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CONFLICT MANAGEMENT STRATEGIES: WHAT TO EXPECT FROM ECONOMICS AND BUSINESS STUDENTS IN THE WORKPLACE?

STRATEGIJE UPRAVLJANJA KONFLIKTIMA: ŠTO MOŽEMO OČEKIVATI OD STUDENATA EKONOMSKIH FAKULTETA NA RADNOM MJESTU?

ABSTRACT

The purpose of this paper is to identify the implementation of conflict management strategies in the population of final year students of economics and business administration. In order to identify student preferences, we used the Dutch Test for Conflict Handling (DUTCH), which has previously been proven as a reliable and valid measurement instrument with good psychometric qualities. The questionnaire consists of 20 items grouped in five sections pertaining to five conflict management strategies: problem solving, yielding, forcing, avoiding, and compromising. Besides detecting general student preferences regarding conflict management strategies, the goal was to examine whether there are statistically significant differences with regard to respondents' gender, study program and the degree of career ambition.

Results based on the sample of 107 final year students of the Faculty of Economics University of Rijeka, Croatia showed that problem solving and compromising were the most widely used conflict management strategies, while yielding was used the least. Significant differences in implementing conflict management strategies were detected with regard to the study program. Furthermore, female students were found to have the strongest preference towards the strategies of problem solving and compromising, while male students prefer forcing as strongly as compromising and problem solving.

Business schools have the obligation to prepare students for modern business environment in which many concepts have been revisited and revised. Fragmentation has been replaced by integration of capabilities, capacities and resources, and increased interdependence leading to co-sourcing, partnerships, alliances and various other short and long-term cooperation agreements. Understanding behavioral patterns among individuals studying economics is very important because they will be future managers and leaders. Considering their conflict management behavioral preferences, it can be concluded that the surveyed students exhibit the right attitude and are therefore well prepared for their future working conditions and demands.

Keywords: Conflict, Conflict management strategies, Senior year students, Dutch Test for Conflict Handling (DUTCH), Cooperation, Problem solving

SAŽETAK

Svrha ovoga rada je istražiti primjenu strategija upravljanja konfliktima studenata završne godine studija ekonomskoga usmjerenja. Kako bi se utvrdile preferencije studenata prema strategijama upravljanja konfliktima korišten je tzv. "Dutch Test for Conflict Handling (DUTCH)", za koji je u prethodnim istraživanjima utvrđeno da predstavlja pouzdan i valjan mjerni instrument dobrih psihometrijskih svojstava. Upitnik se sastoji od 20 stavki grupiranih u pet grupa koje se odnose na pet strategija upravljanja konfliktima: rješavanje problema, udovoljavanje, dominacija, izbjegavanje i kompromis. Osim utvrđivanja općih preferencija studenata s obzirom na strategije upravljanja konfliktima, cilj je bio ispitati postoje li statistički značajne razlike u primjeni strategija upravljanja konfliktima s obzirom na spol, studijski program i ambiciju ispitanika. Ispitano je 107 studenata Ekonomskoga fakulteta Sveučilišta u Rijeci, Hrvatska.

Rezultati su pokazali da ispitani studenti/ce najčešće primjenjuju strategije kompromisa i rješavanja problema, dok su strategiju udovoljavanja (popuštanja) koristili/e najmanje. Utvrđene su značajne razlike u izboru strategija upravljanja konfliktima s obzirom na studijski smjer. Osim toga, studentice su iskazale najveću preferenciju prema strategijama rješavanja problema i kompromisa, dok studenti, uz te strategije, jednako preferiraju i strategiju dominacije.

Ekonomski fakulteti imaju obvezu studente pripremiti za suvremene poslovne uvjete koje obilježavaju brojne promjene. Tako su fragmentaciju zamijenile integracija kapaciteta, znanja i vještina te iznimna međuovisnost koja dovodi do partnerstava i strateških saveza, odnosno raznih kratkoročnih i dugoročnih sporazuma o suradnji. Razumijevanje obrazaca ponašanja studenata ekonomije i poslovne ekonomije vrlo je važno jer će to biti budući menadžeri i vođe. S obzirom na iskazane preferencije prema načinu upravljanja konfliktima, može se zaključiti da ispitani studenti imaju ispravan pristup te su stoga dobro pripremljeni za buduće radne izazove.

