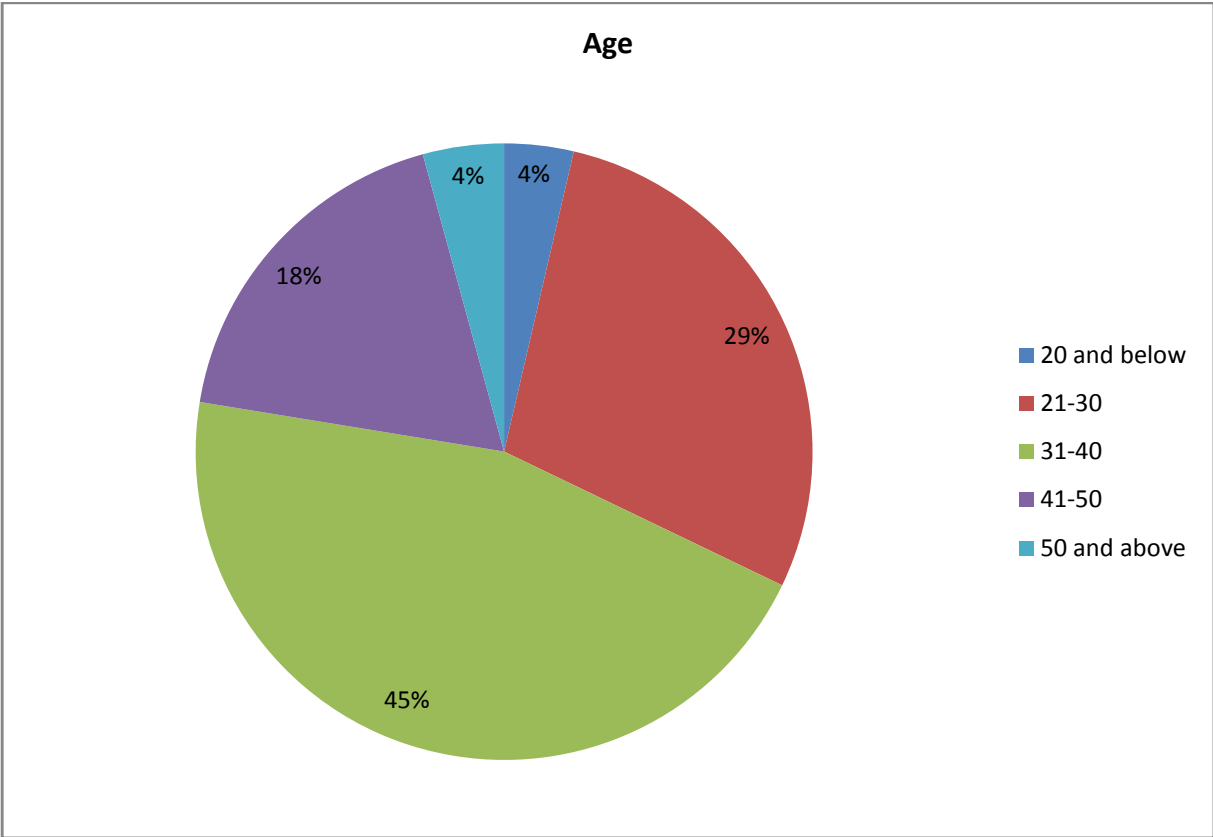


Figure 4.0 shows the race of the participants in the survey. Majority of the respondents are Indian, which is 60 of them or 37%, followed by Malay respondents of 32% or 53 of them and Chinese comprises of 50 employees or 30% of the respondents. Only 1% of the respondents are from other race.

Figure 4 : Respondent's Race

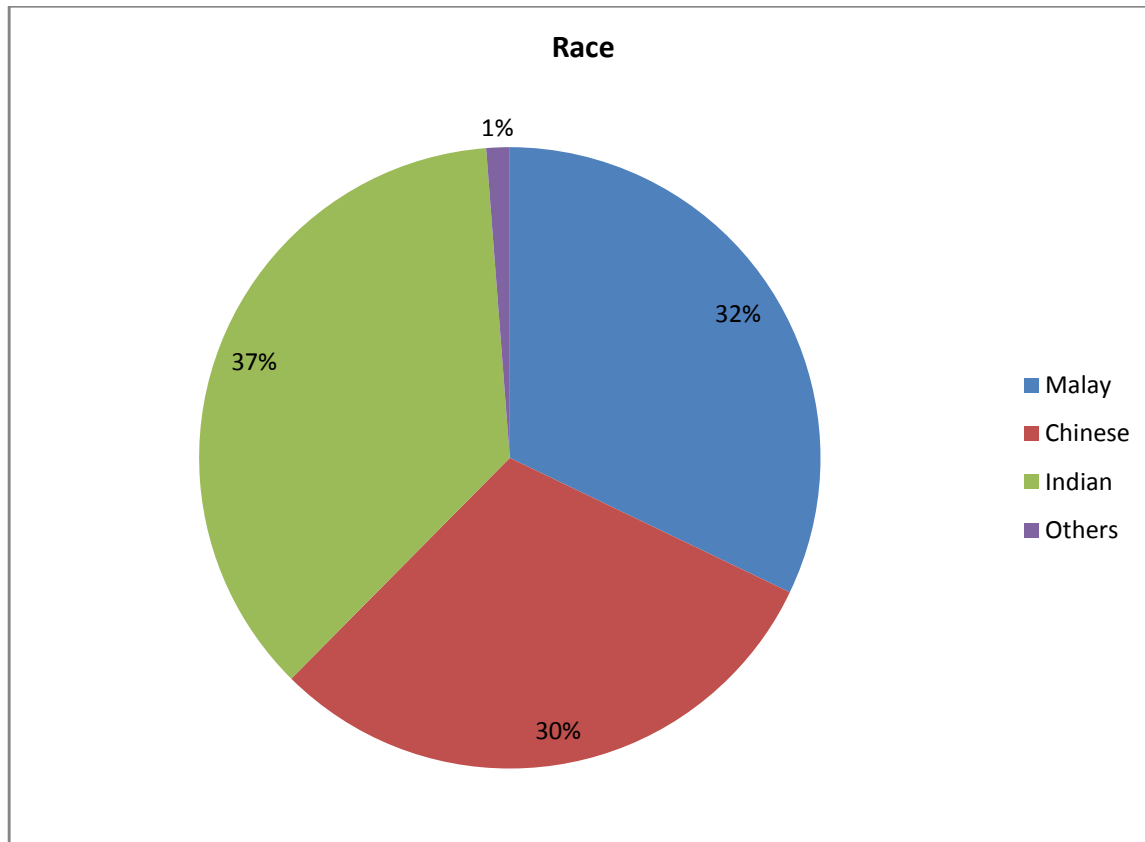
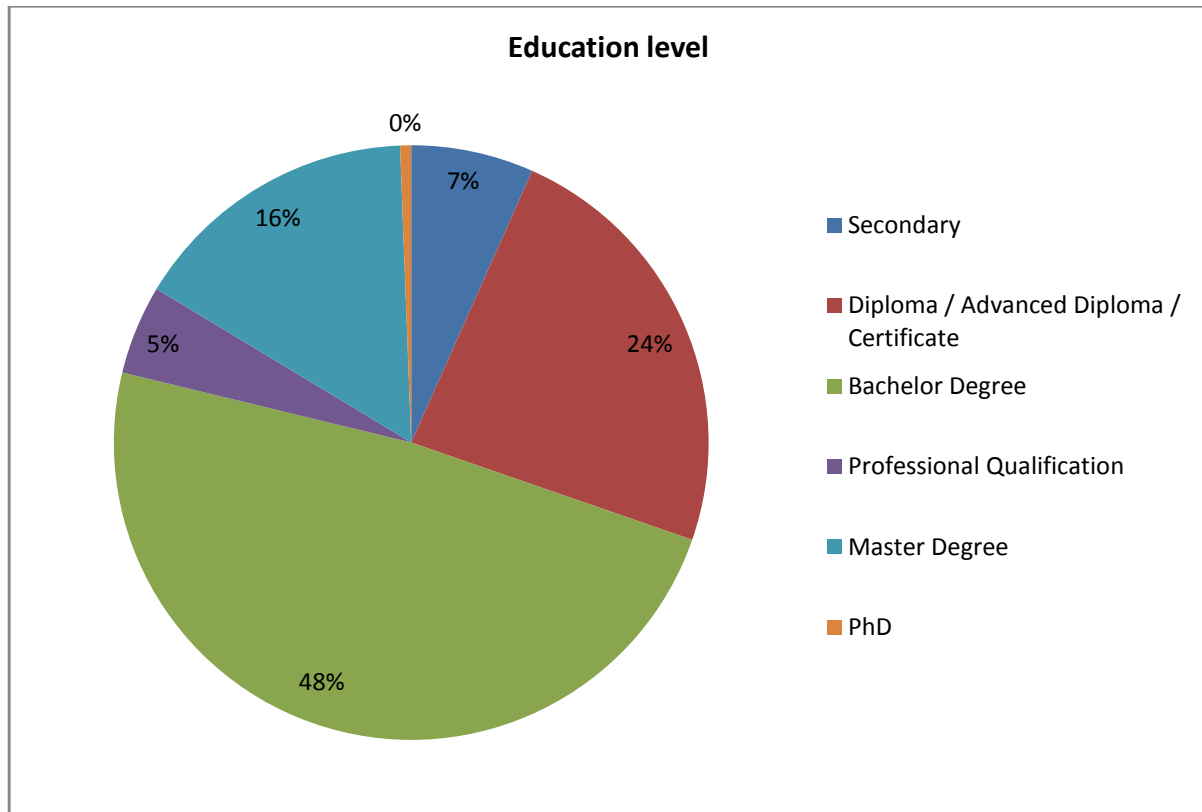


