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The strategic diagnosis as an introduction to managing organizational conflict: A case study of Algeria Telecom, Laghouat: USING (PLS–SEM)

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Abstract--The aim of this research is to explore the relationship between Strategic Diagnosis and Conflict Management of the Public Algeria Telecom. Survey data was collected from 48 respondent and analysed using structural equation modelling using PLS methodology. The result of the study after the statistical analysis using the programme (Smart PLS 3.0) revealed that there is a strong impact of Strategic Diagnosis and Conflict Management.

Keywords--Organizational Conflict, Managing Organizational Conflict, Strategic Diagnosis, Algeria Telecom-Laghouat, Structural equations Modeling (PLS - SEM).

Introduction

Conflict is one of the natural elements of organizational life. Conflicts in organizations and the management of these conflicts have a direct impact on the performance and efficiency of organizations. The effective performance of organizations depends on the optimal level of conflict or effective management of conflict. It can be said that well-managed and directed conflicts are beneficial for organizations. In this context, it is important to know the strategies that employees and supervisors adopt when dealing with conflicts. The strategic diagnosis is the most important phase in the strategic operation. If the external and internal diagnosis were performed on correct bases, that would lead to successful strategic choices in the positive management of organizational conflicts in the institution.

There is no organization without conflict situations. Due to people's individual characteristics, as well as structure of the organization, conditioned by the culture established in the organization. The correct analysis and diagnosis of organizational management to the causes of conflicts can reflect in the organization. Incompatible behaviours and conflict might be counterproductive and give rise to inefficiency, ineffectiveness or dysfunctional consequences in the achievement of goals and objectives.

Research problematic:

In light of the presented introduction, the main question for this article is: To what extent does Strategic diagnosis impact managing organizational conflict on Algeria Telecom - Laghouat?

Research hypothesis:

H1: There is a statistically significant effect of strategic diagnosis on managing of organizational conflict.

H2: There is a statistically significant effect of strategic diagnosis on interpersonal conflict .

H3: There is a statistically significant effect of strategic diagnosis on intrapersonal conflict .

H4: There is a statistically significant effect of strategic diagnosis on inter-group conflict

1. Managing Organizational Conflict

1.1 Definition of Conflict:

The issue of organizational conflict occupies a large area in literature and continues to grow due to the intense interest of researchers. March and Simon (1958) consider conflict as a breakdown in the standard mechanisms of decision making, so that an individual or group experiences difficulty in selecting an alternative. Pondy (1967) has argued that organizational conflict can best be understood as "a dynamic process underlying organizational behaviour."

The struggle takes place for different reasons and in various forms. It can be "a struggle over values and claims to scarce status, power and resources in which the aims of the opponents are to neutralize, injure or eliminate their rivals" (Himes, 2008, p. 13). The incompatible situation has been illustrated and elaborated by Tedeschi and colleagues as they described conflict as a difference in behaviours or objectives of individuals which might lead to incompatibility in performance. (Tedeschi et al., 2011).

According to Deutch, conflict is inevitable means that people are working against each other, in such a manner that what one wants is incompatible with that which another wants. It could bring about competition in the pursuit of goals (1973). What the competitor gets comes at the expense of others, the job or program. It is therefore, counter-productive, disruptive, and unnatural and produces a deviation from the free flow of events (Bruno, 2019). On the other hand, we find Gardiner and Simmons (1992) who portrayed and defined conflict

as “any divergence of interests, objectives or priorities between individual, groups, or organizations or nonconformity to requirements of a task; activity or process”. (Okotoni, 2003)

Similarly, Miller and King (2005), sees it as basically a disagreement between two or more people or groups over compatible goals. Conflict, therefore, is a process of compatible behaviours. It involves the interference or disruption by one person or group of persons, or in some way which makes another. (Bruno, 2019) In the light of the previous definitions, we infer the following characteristics of organisational conflict:

1. Conflict includes opposing interests between individuals or groups;
2. Such opposed interests must be recognized for conflict to exist;
3. Conflict is a process; it develops out of existing relationships between individuals or groups and reflects their past interactions and the contexts in which these took place; and actions by one or both sides do, in fact, produce thwarting of others' goals.

