The Moderating Role of Affective Interpersonal Conflict on Managerial Decision-making and Organizational Performance in Private Sector Organizations: A Study of Ghana

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ABSTRACT

The issue of interpersonal conflict has been a thorny issue in high-power distant environments due to disagreement and divergence of superior and subordinate views resulting from managerial decision-making. This work looks at the moderating role of affective interpersonal conflict on managerial decision-making and organizational performance. A quantitative methodology was used to sample 197 managers from 10 private sector organizations in Ghana. By means of structural equation modeling and hierarchical regression, findings showed that there is a significant positive relationship between managerial decision-making and how organizations perform. Findings also showed that there is a negative relationship between affective interpersonal conflict and organizational performance. Our major finding revealed that affective interpersonal conflict moderates the relationship between managerial decision-making and organizational performance. The article recommends prudence in decision-making by managers in the sub-Saharan African business environment. Prudent decision-making by managers is akin to ethical decision-making, which resides in moral and theological philosophies that are fundamentally in the realm of management and business and are also concerned with explaining and predicting employees’ actual behaviors.

KEYWORDS

Managerial decision-making; affective interpersonal conflict; organizational performance; sub-Saharan Africa; Ghana

Introduction

The focal point of this article is to explore the role of affective interpersonal conflict on managerial decision-making in work organizations and how it contributes to organizational performance or otherwise. As managers are key players in the decision-making process in organizations, we explore some managerial decision-making variables that can enhance organizational performance in the private sector. To effectively do so, we examine the moderating role/effect of affective interpersonal conflict between managers and suggest that the presence of affective interpersonal conflict between managers and, between managers and...
their subordinates, decreases organizational performance. The article argues that failure of managerial decisions or directions in many work organizations are mostly due to management’s inability to solve interpersonal conflict, or the seeming confrontations of individuals to commit to strategic decisions by agreeing to the expected behaviors that can effectively accomplish the organization’s strategic objective (Gagnon, Jansen, & Judd, 2008) to perform. Thus, the lack of limited engagement and interactions in work organizations can seriously hamper the strategic decision-making of managers. This perspective of interpersonal differences in managerial decision-making and its effect on organizational performance is an area where there is still deficiency of studies, despite the importance that managers are largely responsible for strategic decision-making in organizations (Elbanna, 2006; Quick & Nelson, 2009).

According to Quick and Nelson (2009), the success of any organization depends on the managers’ abilities to make effective decisions. Decision-making is defined as the process by which a course of action is selected as the solution to a specific problem (Stoner, Yetton, Craig, & Johnston, 1994). Thus, decision-making is the most engaged activity of managers in all types of organizations and at all levels of management (Harrison, 1996), making it one of the most important management activities (Drucker, 2010; Mintzberg, 2008). Moreover, decision-making has become more important than ever now because the contemporary business environment is characterized by intense rivalry and competition, swift technological advancement, and globalization, which impose much pressure on managers to make effective decisions that would help the organization to survive and attain competitive advantage (Daft & Lane, 2007). Similarly, Moss and Kinnear (2007) affirm that today’s business environment has become increasingly turbulent, requiring managers to take responsibility for making good decisions in order to ensure the organization’s survival. Managers are mainly responsible for strategic decision-making in organizations (Elbanna, 2006; Quick & Nelson, 2009). Consequently, much is expected of managers, because it is the decisions they make that carry the organization to success or failure. As a result, managers usually identify organizational problems and attempt to resolve them in order to increase organizational performance (Bartol, Martin, Tein, & Matthews, 1998). Similarly, Tatum, Eberlin, Kottraba, and Bradberry (2003) argue that every decision by management of a business influences the overall business performance. Therefore, organizational performance is normally linked to factors such as profitability, improved service delivery, customer satisfaction, market share growth, and improved productivity and sales (Richard, Devinney, Yip, & Johnson, 2009). For this reason, if organizations want to increase performance and ensure sustainability, they must depend hugely on effective managerial decision-making (Lunenburg, 2011; Quick & Nelson, 2009).