Figure 5.0 illustrates the education level of the respondents who participated in the survey. Majority of the respondents are Bachelor degree holders (48%), followed by diploma / advanced diploma or certificate holder which comprises of 24% or 39 of them. 16% of the respondents holds Master degree as their highest qualification. Respondents with secondary school qualification are around 7% of the total respondents or 11 of them. The remaining 6% of the respondents are comprised of employees with professional qualifications (5%) and PhD holder only 1%.

Figure 5 : Respondent's Education Level



Meanwhile, based on Figure 6.0, respondents who participated in the survey who have less than 5 years of experience with the current employer as well as those who are employed from 5 the to 10 years with the current employer share the same percentage of 37% each or 61 employees respectively. Meanwhile 22 % of the respondents have worked from 11 to 15 years with their current employer and the balances of 4% of employees or only 6 of them have been working with their current employers for more than 15 years.

Figure 6 : Respondent’s years of employment with current employer

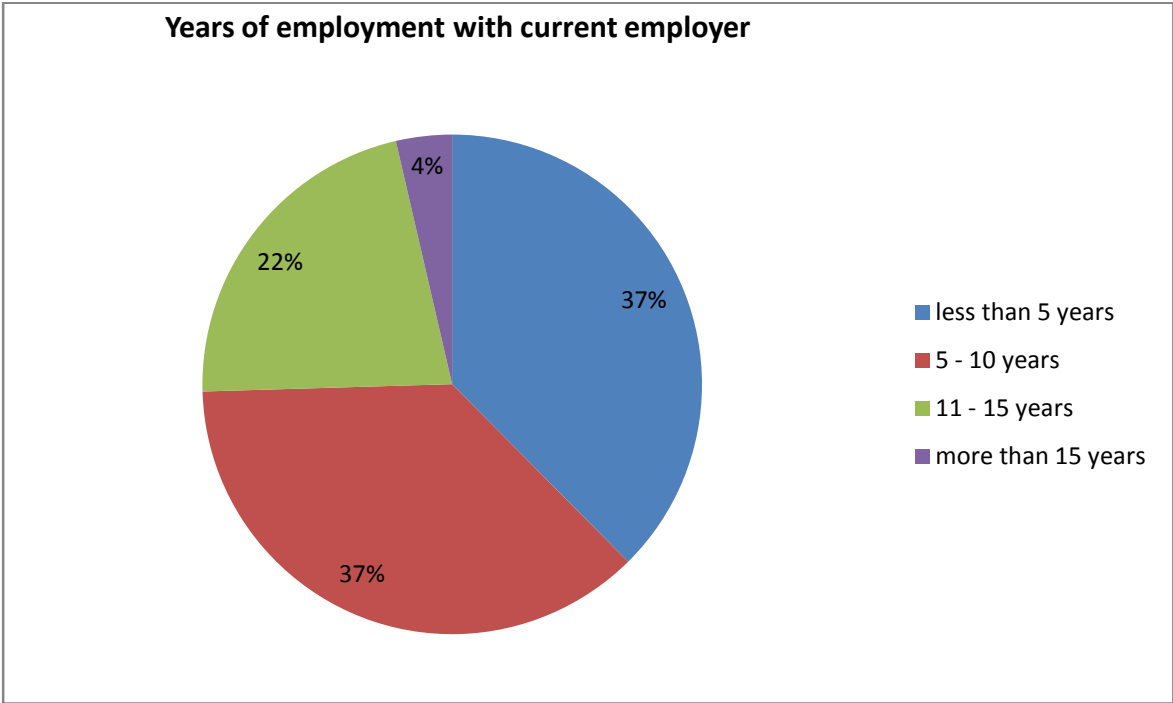
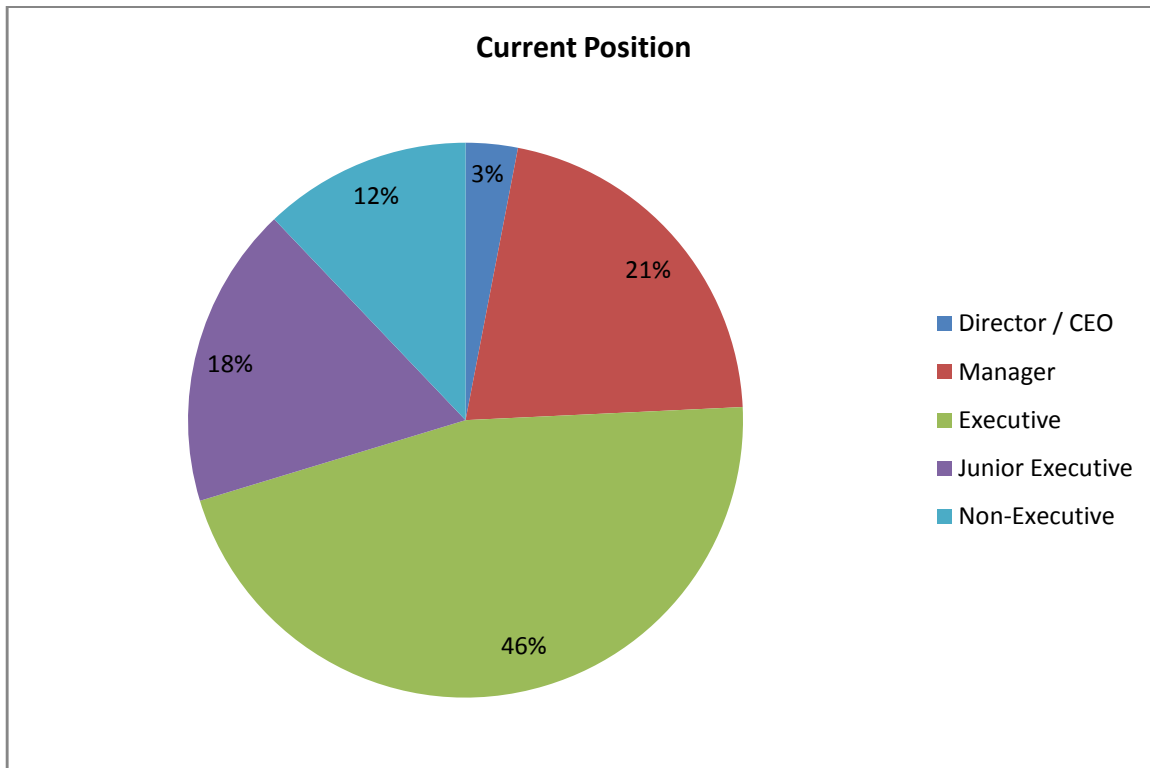