1.2 Sources of Organizational conflict

Organizational conflict appears in a variety of forms and has varying causes. These can generally be separated into several categories. In 1964 Katz identifies three sources of conflict. These are:

- (1) Structural conflict: is caused when the structural design affect employees manage and coordinate tasks.
- (2) Role conflict: is caused due to a certain behaviour related to the role and job given to an employee.
- (3) Conflict for resources: occurs when tasks and resources given for the accomplishment of those tasks are not matched. The classification of conflict is often made on the basis of the antecedent conditions that lead to conflict (Bercovitch, 1983)

Conflict may originate from a number of sources, such as tasks, values, goals, and so on. It has been found appropriate to classify conflict on the basis of these sources for proper understanding of its nature and implications (Rahim, 2001).

1.3 Types of Organizational Conflict:

Conflict is classified into the following four types:

- **Interpersonal conflict** refers to a conflict between two individuals. This occurs typically due to how people are different from one another.
- **Intrapersonal conflict** occurs within an individual. The experience takes place in the person's mind. Hence, it is a type of conflict that is psychological involving the individual's thoughts, values, principles and emotions.
- **Intra-group conflict** is a type of conflict that happens among individuals within a team. The incompatibilities and misunderstandings among these individuals lead to an intra-group conflict
- **Inter-group conflict** takes place when a misunderstanding arises among different teams within an organization. In addition, competition also contributes to the rise of intergroup conflict. (Oachesu, 2015)

1.4 Different Approaches in Organizational Conflict

Conflict management styles can then have an all-encompassing effect on work life in organizations, by impacting the degree to which an employee experiences ongoing conflict. Therefore, a number of scholars have developed typologies of conflict management styles. Five different approaches to organizational conflict management are as follows:

- 1- **Dominance**- it occurs when the cooperation is extremely low, and the persistence in satisfying of personal interests high. By this strategy conflict is resolved in a way to satisfy the needs of one party damaging the other party involved in the conflict.
- 2- **Integration**- cooperation is high, as well as the persistence in satisfying of one's own needs, so there is to be sought for the appropriate solution for all parties involved in the conflict.
- 3- **Compromise**- there is an equal wish for medium level of cooperation and persistence in satisfying of one's personal needs, so the conflict is resolved so that each party involved in conflict gives up the part of the value.
- 4- **Avoiding**- when the cooperation as well as persistence in satisfying of one's personal needs is very low. In that case the conflict resolution will be solved by withdrawal or repression of conflict.
- 5- **Cooperativeness** – the readiness for cooperation is extremely high, and the conflict is resolved by putting the other party's interests before its own. (Davor.2008).

2. Strategic Diagnosis:

2.1 Defining Strategic Diagnosis:

Strategic diagnosis is an important process, carrying out a strategic diagnosis using a SWOT analysis will help the enterprise to discover its set of strengths, weaknesses, opportunities and the threats that may face in the external environment. It is one of the main stages of the Conflict management.

The word diagnosis comes from the Greek word *diagnosis*, which means knowledge and realisation of something. This term has been widely used in medicine as a way to identify the disease starting from the symptoms to the prescription. It later evolved to be used in economics since 1970 with the beginning of the international economic crisis, where institutions suffered a lot from damages because of competition. As a result, they needed a diagnosis to determine their status and describe the best procedures.

Robinson and Pearce defined strategic diagnosis as a system analysis of internal factors of strength and weakness; as well as the external opportunities and threats; and to the strategy which represents the best concurrence between them. Johnson and Scholes saw it as a set of tools used by the administration to determine the extent of change in the external environment and to identify the competitive characteristic or the unique competence of the institution on controlling the organizational environment. This contributes in increasing the ability of high administration to set their goals and draw their strategic center. (Al-Ghalbi, 2007).