Ključne riječi: Konflikti, Strategije upravljanja konfliktima, Studenti završne godine, Dutch Test for Conflict Handling (DUTCH), Suradnja, Rješavanje problema

1. Introduction

Business schools have the obligation to prepare students for modern business environment in which many concepts have been revisited and revised. Fragmentation has been replaced by integration of capabilities, capacities and resources, and increased interdependence leading to co-sourcing, partnerships, alliances and various other short and long-term cooperation agreements. Understanding behavioral patterns among individuals studying economics is very important because those students will be future managers and leaders. However, data regarding student preferences towards competitive and cooperative behavior is scarce.

Competition can be defined as "mutually exclusive goal attainment", in which one party's success implies the other party's failure (Kohn, 1986). Many markets are still highly competitive. However, the dominant feature of global economy today is *coopetition* or simultaneous competition and cooperation (Luo, 2007). It means than competition and cooperation exist at the same time between partners that are competing in one area or areas of business and cooperating in the other or others. Many companies jointly develop new products and collaborate in areas such as R&D and engineering, while competing in other areas such as input procurement or other product categories. Collaboration enables partners to share resources and risk, while achieving mutual advantages. Coopetition therefore reflects a high concern for self and a high concern for others.

Deutsch (1949) proposed a model of behavioral dichotomy consisting of two aspects: competition and cooperation. This model was later supplemented by Managerial grid designed by Blake and Mounton (1964). Managerial grid also has two dimensions: "concern for production" and "concern for people". Rahim and Bonoma (1979) renamed those two dimensions as "concern for self" and "concern for others". Both dimensions can be high and low, resulting in specific behavioral patterns used to identify possible conflict management strategies. Research examining conflict management behavior of students is scarce. This study therefore has two objectives: (1) to identify student preferences with regard to conflict management strategies, and (2) to identify if student preferences for specific conflict management strategies are dependent on their gender, study program and the degree of career ambition.

2. Conflict management strategies: theory and practice

Conflicts are unavoidable in social relations. Putnam and Poole (1987, 552) define conflicts as "the interaction of interdependent people who perceive opposition of goals, aims, and values, and who see the other party as potentially interfering with the realization of these goals". Conflict management refers to approaches that individuals take in situations that they perceive as conflicting. Combinations of two dimensions "concern for self" and "concern for others" results in five different behavioral styles or strategies: integrating, obliging, dominating, avoiding and compromising (Rahim and Bonoma, 1979).

Integrating reflects both a high concern for self and a high concern for others. Involved parties express the tendency towards cooperative behavior and proceed with the intention to reach a mutually favorable solution. Both parties tend to satisfy their own interests but also respect the interests of others. They engage in a dialogue about their preferences and priorities and are willing to make trade-offs in favor of mutually valuable goals (Carsten, 2001). This approach requires a strong commitment by all parties. That is why it is also referred to as collaboration, cooperation, negotiation or problem solving (Edwards and Walton, 2000). When compromising, parties have moderate concern for both the self and the others and are interested in reaching a mutually acceptable outcome. Compromising is suggested when the issue under dispute is complex. Parties then decide to give up some of their interests in order to avoid investing additional effort.

Avoiding is an approach in which a party shows a low concern for both the self and the others and tries to avoid or ignore the problem, and withdraw from the situation. Sometimes individuals resort to the strategy of avoiding to establish and/or maintain group cohesion. Avoiding is also associated with situations characterized by power imbalance. Avoiding can therefore result in anger and frustration. It was also found to reinforce competitive conflict (Baker *et al.*, 1988). Huang (2010) found that conflicts could not be resolved by avoiding, despite the intention of participants to maintain harmony. Dominating (forcing, contending)

reflects a high concern for self and a low concern for others. Each party promotes their own goals at the expense of the goals of others (Huang, 2010). In such a situation parties often perceive their goals as negatively related. They engage in discussions and persist with arguments that favor their position, with the goal to take control of the situation (Serrano, 2012). Lastly, yielding (obliging) reflects a low concern for self and a high concern for others. The obliging party is focused on meeting the interests of the other party or parties, while neglecting their own. Power imbalance has been found to raise the likelihood of implementing this strategy (Rahim, 1983).