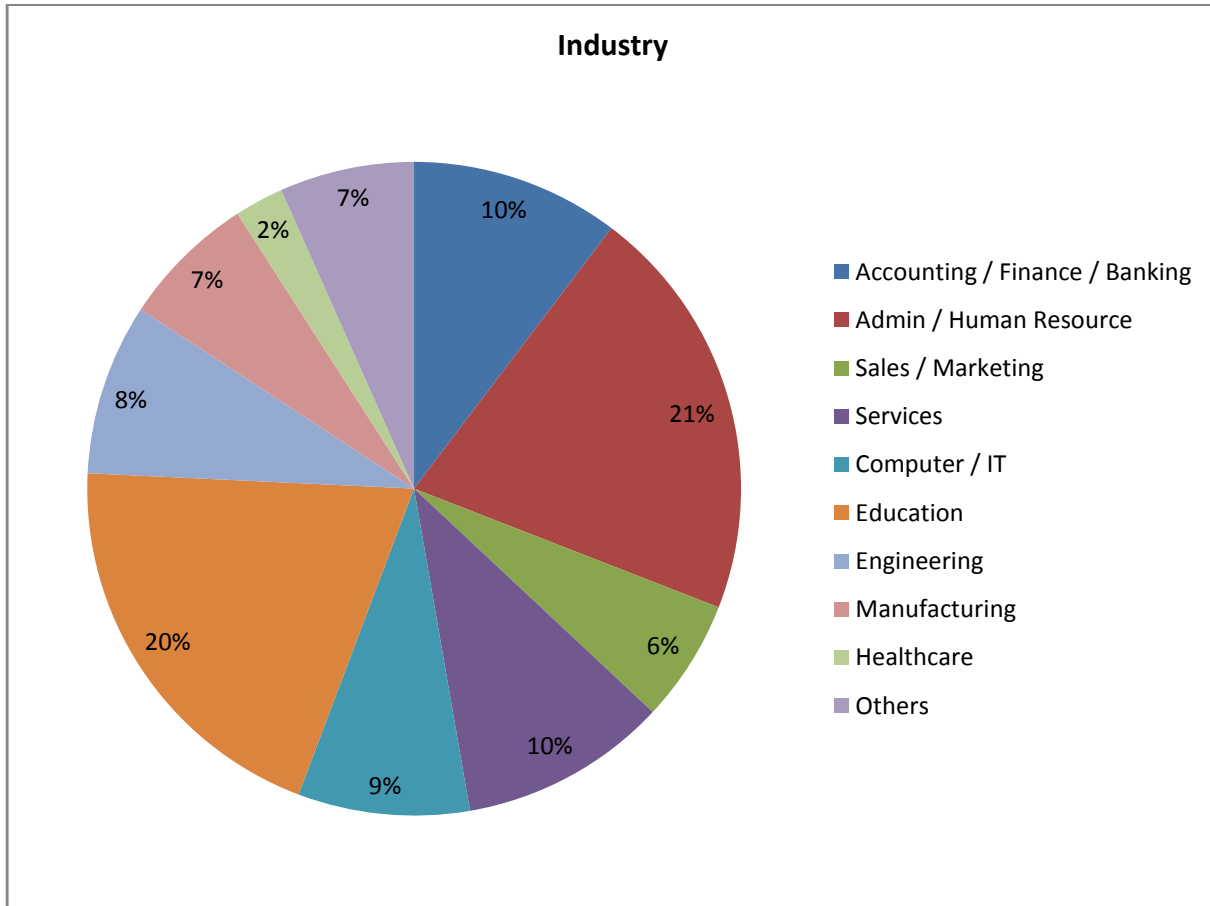
Figure 7.0 below shows the current position the respondents hold in their employment. Majority of the respondents of 46% or 76 of them are holding the position as executives or middle management in their current organization. Those in the managerial position are of 21% of the total respondents and followed by 29 employees are the junior executives. The balance of 15% comprises of non-executive staff which is 12% and 4% are Directors or CEO of the organization.

Figure 7 : Respondent's Current Position



The type of industries the respondents attached with is illustrated in Figure 8.0. Most of the respondents are working in the administrative and human resource industry (21%) followed by education line (20%). Respondents working in the accounting / finance / banking industry and services industry share the same number of respondents which is 17 employees each or 10%. 14 respondents are attached with computer / IT industry whereas 8% or respondents are from engineering industry. The rest of the respondents are currently working in other industries not listed in the questionnaire (7%), manufacturing (7%), sales / marketing (6%) and balance in healthcare industry (2%).

Figure 8 : Industry which the respondent is attached with



Finally, the salary information of the respondents is depicted in Figure 9.0 below. Majority of the respondents are earning a monthly salary of RM3001 – RM5000, which is 44% of the total respondents. 47 of the respondents are earning salary between RM1501 – RM3000 or 28% of them. This is followed by the respondents who are drawing a monthly salary of RM5001 to RM7000 which is 17%. Meanwhile 15 respondents earns more than RM7000 per month and only 2% or employees are earning less than RM1500 per month.

Figure 9 : Respondent's Salary Info

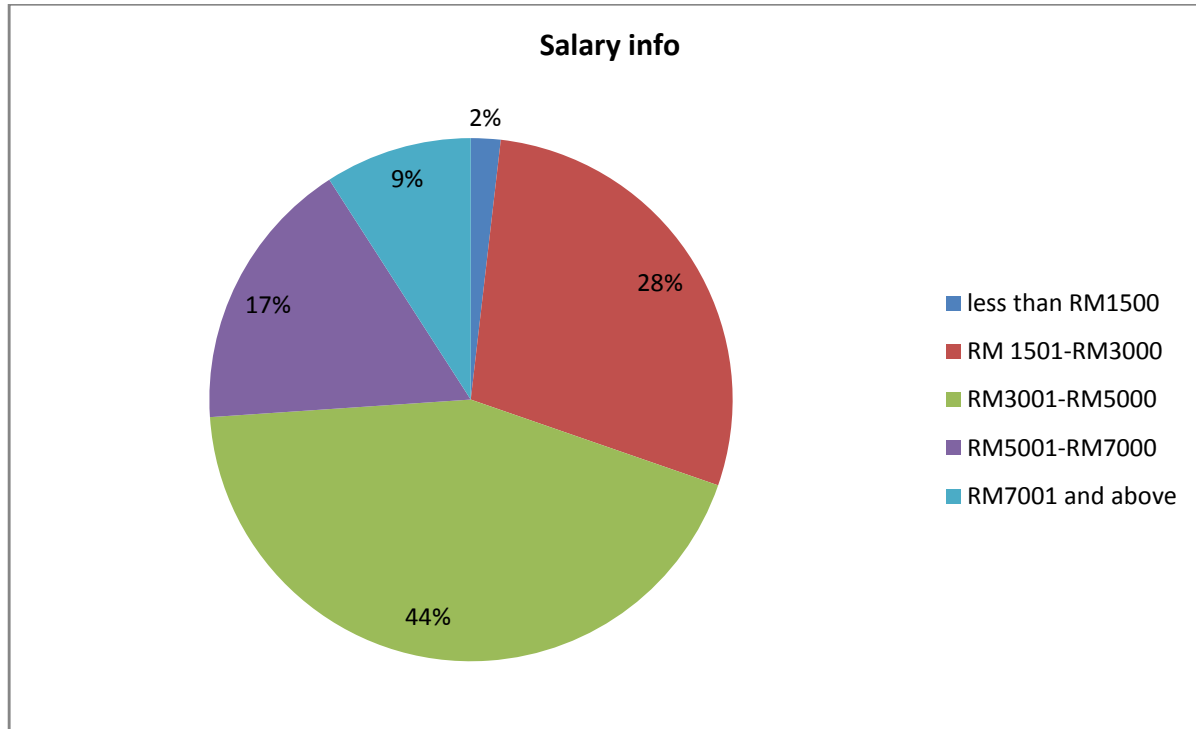


Table 8.0 below illustrates the overall summary of the respondents' demographic profile.