Davies viewed strategic diagnosis as a planning tool to success in dealing with changing environment; it is also an assessment that examines its internal and external conditions, whether they were appropriate or inappropriate. This takes place through strengths and weaknesses, opportunities, and future external threats (Al-Zoghbi, 2005)

2.2 Diagnosing Conflict

Conflict is part and parcel of our daily life, that's why to be able to diagnose it is an "art." People assume that we understand why conflicts happen and therefore its resolution. However, many conflicts may not be understandable and therefore are not resolvable. The aim of every conflict resolution practice is to first diagnose the cause then resolve it. Conflict theories guide to the diagnosis, which informs us of solutions and remedies. However, theories alone are inadequate for an effective diagnosis (Schellenberg, James, 1996). Theories alone are but a framework, but the application of those theories requires specific knowledge, experience associated with that knowledge, and tools that match solving specific problems. Problems can be fixed with one theory. This misconception arises from the fact that everyone has a limited point of view. In a sense, everyone is correct, truthful, and honest in his or her point of view yet, everyone is equally incomplete and limited in their ability to understand. As a general rule, most conflict is the result of the system, depersonalizing conflict is hard work, but it is the starting point for a conflict to be effectively managed. (Oachesu, 2015)

Three distinct criteria define the role of an administrator in an organization: planning, resource allocation and conflict management. There is no doubt that managing conflict permeates every aspect of the administrative role. Awareness of the various forms of conflict management that can be employed at different stages of the development of a conflict is vital, if administrators are to organize efforts towards influencing the conflict situation, the parties' attitudes or their behaviour. In addition to that effective conflict management requires recognition of the sources that generate a conflict. (Bercovitch, 1983)

2.3. Strategic Diagnosis as a Mechanism to Manage Organizational Conflict

Identification or diagnosis of the problems of conflict in an organization must precede any intervention designed to manage the conflict. Several writers specifically suggested the need for the diagnosis of conflict through some formal and informal approaches (Brown, 1979; DuBrin, 1972). Proper diagnosis of the causes and effects of different types of conflict in an organization is important because its underlying causes and effects may not be what they appear on the surface. We also need to know:

- (1) whether an organization has too little, moderate, or too much affective and substantive conflicts and
- (2) whether the organizational members are appropriately selecting and using the five styles of handling conflict to deal with different situations .

If an intervention is made without a proper diagnosis of conflict, then there is the probability that a change agent may try to solve a wrong problem. This may lead to Type III error (Mitroff, 1998; Mitroff & Featheringham, 1974). The management

of organizational conflict involves a systematic diagnosis of the problems in order to minimize the Type III error.

The preceding discussion is consistent with the literature of organization development, which indicates that organizational diagnosis is essential for an effective change program (see French & Bell, 1999; Burke, 1994). The diagnostic aspect of conflict management has been particularly neglected by management researchers and practitioners. A comprehensive diagnosis involves the measurement of conflict, its sources, and effectiveness and analysis of relations among them. (Rahim, 2001)