Previous studies related to gender-related differences in conflict management are inconclusive. Some studies have suggested that women are more likely to pursue a cooperative approach, while others have found women to be more competitive (Rahim, 1983). Results from the academic environment are especially important in the context of this research. Gonan Božac *et al.* (2015) conducted a study at the University "Juraj Dobrila" in Pula, Croatia, and found that female employees showed a stronger inclination towards strategies of compromising and obliging compared to their male counterparts. On the other hand, women were found to be more competitive in a study on the sample of postgraduate students in the University in Malaysia, while male students predominantly implemented the strategy of avoiding (Gbadamosi *et al.*, 2014). Carsten *et al.* (2001) found no gender related differences in the sample of 78 psychology students. Considering inconsistencies in previous findings, we posit the following hypothesis:

Hypothesis 1: There are statistically significant gender-related differences in employing conflict management strategies.

Students focus on different aspects while studying economics and business administration, which is reflected in their choice of the study program. However, economics and business education is known for stimulating competitive behavior. Economic models and business trends apostrophize the importance of maximizing shareholder wealth and continuous increase of business and financial indicators. That is why we do not anticipate differences in conflict management preferences among students of economics and business administration.

Hypothesis 2: There are no statistically significant differences in choosing conflict management strategies in students of economics and business with regard to the study program.

Behavior of business students has been found to be more influenced by self-interest compared to other graduates (Brown *et al.*, 2010). The reason can be found in their life expectations that are related to career development and the desire to accumulate material wealth. Aspirations toward business success and financial abundance can be related to increased competitive behavior. That is why we anticipate differences in conflict management preferences among students of economics and business administration relative to the degree of their career ambition.

Hypothesis 3: There are statistically significant ambition-related differences in choosing conflict management strategies.

3. Methodology

3.1. Sample and procedure

We conducted our survey on the sample of final (fifth) year students (second year of the graduate study) from the Faculty of Economics, University of Rijeka, Croatia. In total, 168 full time students were enrolled in the final study year and 107 participated in our research, which indicates the response rate of 63.7%. Seniors were surveyed during the last week of their last semester, prior to working on their final thesis (January 2017). 68 respondents were female (63.55%). Most of the students were enrolled in the study program Finance and banking (29%), followed by International business (17.8%), Entrepreneurship (16.8%), Management (15.9%), Marketing (11.2%), and EU economy (9.3%).

3.2. Measures

We used the Dutch Test for Conflict Handling (DUTCH), updated and revised by Carsten *et al.* (2001). This measurement instrument was selected due to its excellent psychometric qualities. Questionnaire consists of 20 items grouped in five sections pertaining to five independent conflict management factors, as verified by Carsten *et al.* (2001): problem solving, yielding, forcing, avoiding, and compromising. Respondents were asked to rate each statement on the five-point Likert scale where one indicated "not at all" and five "absolutely yes". Scores on each of the factors could range between 5 and 20. Questions were presented in random order. The questionnaire started with a series of introductory questions examining respondents' demographic profile in terms of their gender, study program, areas in life in which they experience conflicts, and the degree of career ambition. The latter was measured on the single-item scale ranging from one to five, with five signifying the highest degree.

3.3. Analyses

In order to inspect the structure of DUTCH, factor analysis (principal component analysis, PCA) was conducted by using Varimax rotation and eigenvalue>1 extraction criteria. Hypotheses were tested by using four-way analysis of variance (ANOVA), with conflict management strategies, gender, study program, and the degree of career ambition as independent variables and DUTCH test scores as the dependent variable. Partial eta squared coefficients were calculated to determine the effect size. Post-hoc analyses were conducted by performing Tukey's HSD tests. Analyses were performed by using software packages STATISTICA 7 and IBM SPSS 21.

4. Results

The results show that family was reported by the majority of participants (68.22%) as the area in life in which they experience conflicts the most, followed by relationships with friends (57.94%), emotional relationships (53.27%), faculty (42.06%), and work (38.32%). Career ambition was high (M=4.10; SD=0.81). The great majority of respondents reported very high (34.6%) or high (44.9%) ambition, while 16.8% reported average and only 3.7% low ambition. None of the participants reported very low ambition. Because of such asymmetry, ambition was treated as a three-category variable after merging groups of low and average ambition.

