Negotiated Capital: Conflict, its Management, and Social Capital Creation

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ESRC Seminar Series – Queen’s University, Belfast
April 18, 2013
Positioning the Presentation: Linking Conflict and Conflict Management Research

• Disconnect between research on organizational conflict management and research on conflict in organizations
• Conflict management practices are likely to influence the manner in which conflict plays out in organizations
• Limited efforts to examine the role that organizational conflict management practices play in moderating the effects of conflict at work
“Ohio Medical” Case Study: Conflict Management System Background

• A unique conflict management “experiment” in a hospital setting
• Initiated by the Federal Mediation and Conciliation Service
  – An independent U.S. agency designed to promote labor-management cooperation
• Creation of a design team with input from multiple organizational stakeholders
• Establishment of an ombuds office designed to manage and resolve conflict across the organization
Two Research Questions

• How does conflict influence perceptions of social capital in a hospital setting?

• What role do conflict management options play in influencing social capital perceptions in hospitals?
Social Capital: A Definition

• Social capital is the asset that inheres in social relations, interactions and networks (Nahapiet and Ghoshal 1998; Leana and Van Buren 1998; Coleman 1988)

• Operationalized as the degree to which individuals communicate, share information and exchange ideas (Subramaniam and Youndt 2005 Youndt and Snell 2004; Coleman 1988)
Social Capital as Negotiated Capital

- Social capital as a **jointly owned** asset (Nahapiet and Ghoshal 1998)

- Elements of cooperation **and** competition in the creation and maintenance of social capital (Adler and Kwon 2002; Leana and Van Buren 1999)
Negotiating Social Capital: A Proposed Model

Conflict
- Patient Care
- Task
- Relationship

Conflict Management
- Formal
- Informal

Social Capital
Three Types of Conflict Examined

- Relationship
- Task
- Patient Care
Negotiating Social Capital: Relationship Conflict

• Conflict over interpersonal/relational issues (Guetzkow and Gyr, 1954; Jehn 1995, 1997)

• Negatively related to individual and organizational outcomes

• Undermines the relational dimension of social capital

*Hypothesis 1: Relationship conflict is negatively related to perceptions of organizational social capital*
Negotiating Social Capital: Task Conflict

- Conflict over how to conduct the work at hand (Guetzkow and Gyr, 1954; Jehn 1995, 1997)
- Negatively related to individual level outcomes
- Has been linked to positive organizational outcomes by facilitating dialogue, discussion and creative problem solving

**Hypothesis 2:** Task conflict is positively related to perceptions of organizational social capital
Negotiating Social Capital: Patient Care Conflict

• Conflict over the procedures and resources involved in the treatment of patients

• Necessary for raising red flags and addressing treatment inadequacies

*Hypothesis 3: Patient care conflict is positively related to perceptions of organizational social capital*
Defining Conflict Management Systems

- A **number of dispute resolution options** and access points
- *Proactive* as opposed to *reactive*
- Addresses both **formal** disputes and **informal** conflicts

(Lipsky et al 2003; Constantino and Merchant 1996)
Negotiating Social Capital: The Role of Conflict Management Patterns

**Hypothesis 4:** Avoiding the use of conflict management options to resolve conflict is negatively related to perceptions of organizational social capital

**Hypothesis 5:** The use of formal and informal conflict management options is positively related to perceptions of organizational social capital
Negotiating Social Capital: The Role of a Conflict Management System

• Intended to address a broad spectrum of conflicts at their source

• Tailor resolution procedures to conflict types
Negotiating Social Capital: The Role of Conflict Management Patterns

**Hypothesis 6:** The use of informal conflict management options moderates the association between relationship conflict and social capital.

**Hypothesis 7:** The use of a formal conflict management option moderates the relationship between task and patient care conflict and social capital.
“Ohio Medical” Case Study: General Background

• 540 bed not-for-profit teaching hospital in Ohio
  – Approximately 6,000 employees (1,000 physicians and 3,400 medical professionals)
  – Two unions: ONA (800 members); USWA (900 members)
  – Ongoing process of restructuring
  – Had implemented a conflict management system
  – Among the top 100 hospitals in the US
Survey Methodology

- Survey developed inductively and based on qualitative research at “Ohio Medical”
- Focus group and pilot surveys conducted
- Survey administered using both e-mail/web based and paper surveys
- Combined sample of 3,300 employees
- 820 respondents (791 useable surveys)
- Response rate of 24%
Measures

<table>
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<tr>
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## Measures

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<td>Peer Resolution</td>
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<td>Supervisor Resolution</td>
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<tr>
<td>Formal Resolution</td>
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</table>
Measures

• Control variables
  – Education
  – Gender
  – Unit size
  – Hospital department (medical, surgical etc.)
  – Professional occupation
  – Union status
  – Marital status
Key Sample Characteristics

- **Gender** - 82% female and 16.5% male
- **Education** - 25% high school and some college; 32% associate or BA; 17% MA, Ph.D. or MD
- **Occupation** - 29% nursing; 25% non-medical; 17% technical skilled; 20% management/administration; 6% therapists
- **Employment status** - 78% full-time and 19% temporary or on-call
- **Union status** - 46% “non-bargaining”; 20% union members; 20% management
- **Unit size** - Average unit size of respondents, 40 employees
Regression Analysis Predicting Social Capital: Direct Effects

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<th>.247</th>
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RSQUARE = .359
F STATISTIC = 14.397****

Standardized coefficients shown; * p< .1  ** p< .05  *** p< .01  
SCC  FRT
Regression Analysis Predicting Social Capital: Interactions

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<td>TASK CONFLICT X SUPERVISOR DR</td>
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**RSQUARE**                                           | .432                     |

**F STATISTIC**                                       | 13.556***                |
The Moderating Effect of Supervisor Conflict Resolution: Relationship Conflict

![Graph showing the moderating effect of supervisor conflict resolution on social capital. The graph illustrates the relationship between low and high relationship conflict and low and high supervisor resolution, with social capital as the dependent variable. The blue line represents low relationship conflict, and the red line represents high relationship conflict. The graph shows that social capital increases as supervisor resolution increases, regardless of the level of relationship conflict.](image-url)
The Moderating Effect of Supervisor Conflict Resolution: Task Conflict

![Graph showing the relationship between supervisor conflict resolution and social capital.](image)
The Moderating Effect of Formal Resolution: Patient Care Conflict
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<tr>
<th>H</th>
<th>PREDICTION</th>
<th>RESULTS</th>
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<td>4</td>
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Conclusions

• Conflict influences perceptions of social capital

• Not all conflict types matter in the same way (*patient care* as an example)

• Avoiding conflict has real costs in terms of social capital currency
Conclusions

• Conflict resolution options also influence perceptions of social capital
  – *Social capital as negotiated capital*

• Conflict management options moderate the relationship between conflict and social capital
  – *The central role of informal options*