3. Methodology:

3.1. Research Model:

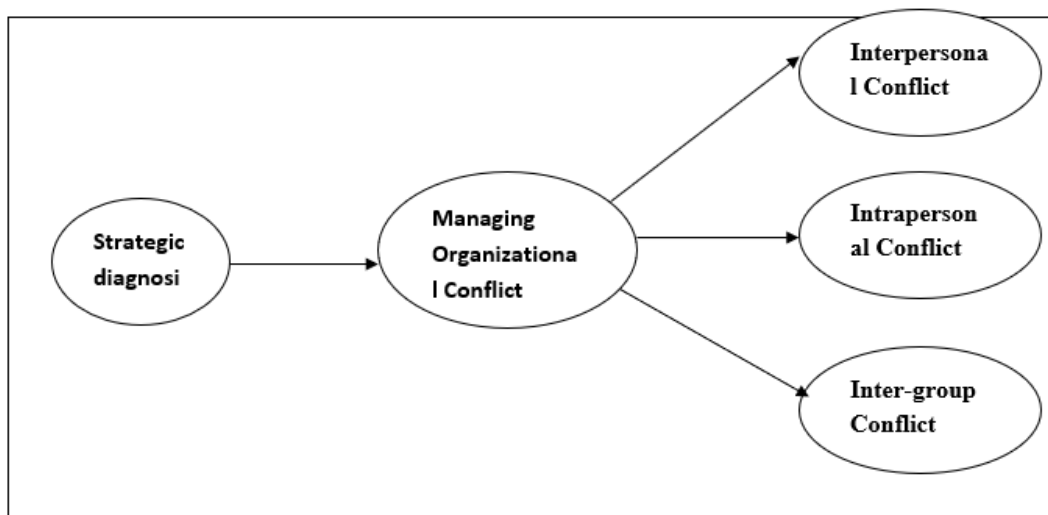


Fig. 1: Research Model Design
Source: By Authors

3.2. Research Steps:

We have used a questionnaire as a primary tool to collect data related to our research. 60 questionnaires were distributed to the employees of "Algeria Telecom Laghouat", 48 of which were fit for analysis. The survey was launched on June 4th, 2024.

The questionnaire was divided into two sections: the first section reveals personal information of the respondent (gender, age, scientific qualification, and work experience); the second section contains items that define the indicators of our research variables. A five scale Likert was adopted to measure respondents' answers. The table below illustrates the number of questionnaire item used on each variable.

Table 1: Number of questionnaire items

Variables	Dimensions	Number of items	Items definition
strategic diagnosis	strategic diagnosis	09	SD 1 to SD 9
Managing organizational conflict	intrapersonal conflict	05	Intra-PC 1 to Intra-PC 5
	interpersonal conflict	06	Inter-PC 1 to Inter-PC 6
	Inter-group conflict	04	Inter-GC 1 to Inter-GC 4

Source: By Authors

3.3 Statistical tools used:

In order to reach the set objectives for this study, we have applied in t his research two programmes to analyse collected data: SPSS version 26; and Partial Least Square “PLS” methodology using Smart PLS 3.0 (student version) to analyse the relation between variables and test the research hypotheses. The reliability and validity of the scale were tested by Cronbach’s Alpha, Average Variance Extracted (Pvc) and Composite Reliability (Pc).

4. Results and discussion:

4.1. Assessment of the measurement model:

a. Model at first: Structural Equation Modelling (SEM) outcomes in the first illustrated that the model is compatible with data research. The dimensions of managing organizational conflict (intrapersonal conflict, interpersonal conflict, inter-group conflict) are affected by strategic diagnosis.