Table 8: Summary of Respondent's Demographic Profile

Demographic Variables	Frequency	Percentage (%)
<u>Gender</u>		
Male	56	33.99
Female	109	66.01
<u>Age</u>		
20 and below	6	3.64
21 – 30	48	29.10
31 – 40	75	45.45
41 – 50	30	18.18
50 and above	6	3.64

<u>Race</u>		
Malay	53	32.00
Chinese	50	30.30
Indian	60	36.40
Others	2	1.20
<u>Education Level</u>		
Secondary	11	6.67
Diploma / Advanced Diploma / Certificate	39	23.64
Bachelor's Degree	79	47.88
Professional Qualifications	8	4.84
Master's Degree	26	15.75
PhD	2	1.21
<u>Years of employment with current employer</u>		
Less than 5 years	61	36.96
5 – 10 years	61	36.96
11 – 15 years	37	22.42
More than 15 years	6	3.64
<u>Current Position</u>		
Directors / CEO	5	3.03
Manager	35	21.21
Executives	76	46.06
Junior Executives	29	17.58
Non-Executive	20	12.12
<u>Industry</u>		
Accounting/Finance/Banking	17	10.30

Admin/Human Resource	36	21.82
Sales/Marketing	10	6.06
Services	17	10.30
Computer/IT	14	8.48
Education	33	20.00
Engineering	13	7.88
Manufacturing	11	6.67
Healthcare	3	1.81
Others	11	6.67
<u>Salary</u>		
Less than RM1500	3	1.81
RM 1501 – RM 3000	47	28.48
RM 3001 – RM 5000	72	43.64
RM 5001 – RM 7000	28	16.96
RM 7001 and above	15	9.10

4.3 Internal Reliability Test

Internal reliability test is done as an assessment of the degree of consistency between multiple measurements of variables. According to Wimmer & Dominick (2003), any scale of measurement that has not undergone reliability test is not a strong research because the unreliable measures cannot measure the relationship between the variables. In this research, Cronbach's Alpha reliability analysis will be used in this research to examine the reliability of the items used as measurement for the variables. Based on the analysis done by Hair et.al (2006), each item need to score a minimal agreed reliability value for Cronbach's Alpha, which is 0.70 to be verified as reliable. The measurement of scales is done by using the reliability test. According to Malhotra (2006), it is considered reliable if its repeated

application results in consistent scores and concerned with the consistency of the research findings.

Table 9.0 shows the summary of the Cronbach's Alpha reliability analysis for this survey. All items of measurement used in this survey were found to be reliable. The measurement item for variables such as employees' financial issue, technology advancement and personal life imbalance scored relatively high and reliable score of more than 0.7.

However, for dependent variable (organizational conflict), the Cronbach's Alpha reliability was only 0.39. The reliability is considered weak and therefore it was considered to remove any other questions to obtain a higher Cronbach's Alpha value. But the survey indicated that even by removing any question, the Cronbach's Alpha value is still below 0.7, therefore the reliability was weak.

The initial analysis for Cronbach's Alpha for items for changes in government policies was 0.567, which is lower than the minimal agreed reliability value. Therefore to increase the value, item that will generate the highest Cronbach's Alpha if being deleted must be removed from the item list to run another round of reliability analysis. The item removed was Q4 and the final figure of Cronbach's Alpha value was 0.873.

Table 9 : Cronbach's Alpha Reliability Analysis Result

Variables	No of Items	Items dropped	Cronbach's Alpha
Organizational Conflict (OC)	5	-	0.390
Employees' Financial Issues (FI)	5	-	0.900
Changes in Government Policies (GP)	4	Q4	0.873
Technology Advancement (TA)	4	-	0.795
Personal Life Imbalance (PLI)	4	-	0.888

4.4 Inferential Analysis

For inferential analysis, Pearson's correlation analysis and the multiple regression analysis will be used to find out the relationship among variables and to test the hypotheses. Correlation analysis is used to describe the strength and direction of the linear relationship between two variables. The correlation analysis determines a better understanding of the data (Burns & Bush, 2000).

4.4.1 Pearson's Correlation Analysis

Pearson Correlation Coefficient was used to analyze if there is correlation between the variables and the level of its linear relationship between the variables.

This coefficient indicates the direction and the strength of a linear relationship between two variables. The Pearson's correlation coefficient (r) can vary from -1 to +1. The larger the value is, the stronger the relationship. A coefficient of +1 indicates a perfect positive relationship and a coefficient of -1 indicates a perfect negative relationship. A scatter plot of this relationship would show a straight line. 0 indicates that there is no linear relationship between the variables. A scatter plot would show a circle of points, with no pattern evident.

Values for interpretation according to statistics are as follows:

- Rho = .10 to .29 or -.10 to -.29 (small effect)
- Rho = .30 to .49 or -.30 to -.49 (medium effect)
- Rho = .50 to 1.0 or -.50 to -1.0 (large effect)

Source : Hair, Bush & Ortinou (2009)

Table 10: Pearson Correlation between variables

		Correlations			
		Total Financial Issues	Total Changes in Government Policies	Total Technology Advancement	Total Personal Life Imbalance
Total Organizational Conflict	Pearson Correlation	.165*	.033	-.164*	.073
	Sig. (2-tailed)	.035	.676	.035	.353
	N	165	165	165	165

*. Correlation is significant at the 0.05 level (2-tailed).

(Develop for this research)

Table 10 illustrates the interrelation between the independent variables (employees' financial issues, changes in the government policies, technology advancement and personal life imbalance) and their correlations with the dependent variable, which is the organizational conflict. The *Pearson r values* for all the independent variables are relatively low. In other words, there is insignificant relationship between the variables. Nevertheless, the significant level of 0.35 of employees' financial issues and technology advancement indicates a 96.5 percent of confidence level on the correlation.

4.3.2 Multiple Regression Analysis

Multiple regression analysis is a statistical technique that is used to analyze the relationship between dependent variables and several independent variables. As such, this method is used to see the relationship between the independent variables and dependent variable and further to examine the research hypotheses. Below is the table that indicates the correlation between organizational conflict and the independent variables such as the employees' financial issues, changes in the government policies, technology advancement and personal life imbalance.

The R square value is .078 is also referred as the coefficient of determination. Hair (2006) explained in his findings that the coefficient of determination value indicates the percentage of total variation of Y that is explained by the regression model which consists of X.

Table 11: Output of the overall model fit of organizational conflict and the independent variables

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.279 ^a	.078	.055	2.17852

a. Predictors: (Constant), Total Personal Life Imbalance, Total Technology Advancement, Total Changes in Government Policies, Total Employees' Financial Issues

b. Dependent Variable: Total Organizational Conflict

The R square value is 0.078 which means that this independent variable explains 7.8% of the variations in the dependent variable and therefore the remaining 92.2% is unexplained in this study. Specifically, there are other additional variables that were not taken into consideration in this study to explain the causes of organizational conflict. The R value signifies the correlation between the variables, which indicates a positive correlation between the independent and the dependent variable. The adjusted R square value is 0.055.

Table 12: Output of the statistical test for overall model fit of organizational conflict and the independent variables.

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.895	4	15.974	3.366	.011 ^a
	Residual	759.353	160	4.746		
	Total	823.248	164			

a. Predictors: (Constant), Total Personal Life Imbalance, Total Technology Advancement, Total Changes in Government Policies, Total Employees' Financial Issues

b. Dependent Variable: Total Organizational Conflict

ANOVA analysis is depicted in Table 12 above for organizational conflict. When using the mean of organizational conflict to predict the dependent variable, squared error of 823.248 will occur. However, if using the same independent variables for prediction, the squared error will be reduced by 7.8 percent ($63.895 \div 823.248$) and the prediction is statistically significant with F ratio of 3.366. The p-value here is less than 0.05 which indicates the model is statistically significant.

Table 13 shows the significance between the relationship of independent variables (employees' financial issues, changes in the government policies, technology advancement and personal life imbalance) and the dependent variable (organizational conflict). According to Hair et.al (2006), the common regression variate of model is:

$$Y = b_0 + b_1V_1 + b_2V_2 + b_3V_3 + b_4V_4$$

$$Y (\text{organizational conflict}) = 19.021 + 0.135 (\text{employees' financial issues}) - 0.85 (\text{changes in government policies}) - 0.147 (\text{technology advancement}) + 0.17 (\text{personal life imbalance})$$

P-value for Total Employees' Financial Issues and Total Technology Advancement is less than 0.05 which indicates that there is a significant contribution to the dependent variable's prediction. However, the p-value for Total changes in Government Policies and Total Personal Life Imbalance is more than 0.05 which indicates that these two variables do not make a significant contribution to the dependent variable's prediction.