Internal consistency for the five DUTCH scales was determined by calculating reliability coefficients (Cronbach's alpha). Cronbach's alpha for problem solving, yielding, forcing, avoiding, and compromising was 0.74, 0.73, 0.73, 0.58, and 0.71, respectively. Factor analysis resulted in five factors that explained 60.10 percent of total variation in the data set. The five-factor solution constitutes a good representation of the interrelations among 20 items of the DUTCH model, which is consistent with empirical results by the majority of other authors (e.g. Rahim and Magner, 1994; Carsten *et al.*, 2001), who determined that the five-

factor model has a better fit with data than other models. Means and standard deviations for each conflict management strategy with respect to gender are shown in Table I.

Students of the Faculty of Economics, University of Rijeka, Croatia								
(N=107)								
	Mean (SD)							
Strategy / Gender	Total sample	Males	Females					
Problem solving	15.32 (2.62)	14.55 (2.66)	15.78 (2.50)					
Compromising	15.30 (2.65)	14.72 (2.70)	15.64 (2.59)					
Forcing	13.83 (2.89)	14.68 (2.66)	13.33 (2.91)					
Avoiding	13.43 (2.62)	13.50 (3.04)	13.39 (2.37)					
Yielding	12.30 (2.63)	12.52 (2.56)	12.16 (2.55)					
All strategies (AVG)	14.04 (1.71)	14.00 (2.01)	14.06 (1.52)					

Table I. Descriptive statistics for conflict management strategies with respect to gender

Source: authors' calculations

After descriptive, factor and reliability analyses, we tested for the differences in employing conflict management strategies across the overall sample. ANOVA showed significant main effect of conflict management strategies (F=15.07; p<0.01; partial η^2 =0.17). Post-hoc analysis revealed that the strategies of compromising and problem solving are used significantly more often than the remaining three strategies. Furthermore, Tukey's HSD test revealed that forcing and avoiding are significantly more preferred than yielding.

We were particularly interested in the interaction between gender and conflict management strategies, as suggested by Hypothesis 1. The interaction was significant (F=3.86; p<0.05; partial η^2 =0.05). Post-hoc analysis showed that male students prefer compromising, forcing and problem solving. No significant differences between these three strategies were detected. It was found that male students employ these strategies significantly more often than yielding. Tukey's HSD test revealed a different pattern for female students: they preferred problem solving and compromising significantly more than forcing, yielding, and avoiding (descriptive statistics presented in Table 1).

Next, we tested Hypothesis 2 regarding preferences for conflict management strategies with respect to the study program of surveyed students (Table 2). Contrary to the proposed hypothesis, the interaction between study programs and conflict management strategies was significant (F=1.83; p<0.05; partial η^2 =0.11). Post-hoc analysis revealed that students of Finance use yielding significantly less than any other strategy. Students of Marketing prefer problem solving significantly more than forcing, yielding and avoiding. They also use compromising significantly more than avoiding. Students of Management significantly prefer problem solving and compromising to yielding, while students of International business significantly prefer problem solving to yielding. Students of Entrepreneurship as well as students of EU economy did not significantly prefer any conflict management strategy.

Table II. Means and standard deviations for each conflict management strategy with respect to study program

Students of the Faculty of Economics, University of Rijeka (N=107)								
	Mean (SD)							
Strategy / Study program	Finance	Marketing	Management	Entrepreneu rship	International Business	EU Economy		
Problem solving	15.45 (2.62)	16.75 (2.67)	16.53 (2.37)	13.28 (2.30)	15.42 (2.55)	14.60 (1.35)		
Compromising	15.42 (3.12)	15.75 (3.02)	16.41 (2.06)	14.06 (1.83)	14.89 (2.83)	15.50 (1.84)		
Forcing	14.13 (2.90)	12.42 (3.00)	14.71 (1.96)	14.17 (2.94)	13.21 (2.84)	13.70 (3.80)		