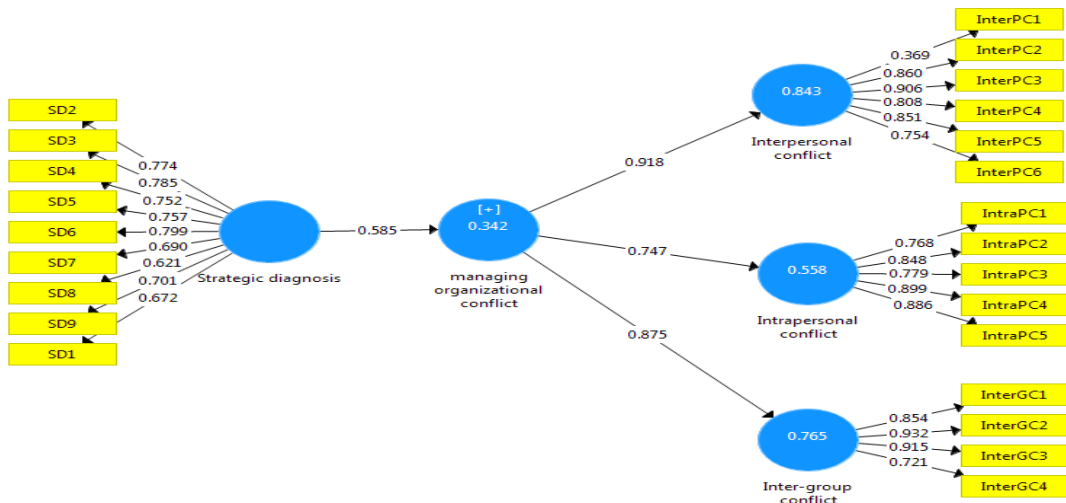


Fig. 2: first result of our research SEM model
Source: By Authors based on Smart PLS 3 output

b. Model at last: After the first calculation of our research model, we have deleted all items that indicated Individual Item Reliability less than 0.7. The 04 deleted items are as follow: InterPC1, ICP 5, SD1, SD7, SD8, SD9.

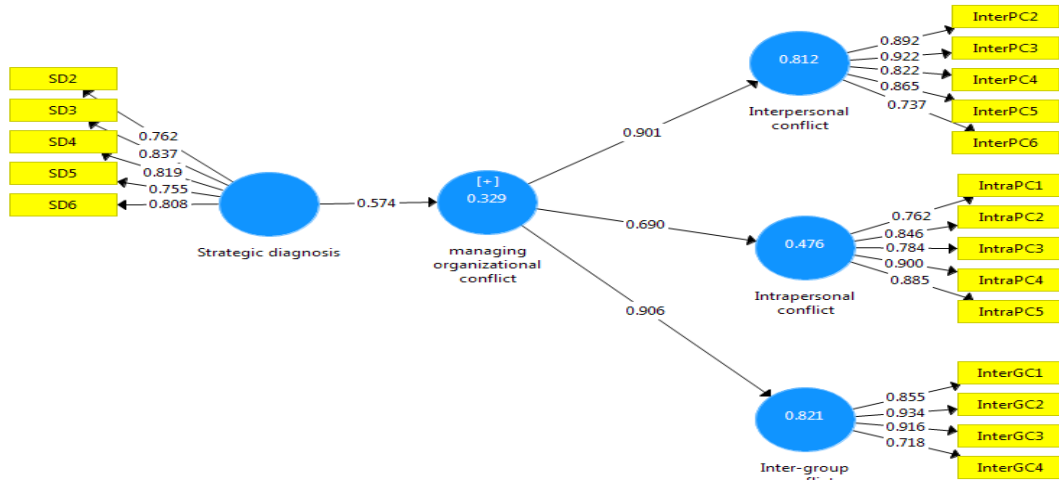


Fig. 3: Result of our research SEM model at last
 Source: By Authors based on Smart PLS 3 output

c. Consistency and Reliability:

The previous figure shows all items factor loading scoring more than 0.7. Our model is tested through composite reliability or Cronbach’s Alpha. Composite reliability is the measure of reliability is statistically accepted. The next table (Table 02) demonstrates the composite reliability differ from 0.897 to 0.928 which is above the recommended value of 0.7. AVE results are between 0.635 and 0.739 which is more than 0.5. This proves that our model is internally consistent.

Table 2: Research model’s Cronbach’s alpha, Composite Reliability (CR), and Average Variance Extracted (AVE)

	Cronbach’s Alpha	Composite Reliability	Average Variance Extracted AVE
Strategic diagnosis	0.857	0.897	0.635
Intra personal conflict	0.894	0.921	0.701
Inter personal conflict	0.902	0.928	0.722
Inter group conflict	0.878	0.918	0.739

Source: By Authors based on Smart PLS 3 output

d. Discriminant validity:

Fornell-Larcker criterion indicates that the latent variable should explain better the variance of its own indicators than the variance of other latent variables by showing the highest score, just as Table 3 demonstrates.