Table 13: Output of the significance of relationship between organizational conflict and the independent variables.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	19.021	.915		20.798	.000
Total Financial Issues	.135	.058	.268	2.333	.021
Total Changes in Government Policies	-.085	.093	-.097	-.914	.362
Total Technology Advancement	-.147	.057	-.211	-2.582	.011
Total Personal Life Imbalance	.017	.063	.027	.267	.790

a. Dependent Variable: Total Organizational Conflict

4.5 Regression Assumption Checking

Several assumptions are being made to study the relationship between the dependent variables and independent variables that affect the statistical procedure. For this study, regression assumption checking is conducted based on a few tests to provide a more balanced perspective and provide a relevant significant assumption.

4.5.1 Durbin-Watson Test

The Durbin-Watson statistic is a statistical tool that is used to detect whether the residuals of the regression are autocorrelated. Autocorrelation is a statistical problem where the residuals of a time-series regression are not random, but instead have some type of pattern. This problem normally has an impact on the standard errors. This means that if the regression has autocorrelation problems, there may be results that appear to be statistically significant but are not. The value of the Durbin-Watson statistics ranges from 0 to 4. As a general rule of thumb, the residuals are uncorrelated if the Durbin-Watson statistics is approximately 2. A value close to 0 indicates a strong positive correlation whereas a value of 4 indicates a strong negative correlation. Table 14 below is the result of this study. The Durbin-Watson score is 1.657 which indicates that the residuals are uncorrelated.

Table 14: Output of the overall model fit of autocorrelation of organizational conflict and the independent variables

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.279 ^a	.078	.055	2.17852	1.657

a. Predictors: (Constant), Total Personal Life Imbalance, Total Technology Advancement, Total Changes in Government Policies, Total Employees' Financial Issues

b. Dependent Variable: Total Organizational Conflict

4.5.2 Multicollinearity test using VIF

Variance inflation factors (VIF) measures how much the variance of estimated regression coefficients is inflated as compared to when the predictor variables are not linearly related.

Table 15: Output of the overall model fit of multicollinearity of organizational conflict and the independent variables

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
(Constant)	19.021	.915		20.79	.000	17.21	20.82					
Total Financial Issues	.135	.058	.268	2.333	.021	.021	.250	.165	.181	.177	.436	2.294
Total Changes in Government Policies	-.085	.093	-.097	-.914	.362	-.268	.098	.033	-.072	-.069	.510	1.960
Total Technology Advancement	-.147	.057	-.211	-2.582	.011	-.260	-.035	-.164	-.200	-.196	.860	1.163
Total Personal Life Imbalance	.017	.063	.027	.267	.790	-.107	.141	.073	.021	.020	.578	1.731

a. Dependent Variable: Total Organizational Conflict

From the table 15, the collinearity statistics explains the tolerance and VIF value. Tolerance value indicates the variability level of the independent variable which is not explained by the other independent variable. If this value is less than 0.10, it indicates high existence of multiple correlations which suggests possibility of multicollinearity. VIF value is the contrary of the tolerance value which thereby, if this value is more than 10, indicates multicollinearity. Thus, the result of this study, the tolerance value is more than 0.10 and the VIF value is less than 10; therefore, the model does not indicate multicollinearity.

Besides that, information that can be extracted here is the p-value from the Sig. column. Evidently, the p-value for variable total employees' financial issues and total technology advancement are less than 0.05, hence, indicates that there is a significant contribution to the dependent variable's prediction. However, the p-value for variable for total changes in government policies as well as total personal life imbalance is more than 0.05, therefore, it

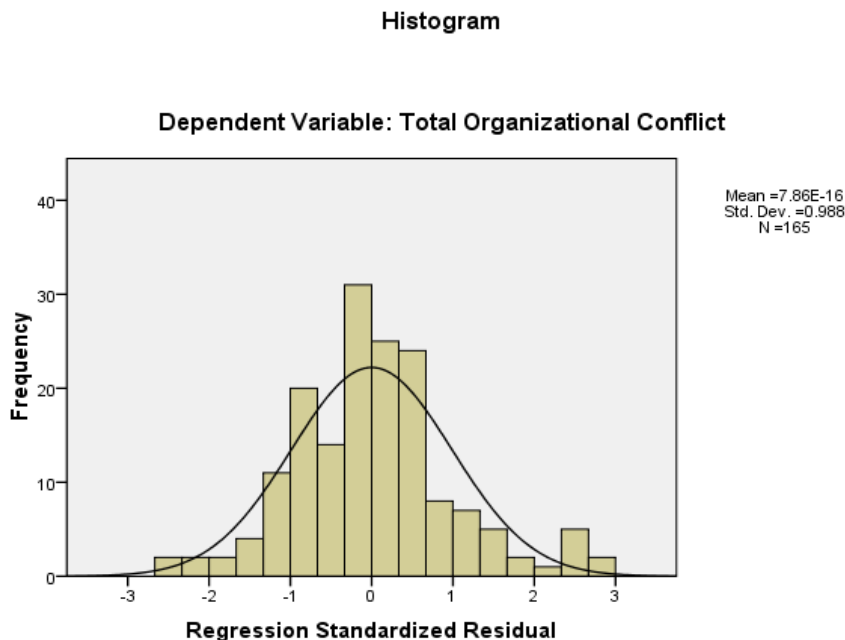
can be concluded that these variable is not making a significant contribution to the prediction of the dependent variable.

This output also clarifies the impact level of each independent variable towards the dependent variable. As such, from the above Coefficient table, total technology advancement has the highest B value of 0.147 which contributes the highest to the variation of organizational conflict and the total personal life imbalance has the lowest B value of 0.017 which contributes the least to the organizational conflict.

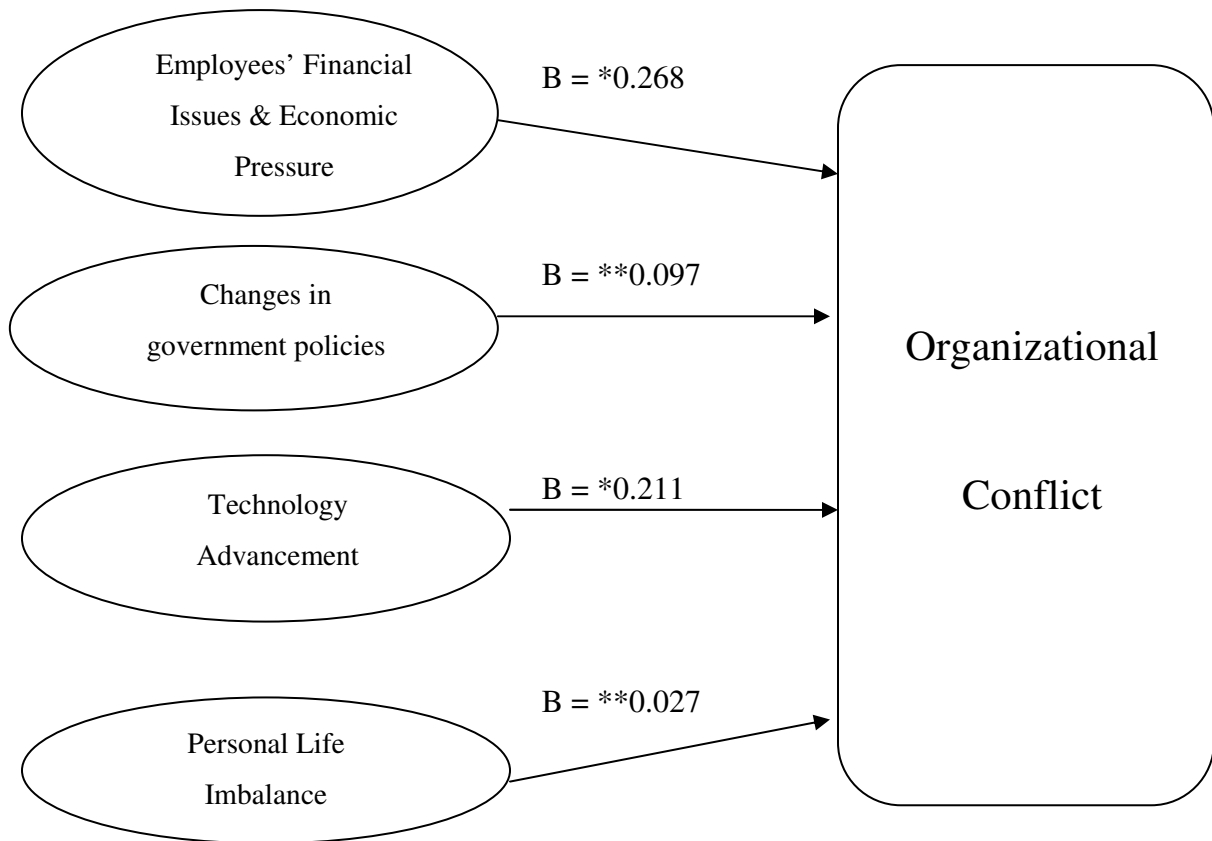
4.5.3 Normality of the error term distribution