Avoiding	14.71 (2.73)	12.08 (1.83)	14.47 (2.35)	12.39 (2.62)	12.79 (2.10)	12.40 (2.50)
Yielding	11.71 (2.72)	12.75 (3.47)	13.41 (2.06)	11.72 (2.37)	12.21 (1.69)	12.90 (3.60)
All strategies (AVG)	14.28 (1.90)	13.95 (1.91)	15.11 (1.02)	13.11 (1.41)	13.71 (1.39)	13.82 (2.03)

Source: authors' calculations

Hypothesis 3, which suggested differences in employing conflict management strategies with respect to career ambition, was not confirmed. The interaction between ambition and conflict management strategies was not significant (F=0.78; p>0.05; partial η^2 =0.02). Other effects and interactions obtained within ANOVA were not reported because none of them was statistically significant nor relevant for hypotheses testing.

5. Discussion and conclusion

Our research revealed that the surveyed students experience conflicts in many areas of their lives, mostly in their families and with friends. The study showed that the most widely used conflict management strategies were problem solving and compromising, followed by dominating and avoiding, while yielding was used rarely. Gender-related differences as suggested by Hypothesis 1 were confirmed. Contrary to Hypothesis 2, certain differences in choosing conflict management strategies were found among different study programs: while students of Entrepreneurship and EU economy did not significantly prefer any strategy, students of Finance were found to use yielding significantly less than any other strategy. Furthermore, students of Marketing preferred problem solving to forcing, yielding and avoiding as well as compromising to avoiding. Students of International business significantly preferred problem solving to yielding. Ambition did not affect DUTCH test scores, not even through interaction with other independent variables. This finding could be explained by low variability of ambition in the sample.

University education, especially studies of economics and business, is crucial for developing future leaders. Results show that the students of the Faculty if Economics, University of Rijeka have the right attitude and are therefore adequately prepared for participating in the modern business characterized by a high level of interactions and interdependency. The results can be related to the findings by Mundate *et al.* (1994), who found that managers in Spain also exhibit inclination towards the integrative style. However, it would be interesting to follow students' progress and compare their behavioral preferences after they gain a few years of working experience with behavioral preferences would be stable over time or are in fact a product of situational contingencies, which is more likely. De Dreu *at al.* (2000) found that an incentive structure, positive mood, and instructions by constituents increase concern for others and therefore the inclination towards obliging and cooperative behavior. Considering their conflict management behavioral preferences, it seems that at this point the students are well prepared for their future working conditions and demands.

However, results indicate a relatively high degree of implementation of the strategy of compromising. In addition, male students expressed a relatively high preference for the strategy of forcing. Generally, compromising and consensus are not considered beneficial business and social behaviors because they can prevent emergence of alternative ideas and perspectives. Modern challenges demand from universities to prepare students for working conditions characterized by an increased need for cooperation and joint problem solving towards achievement of complex and often interrelated goals. Courses should therefore be designed in the way to promote variety and inclusiveness. Group discussions should be

stimulated to enable students to understand the nature and constituents of various problems, their implications for different stakeholders, and fit with other issues and situations. After thorough analysis and an exchange of ideas, students should be stimulated to produce problem-solving ideas and asses their applicability and validity in specific situations by considering both short- and long-term implications. That is especially important for the students of Entrepreneurship, who did not show great preference for the strategy of problem solving.

Data in this study were obtained by using self-report measures, which raises concerns about common-method bias or common-method variance (Podsakoff *et al.*, 2003). However, a post hoc Harman's one-factor analysis revealed that one factor accounted for only 24.71 percent of the total variance, while five-factor solution obtained with eigenvalue>1 extraction criterion accounted for 60.10 percent of the total variance. Therefore, common method variance should not be considered a concern in this study.

Although data were collected at the University of Rijeka, Croatia, transferability of results and their implications to other European countries and their business schools may not be of concern. First, the instrument has strong theoretical background and has been validated by other authors. Second, study programs of economics and business administration in academic institutions in the EU have a high degree of correlativeness and correspondence. It is therefore likely that students have developed similar preferences regarding their choice of conflict management strategies due to the similar study environment and the convergence of socio-cultural values. However, the study would benefit from replication in other countries.

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