Table 3: Model's Fornell-Larcker criterion

	Inter group conflict	Inter personal conflict	Intra personal conflict	Strategic diagnosis
Inter group conflict	0.860			
Inter personal conflict	0.854	0.850		
Intra personal conflict	0.403	0.365	0.837	
Strategic diagnosis	0.347	0.313	0.800	0.797

4.2. Assessment of the structural model:

a. R and R Square value:

Chin and Marcoulides (1998) suggested that when the value of R Square is more than 0.67, it is considered high. Thus the independent variable "Strategic diagnosis" is explained by 81.2, and 82.1 percent by dependant variables, "inter personal conflict" and "inter group conflict" respectively.

R Square is between 0.033 and 0.67, it is considered medium. Thus the independent variable "Strategic diagnosis" is explained by 47.6 percent by dependant variables, "intra personal conflict".

Table 4: Model's R Square value

	R Square	R Square Adjusted	Result
Intra personal conflict	0.476	0.465	Medium
Inter personal conflict	0.812	0.809	High
Inter group conflict	0.821	0.818	High

Source: By Authors based on Smart PLS 3 output.

b. f Square value:

Furthermore, the effect size f square, which indicates the relative effect of a particular dependent latent variable on independent latent variable, is considered high when it is above 0.35 (Cohen, 1988).

Table 5: Model's f Square value

	Individual work performance	Result
Strategic diagnosis	0.491	Large effect size

Source: By Authors based on Smart PLS 3 output.

c. Latent variables correlations:

This test presents the degree of correlation between the study's variables. The result below shows a strong positive correlation between the research variables.

Table 6: Latent variables correlations

	Inter group conflict	Inter personal conflict	Intra personal conflict	Strategic diagnosis	managing organizational conflict
Inter group conflict	1.000				
Inter personal conflict	0.854	1.000			
Intra personal conflict	0.403	0.365	1.000		
Strategic diagnosis	0.347	0.313	0.800	1.000	
managing organizational conflict	0.906	0.901	0.690	0.574	1.000

Source: By Authors based on Smart PLS 3 output.

d. Q Square value:

Q Square value demonstrates the ability of the model's dependant variables to forecast and predict the model's independent variable. Q Square is acceptable when it is positive, above the value 0.

Table 7: Model's Q Square:

	$Q^2 = (1 - SSE/SSO)$	Result
managing organizational conflict	0.134	Acceptable
Intra personal conflict	0.298	Acceptable
Inter personal conflict	0.540	Acceptable
Inter group conflict	0.566	Acceptable

Source: By Authors based on Smart PLS 3 output.

e. Goodness of Fit of the model:

The measurement of Goodness of Fit (GoF) illustrates the global fit of the research model, the purpose of GoF is to account on the study model. Fit of models is considered high when GoF is higher than 0.36 (Wetzels & Odekerken, 2009).

Table 8: Model's GoF value

GoF
0.711

f. Path coefficient of the research hypotheses:

Table 9: Path coefficient and hypotheses test:

Hypo	Relationship	Std. Beta	Std. Error	T – value	P – value	Decision
H1	Strategic diagnosis → managing organizational conflict	0.574	0.107	5.384	0.000	Supported*
H2	Strategic diagnosis → interpersonal conflict.	0.517	0.092	5.620	0.000	Supported*
H3	Strategic diagnosis → intrapersonal conflict.	0.396	0.112	3.529	0.000	Supported*
H4	Strategic diagnosis → inter-group conflict.	0.520	0.091	5.721	0.000	Supported*

Significant at P* = < 0.001

Source: By Authors based on Smart PLS 3 output.