Histogram of residuals is a simple diagnostic for the set of independent variables in the equation, with a visual check for a distribution approximating the normal distribution. Figure 10 below reveals a normal distribution indicating that the normality of errors assumption is being met in this study. The histogram pattern verifies that the residuals represent a normal distribution. Therefore, the regression variate is found to meet the assumption of normality.

Figure 10 : Histogram analysis



4.5.4 Summary of Model Analysis, *p > 0.05; **p < 0.05



The path between changes in government policies and personal life imbalance did not have a significant effect on organizational conflict, because the p-value was 0.362 (B = 0.268) and 0.790 (B = 0.027), indicating both the p-value are more than 0.05. Therefore the finding evidently does not support the hypotheses. Whereas, the path coefficient for employees' financial issues and economic pressure (B = 0.135) as well as technology advancement (B = 0.147) indicates a positive relationship which support Hypotheses 1 and Hypotheses 3, with a p-value < 0.05.

4.6 Hypotheses Testing

H1 : There is a positive relationship between employees' financial issues and organizational conflict

Referring to Table 13, Hypotheses 1 is accepted as the relationship between employees' financial issues and organizational conflict deem significant with the significance level of 0.021, which is less than 0.05. According to Hair (2006), the larger the Beta value is, the higher the influential factor by the particular variable. The Beta value of 0.268 shows that the employees' financial issue is one of the most influencing variables on organizational conflict compared to other independent variables.

H2 : There is a positive relationship between changes in government policies and organizational conflict

Hypotheses 2 shows that there is no significant relationship between changes in government policies and the organizational conflict, therefore the hypotheses is rejected. The Beta value of 0.097 indicates that changes in government policies has little influence over the organizational conflict. Moreover, the relationship also deem insignificant as the significance level is at 0.362, which is above 0.05

H3 : There is positive relationship between technology advancement / changes and the organizational conflict

Based on Table 3, Hypotheses 3 is also accepted. Beta value of 0.211 indicates that the technology advancement influences the conflict occurrence in an organization. Besides that, this relationship if the most significant as the significance level shown is at 0.011, which is lesser than 0.05 and the least compared to other independent variables.

H4 : There is positive relationship between personal life imbalance and the organizational conflict

The Beta value for the relationship between personal life imbalance and organizational conflict is 0.027, denoting that this independent variable has very little influence over organizational conflict, Furthermore, the significance level of this relationship is the highest

among all at 0.790, which assured that there is no significance relationship between personal life imbalance and the organizational conflict. Hence, Hypotheses 4 is rejected.

4.7 Conclusion

The data analysis in this chapter has provided some illustration on the overall survey. The Descriptive analysis has shown the respondent's segmentation in terms of gender, age, race, education level, years of employment with the current employer, respondent's current position, the industry they are attached with as well as their salary info. The reliability test was able to assist in identifying the reliability of each items of measurement used in this survey. When the result of Cronbach's Alpha was low, the item was dropped and no longer being used in the further analysis. Meanwhile correlation of dependent and independent variables were illustrated in the Pearson's correlation table. The significance of the interrelation was determined according to the *Pearson r value* and significance level. Apart of that, multiple regression analysis was also carried out for more detail study. To further determine the significance level, hypotheses test was carried out to further support the significance of relationship and resolve the hypotheses. Detailed discussion on the findings and conclusion are available in the next chapter.

CHAPTER 5

DISCUSSION, CONCLUSION AND IMPLICATIONS

5.1 Introduction

Final chapter of this research project served as a summary on information and data that have been discussed and presented in previous chapters. This chapter five will discuss further on the research findings obtained in chapter four and will present the implications of the study. Apart of that, limitations that were identified throughout the research will be stated and recommendations are also provided for future similar studies related to this research topic.

5.2 Discussion on Hypotheses Findings

As discussed in the earlier chapters, the objective of this research is to discover the external factors that cause organizational conflict. The study helped to discover whether the external factors such as employees' financial issues, changes in the government policies, technology advancement and personal life imbalance contribute directly to the organizational conflict. Hypotheses testing were carried out to examine the relationship of these variables and the result is depicted in Table 12.

Table 16: Summary Result of Hypotheses Testing

No	Hypotheses	Results
H1	There is a positive relationship between employees' employees' financial issues and organizational conflict	Accepted
H2	There is a positive relationship between changes in government policies and organizational conflict	Rejected
H3	There is positive relationship between technology advancement / changes and the organizational conflict	Accepted
H4	There is positive relationship between personal life balancing and the organizational conflict	Rejected

5.2.1 Hypotheses One

There is a positive relationship between employees' financial issues and organizational conflict.

The Beta value of 0.268 shows that the employees' financial issue is one of the most influencing variable on organizational conflict compared to other independent variables. The relationship between employees' financial issues and organizational conflict also deem significant with the significance level of 0.21, which is less than 0.5. This means inability for employees to manage their financial issues well will impact their performance at workplace which will eventually lead to conflict in their organization.

Studies done by Kapelus (2011) described the costs and risks associated with conflict, which range from property damage and security costs to collective boycott of a firm's product. But this study has supported the fact that financial constraint faced by employees may also cause conflict at workplace as they become more emotional and could not perform effectively. Previous studies have also highlighted that employees' financial issues has been a factor for relationship conflict. Amato and Rogers (1997) in their study, found that financial issues were strong predictors of divorce relative to other types of marital problems.

Besides that, according to studies done by Dashiff (2009) and Najman (2010), financial stress and poverty have an adverse influence on adults' parenting practice and the wellbeing of

their children, increasing the developmental risk and problem behavior of those youngsters. At the same time, economic difficulty and low-income are associated with reduced parental involvement in children's education (Lee and Bowen 2006; Van Velsor and Orozco 2007), which constitutes barriers to fulfilling children's learning potential and striving for their social mobility. The above studies indicate that family financial stress not only contributes to health disparity among citizens, but also poses a serious threat to social inclusion and justice. Therefore, this study also supports the past studies as the result shows that employees' financial issues contributes significantly to the organizational conflict.

5.2.2 Hypotheses Two

There is a positive relationship between changes in government policies and organizational conflict

There is limited study to look on how government policies will affect the organizational conflict, however, Sarala (2010) in her studies mentioned that cultural differences and acculturation actually impacts the post-acquisition conflict. Brock (2005) highlighted that national cultural differences complicated the post-acquisition integration and resource sharing. This indicates that the underlying reason for these findings is post-acquisition conflict that hinders acquisition value creation. This argument is in line with previous studies conducted by Weber (1996) that have reported negative human resource implications of national cultural differences, such as stress and negative attitudes and increase in top management turnover (Krug & Hegarty, 1997).

From a cross-national perspective, where work and family issues are considered, it is widely recognized that there are considerable differences across countries with regard to policies and laws designed to help individuals balance career and caregiving. There is a difference in the extent to which they sponsor paid leave for childbirth and adoption, paid sick leave, and paid annual vacation. For examples, in United States (US), the country provides no paid leave to mothers following the birth or adoption of a child, while Germany provides 52 or more weeks (Heymann, Earle, & Hayes, 2007). Work-family researchers often advocate for greater family

related government social supports as a way to address the needs of working parents (Gornick & Meyers, 2003; Neal & Hammer, 2007).

Nevertheless, in Malaysia, policies regarding leaves still differ for some private organization such as paid annual leave, paid maternity leave, paternal leave, etc. There are arguments that the availability of certain kind of supports such as governmental family supports, paid maternity leave, are predicated on the notion that will result in less work–family conflict for employees. However, this is a taken for granted assumption that has yet to be subjected to empirical analysis. Moreover, there are also supporters for a non-governmental approach to work–family policy. The Society for Human Resources Management (SHRM) is in the opinion that all employers should be encouraged to voluntarily provide paid leave for illness, vacation, and personal days to accommodate the needs of employees and their family members rather than being imposed as a government mandate (SHRM, 2011). In this way, it is believed that it could reduce the conflict occurrence among the workers and employers. From a theoretical perspective, national policies such as paid time for sick leave and parental leave are thought to be beneficial to working parents as they serve as a resource that can help avert conflicts between work and family (Edwards & Rothbard, 2000; Goode, 1960). Paid leave policies act as a resource in that they enable employees to meet their family and personal obligations while also remaining a viable member of the workforce.

The effect of government intervention on business is an unavoidable topic of discussion in political economy. In China, the rapid economic growth for the past three decades is associated with ‘socialism with Chinese characteristics’. This approach is described as a market economy model dominated by political capital and therefore, it is characterized by a strategy of utilizing government power to cultivate national brands and global players, among other things. It is noted that in China, the relationship between the public sector and business enterprises is complicated. Different levels of government may be involved; with municipal, provincial and national governments engaged individually, or operating together as joint ventures (Antkiewicz & Whalley, 2007). As such, any slight changes in the government policies will surely effect the business operation, which may include negative impact as well.

However the results generated in this research shows that there is no significant relationship between changes in government policies and the organizational conflict. The Beta value of 0.97 indicates that changes in government policies has little influence over the organizational

conflict. Moreover, the relationship also deem insignificant as the significance level is at 0.362, which is above .05. This indicates that employees are aware that certain government policies are implemented for the wellbeing of the people and it would not affect their work performance. Therefore the current government's move to implement goods and services tax has actually not much influence on organizational conflict. Since the government's action to implement the goods and services tax was only implemented in April 2015, there are no studies or researches have been conducted yet to see the impact on of the implementation to the organizational conflict. Nevertheless, based on this research, the respondents view the government's move to implement the goods and service tax as a positive action and would not affect their work performance.

5.2.3 Hypotheses Three

There is positive relationship between technology advancement / changes and the organizational conflict

The discrepancy between skills that an individual possesses compared to the actual required to complete a task, activity, or product are seen to affect immediately the results. This result reaches the subpar levels therefore affecting both the organization's ability to meet production and performance goals and projections (Chavez & Weisinger, 2008). The conflict reach present and potentially future environment is seen to reduce substantially employee commitment to the organization given that their economic security is becoming unattainable. As such, if staff does not possess the required skills according to the technology advancement, more likely they would be left out and eventually it would lead to organizational conflict.

Based on studies done by Guest (2002), Valk and Srinivasan (2011) and James (2014), factors such as the advancement in Information Technology (IT), overloading of information, need for speedy response and constant availability, concern towards customer service quality, longer working hours, overtime and the growth in weekend workload can be potential sources of work pressure.

For example, the IT industry in India is characterized as a mature, project-oriented organization handling major outsourced strategic projects from western countries (Ethiraj, 2005). Thus, these employees face an environment of uncertainty and instability, with pressure of the time zone differences with the western and European countries (Scholarios and Marks, 2004). Furthermore, project-based works are described by unpredictable workloads, requirements of in-time delivery and the need for frequently changing skill set of IT professional (Mathew, 2007). Apart from the above, Batt and Valcour (2003) found that usage of technology is significantly associated with work-life conflict. An additional component of conflict is role ambiguity, which happens when an employee is unsure of their job demands and the boundaries for their positions, leading to strain-based conflict (Boyar, 2003). Role ambiguity can be problematic for most employees, especially those involved in boundary-spanning activity. Many IT professionals like system analysts and designers perform a great deal of boundaryspanning, as their positions require them to interact with end users, developers, marketers, vendors and suppliers (King, 2005; and Michel, 2011).

The result of this study shows that Beta value of 0.211 indicates that the technology advancement influences the conflict in an organization. Besides that, this relationship is the most significant as the significance level shown is at 0.11, which is lesser than .05 and the least compared to other independent variables. As such, if employees are not updated with the current technology advancement, they may be left out and underperform compared to other staff who are continuously upgrading themselves with the technology. This would make them feel lack of skill deficiency, poor performance, fear of job security and incompetence compared to other staff. Conflict in an organization easily occurs when these situations arise.

5.2.4 Hypotheses Four

There is positive relationship between personal life imbalance and the organizational conflict

Referring to past researches, the results show that the nature of work-life balances, as well as the determinants and outcomes in different circumstances. Home life and working life are

two elements that affect each other correlatively. The roles of the individual in family and working life can sometimes result in conflicts. The most common troubles due to the inconsistencies in the family and working life are being fatigue, underperformance, feeling less qualified and not well at work, dissatisfaction of work and walk-out. (Erdamar & Demiral, 2014). Work-family conflict also known that the incompatibility between work and family has adverse influence on employees' health and well-being (Kinnunen, Feldt, Geurts, & Pulkkinen, 2006; Noor, 2003). Posig and Kickul (2004) supported that balancing work, housework and child-care responsibilities are the main issues that may lead to work-family conflict. Work-family conflict is often a severe stress determinant at work which leads to some negative outcomes (Karatepe & Tekinkus, 2006).

There are several research studies which looks into work and family life relations ; work-family conflict comprises work interfering with family and family interfering with work (Boyar, Maertz, Mosley & Carr, 2008). High job demands make employees devote more resources such as their time to work, leaving them with fewer resources to devote to their family, which may result in more experiences of interference from their work with their family lives (Shimazu, Bakker, Demerouti & Peeters, 2010). Similarly, demands which are high at home make employees devote more resources to family, leaving them with fewer resources to devote to their work, which may result in more experiences of interferences from their family lives with their work (Shimazu, Bakker, Demerouti & Peeters, 2010). Research done by Rani & Muzhumathi (2012) has shown that women professionals with high work-family conflict had higher role overload. Work family conflict researchers (Duxbury, Higgins & Lee, 1994, Gutek, Seale & Klepa, 1991) have assumed that time committed to work contributes to conflict between employees' work and non-work lives and extensive working hours as destructive contributor to work-family conflict (Alam, Biswas& Hassan, 2009).

Nevertheless, based on the result presented in Chapter 4, the relationship between personal life imbalance and organizational conflict is 0.27, denoting that this independent variable has very little influence over organizational conflict, Furthermore, the significance level of this relationship is the highest among all at 0.790, which assured that there is no significance relationship between personal life imbalance and the organizational conflict. Employees are aware on how to differentiate their personal and family problems and would not let it affect

their work performance. This means that employees are committed towards their work and organization and therefore family and personal issues would not contribute to the conflict in organization.

5.3 Implications of the study

Based on the results established from this study, employees' financial issues and technology advancement are suggested to be the significant factors that resulted in the occurrence of conflict in an organization. On the other hand, changes in government policies as well as personal life imbalance do not contribute significantly to the occurrence of conflict in an organization. These findings are useful and important to the management as it is the feedback from the employees who are working. The results indicate the main external reasons for organizational conflict apart from the internal factors.

Work-family conflict results from the fact that workers have such roles as working parents and spouse simultaneously and these roles conflict with one another. It is seen that as the stress caused by inconsistency of roles adopted as a requirement of work and family life increases, work-family balance of the worker is disturbed and work-family or family-work conflict occurs (Greenhaus & Beutell, 1985).