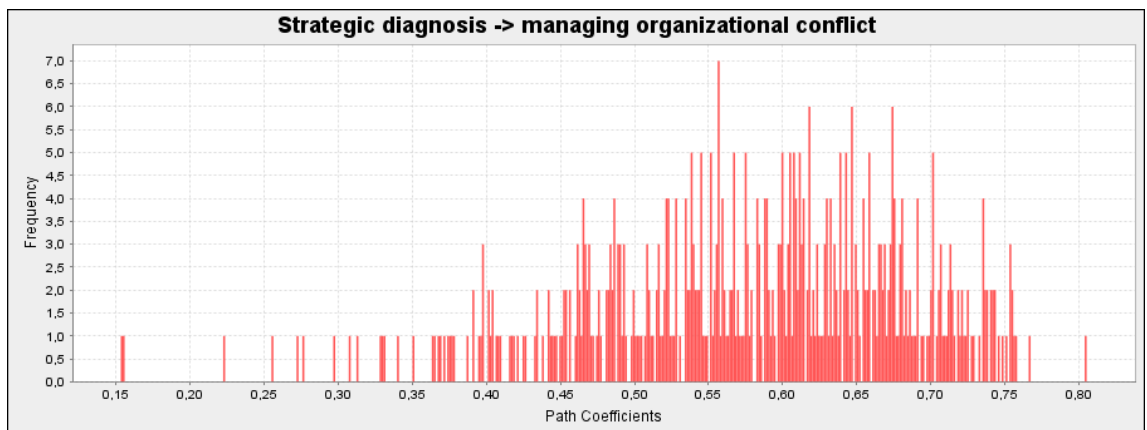


Fig. 4: Total effect histogram: strategic diagnosis on managing organizational conflict

Source: By Authors based on Smart PLS 3 output

From the Table 9 and the figure.4 above, according to **P-value (0.000)** there is a strong significant relationship between strategic diagnosis and managing organizational conflict. We note that the impact of strategic diagnosis on managing organizational conflict has reached **57.4 percent**.

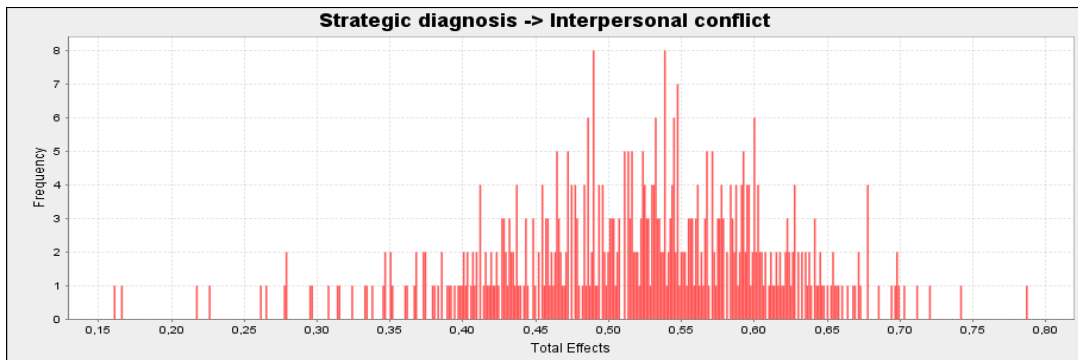


Fig. 5: Total effect histogram: strategic diagnosis on interpersonal conflict
Source: By Authors based on Smart PLS 3 output

From the Table. 9 and the figure.5 above, according to **P-value (0.000)** there is a strong significant relationship between strategic diagnosis and interpersonal conflict. We note that the impact of Strategic diagnosis on interpersonal conflict has reached **51.7 percent**.