Workplace conflict must be solved amicably in order to improve the organization's performance. Employer can arrange for more trainings or workshops to train the staff to manage the conflict effectively. Past researchers have highlighted most of the conflicts caused by internal factors such as lack of communication, unclear instructions by management, high managerial expectations, etc. and recommended some suggestions on how to overcome these internal conflicts. In this study, the external causes of conflict were discussed, and based on the results; employer plays an important role to overcome these conflicts that affects the workplace performance. Although sometimes conflicts in organization do bring some benefits, but most of the time it would cause negative impression on conflict occurrence.

At most times we would assume that organizational conflicts are caused by the internal factors in an organization as stated above. Nevertheless, this study has indicated that conflicts in organization are not only influenced by internal factors, but also due to external factors. With this, it is hoped that the study has helped to educate the employees as well as the employers on how to manage the external factors effectively so that conflict can be avoided and not to wait until it take place and try to resolve the conflict which may sometimes be too late to resolve.

5.4 Limitation of the study

This particular research topic has a few limitations as there are lacks of references concerning this subject matter. One of the reasons being is that the variables are focused on the current issues in Malaysia, which is the implementation of the Goods and Services Tax (GST). As the implementation only effected in April 2015, there is no previous study or research have been conducted on how it would affect the organization yet. Some of the policies set by the government would help to improve the economic development and the organization culture. In general understanding, although the implementation of the GST brings positive implications to the nation's economy, there are certain parties who are in the opinion that it would eventually raise the cost of living in Malaysia. According to a survey done by InterNations worldwide, the cost of living in Malaysia might seem low at first glance and especially when compared to some other countries, but the living costs have been on the rise lately. In recent years, the average monthly income in Malaysia has steadily increased. In 2012, the government announced a 7.2% rise and a better monthly household income all over the country. At the same time, however, the cost of living in Malaysia is increasing as well. Especially luxury items and eating out can come at a cost. Malaysians are struggling more and more to make a living and support their families. These in turn passed on the rising costs to their customers by raising their prices by about 20%. However, lately some changes to the government policies have affected the individual directly. When they fail to cope with the changes, they tend to bring the stress to their work related matter and this would eventually

lead to organizational conflict. Economic factors that employees are facing in the current environment, such as company layoffs in response to economic conditions, have been linked to increased stress levels.

However, this study aims to help to determine how changes in certain government policies have caused stress among the employees and how it leads to conflict in an organization. It is noted that limited studies have been conducted in order to study the impact of changes in the government policies to the occurrence of organizational conflict. Studies done in the past mostly highlight the organizational causes that lead to conflict. According to Murphy (1995), sources of occupational stress are theorized to exist within the context of work. In 2002, Michie reframed the model by including both organizational and extra-organizational outcomes that are generated from these sources of stress at work. This includes stress which is produced by the role and responsibility that an individual holds within the organization.

Most of the time, employees are often disposed to role stress comprising mainly of role ambiguity and role conflict. The current modern organizations use the technological advancement to improve the workplace performance as well as to sustain their competitive advantage. This has resulted in constant changes in the nature of work and has led to a growth in nonpermanent contracts and contingent work arrangements caused by downsizing, outsourcing, mergers and acquisitions, restructuring and re-organizing work schedules to cope with the pace of global competition and technological sophistication (Kossek, 2012). Consequently, these changes in current working life have generated some stressful working environment in the industry. This has resulted in lower job autonomy, job insecurities, poor promotional prospects and even situations where the employee is “stuck in a position with no opportunity for advancement” (Colligan & Higgins, 2005).

This study was conducted via online survey form through the Google application as well as by distributing hardcopy to some employees. There is limited face to face meetings with the respondents resulted in no direct interaction. Therefore, the respondents have no opportunity to make inquiries in any particular questions that they may not understand. This may lead to some discrepancies among the responses. Electronic survey therefore had limited the control throughout the survey process.

Besides the above, the questionnaire survey might not be responsive and the result might inaccurate. Respondent might not provide the best answer throughout the questionnaire, as they might think that it could infringe their privacy and it may not be ethical to disclose the accurate information that is confidential. Besides, respondents who were busy and rushing might have answered the questions in an inaccurate manner. Such circumstances are a constraint to obtain the reliable information.

5.5 Recommendations for future study

It is definite that this study would lead to future study as it would help to explore more on the effects of the changes in the government policies which has affected the lifestyle of many employees. Although this study indicated that certain changes in government policies would not affect the work performance, but in the long run, it may cause certain consequences too. Perhaps there will be chances to reduce the organizational conflict if the policies could bring benefit to the employees. As such, the researchers may conduct survey on the effects after the implementation of any changes after six or twelve months. They can even narrow their study to a particular industry in order to obtain a more focused result. Instead of targeting on any industry in Klang Valley area, future study could limit the research to one particular industry to gain more findings and analysis that are not mentioned in this study.

Looking at the results of the study, we can conclude that employees who face difficulty in managing their financial well will often face conflict in the organization as they feel more stressed and could not concentrate well in completing their tasks. Management must take some relevant action to overcome this problem. Perhaps they can send their employees to attend courses or trainings on how to plan their financial effectively. Sometimes some employees just lack of guidance and alertness on how to manage their financial situations well. Once they are aware and able to overcome their financial issues, they can improve the quality of work and more confident in performing their tasks well. Creating a healthy competition among the employees can help to reduce the conflict occurrence in the

organization as they will be aware that they are actually working towards the improvement of the organization.

Apart from that, result of the study also indicates that employees who are not well versed and equip themselves with the current advanced technology may feel that they are left out and could not cope well with the work processes. They will feel intimidate and not able to finish the task given to them on time, resulting in misunderstanding or conflict with the colleagues. To overcome this issue, the management should take some proactive action in educating the employees on the importance of learning the current technology and how it can help them to perform their work in a better way. Generally this study only consolidated some essential information on the external factors that may contribute to the organizational conflict.

5.6 Conclusion

The study has highlighted the main external causes of organizational conflict. Both employers and employees must realize the causes well and take some precaution actions to avoid those problems. However, unlike internal factors, external factors cannot be identified and solved easily. This study has highlighted what the employees can do to overcome the external issues and how they should divide external problems with organizational problem. In this study, the external factors can lead to conflict in the workplace will be examined, apart from those which are mentioned above. External factors such as economic pressures due to recession, changing markets trend, and competitive environment, social and family life will be discussed further. Some organization may even face political pressures and demands from special interest groups. A change in government can have a huge impact on public and non-profit organizations. To look further into external factors of conflict, the relationship between the variables and the organization's performance will be studied. For organizations which have constant relationship with outside organizations, they would find this as a major source of conflict for workplace.

There are certain studies made to examine the relationship between cost of living and relations to the workplace stress and conflict. But the recent rising cost of living has very much implicated the organization's conflict management. Those staff who fail to manage their financial in a good manner will face difficulties in coping with the expenditure well. This may cause miscommunication and argument with their family or friends. Eventually, the employee may bring their personal problem over to their workplace and it would ultimately cause stress at workplace, decrease staff motivation to work, decline in the staff productivity and high turnover rate.

In this study, external factors such as economic pressures due to recession, changing markets trend, and competitive environment, social and family life have been discussed. Some organization may even face political pressures and demands from special interest groups. A change in government can have a huge impact on public and non-profit organizations. To look further into external factors of conflict, the relationship between the variables and the organization's performance was conducted. For organizations which have constant relationship with outside organizations, they would find this as a major source of conflict for workplace.

Employees should be educated to manage their financial needs wisely and avoid bringing the issue into their workplace. It is hoped that the findings of this survey would help the organization to manage and handle their employees better as a way to reduce conflicts in workplace. Assuming that no one can prevent relationship conflict, it is vital to identify how management should respond to relationship conflicts and how these responses are related to organization effectiveness. The findings in this study are important as it can be used to minimize the disputes in workplace organization. The current financial constrains faced by certain organization after the governments' action such as cutting down on fuel subsidies, new electric tariff, announcement on the implementation of goods and services tax, etc. has forced some of the organizations to cut down their financial expenses. Most importantly, employees are being affected directly. Organization which fails to plan wisely may have to face the consequences such as high turnover rate, ineffective operations and low staff morale.

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