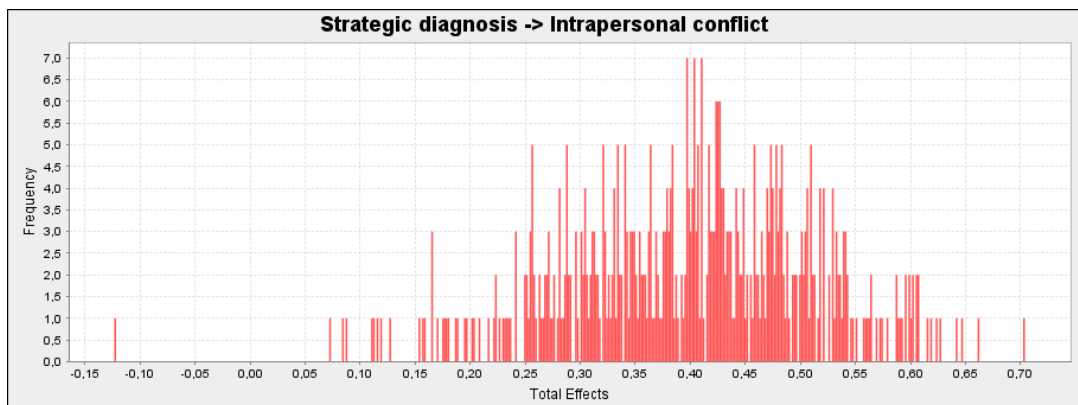


Fig. 6: Total effect histogram: strategic diagnosis on intrapersonal conflict
Source: By Authors based on Smart PLS 3 output

From the table.9 and the figure.6 above, according to **P-value (0.000)** there is a strong significant relationship between strategic diagnosis and intrapersonal conflict. We note that the impact of Strategic diagnosis on intrapersonal conflict has reached **39.6 percent**.

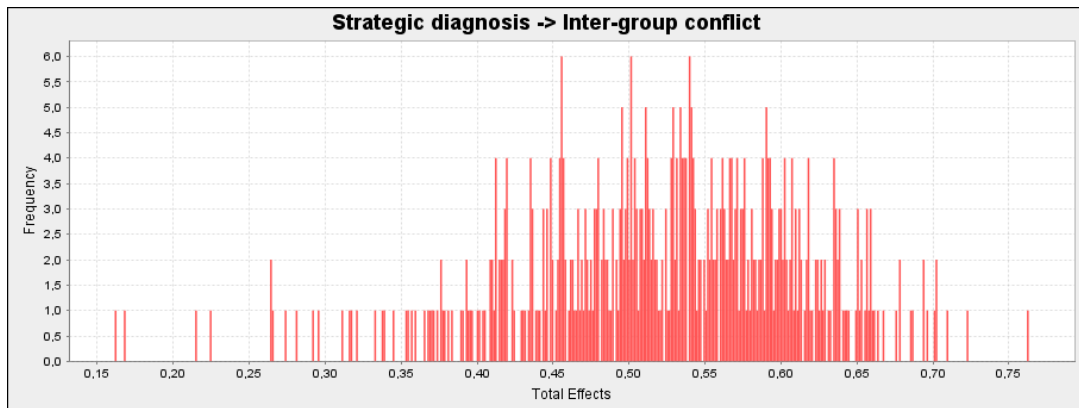


Fig. 7: Total effect histogram: strategic diagnosis on inter-group conflict
Source: By Authors based on Smart PLS 3 output

From the table.9 and the figure.7 above, according to **P-value (0.000)** there is a strong significant relationship between strategic diagnosis and inter-group conflict. We note that the impact of Strategic diagnosis on inter-group conflict has reached **52 percent**.

Conclusion

After we have demonstrated most relevant results of our questionnaire using structural equation modelling methodology, specifically partial least square, we have concluded that: There is a impact of strategic diagnosis on managing organizational conflict.

In other words, the strategic diagnosis process has a strong and positive impact on organizational conflict management, that is, whenever there is a strategic diagnosis based on correct and comprehensive foundations and tools, the organizational conflict management has been successful and constructive so that managers define the degree and type of conflict management intervention. Therefore, organizational conflict management in the organization requires taking an organized, thorough and accurate diagnosis.

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