Nonetheless, as social systems, organizations are made up of individual employees who have different behaviors, interests, ambitions and conducts that may cause conflicts among managers in the decision-making process. Conflict is described as part of organizational life and may occur between managers, between individuals and the group, and between groups (Weirich, 1992). Hence, Townsend (2007) indicates that although interpersonal conflict is inevitable in a human workplace, the existence of interpersonal conflict among managers has a possible inverse effect on effective decision-making (Hartnett, 2011). Therefore, interpersonal conflict plays a preponderant role in managerial decision-making and subsequently affects organizational performance. However, the concept of interpersonal conflict has not
been extensively investigated in the managerial and work-related literature, in spite of the indications that interpersonal conflict is one of the most important stressors (Keenan & Newton, 1985) in managerial work. More importantly, using affective interpersonal conflict as a moderating variable that may influence managerial decision-making and the overall performance of the organization has scarcely been examined in the African context. Thus, drawing from the viewpoints of managerial psychology, we seek to understand whether affective interpersonal conflict impacts on managerial decision-making and organizational performance.

Consequently, the present study has three main objectives: (1) to develop a better understanding of the relationship between managerial decision-making and organizational performance through the theoretical lens of managers in private organizations in Ghana; (2) to determine the moderated role of affective interpersonal conflict on managerial decision-making and organizational performance in private organizations; (3) to investigate the impact of affective interpersonal conflict on managerial decision-making and organizational performance in private organizations. By these objectives, this work contributes to the theory and practice of the underlying mechanism of interpersonal conflict on management decision-making and organizational performance. These contributions would undoubtedly help managers appreciate the significance of managerial decision-making that leverages institutional performance. Additionally, it would develop the administrative skills that will help management in developing countries understand how best to deal with interpersonal conflict in order to maximize organizational performance. The reason is that, as organizations are micro-cosms of national behaviors, the findings of this work can be generalized to most private organizations within sub-Saharan Africa (SSA), since most SSA countries lie within the same cultural and social systems (Abugre, 2016; Hofstede, 1983).

**Conceptual background and motivation for the study**

The sub-Saharan African business landscape and political system have been in the twilight of world economy for a long time. In spite of the abundance of natural resources, including the availability of strong human capital, the sub-continent is still reeling from problems of performance and productivity of its public sector (Abugre, 2014). This condition of non-performance has mostly been attributed to poor policies which emanate from bad management decisions (Morriset, 2000). In fact, according to World Bank (2010), Nearly 80% of the world’s Heavily Indebted Poor Countries are to be found on the African continent, yet Africa’s savannahs and river basins host the planet’s largest expanses of underutilized land and water (Brautigam, 2015). The decision to make use of these resources to alleviate poverty is not harnessed in spite of the fact that everything we do, consciously or unconsciously, is the outcome of some decision-making. Similarly, the lack of effective decision-making policies has presented Africa as a glaring paradox. The continent has received over $1 trillion of aid in the last half-century, equivalent to $5,000 for every African living today if distributed per head in current rates. Nevertheless, it is the only region in which the proportion of poor inhabitants has increased over the past 30 years, and is expected to increase by one-hundred-fold in the near future (The Commission for Africa Report, 2005). These shortfalls emanate from leadership or managerial decision-making as to where to allocate resource for the benefit of organizational good (Elbanna, 2017).
reason is that the process of selecting among alternative choices and implementing a
decision on the choices available for a good outcome (Lawson and Shen (1998) is what is
needed by managers. Additionally, strategic decisions are shaped within contexts that
incorporate some characteristics like urgency, ambiguity, time, and composition of the
management decision-making team (Clark & Maggitti, 2012; Haider & Mariotti, 2016).
Thus, managers gather resources to help us understand occurrences in order to develop
good judgements to make decisions about these occurrences (Saaty, 2008).

Building on the recent calls to examine both positive and negative aspects of
decision-making in organizations (Elbanna, 2017; Eldor, 2017), this study focuses on
the impact of managerial decision-making on organizational performance in a sub-
Saharan Africa context. Specifically, it investigates the role of affective interpersonal
conflict in influencing managerial decision-making and organizational performance in
private sector organizations in Ghana as a microcosm of the SSA socioeconomic
environment.

Theory and hypotheses

Managerial decision-making

Management decision-making can be defined as the process by which a course of action
is selected as the solution to a specific management problem in organizations (Stoner et
al., 1994). Managers carry out many activities in their daily work, but decision-making
is crucial (Locke & Schweiger, 1997). The reason is that today’s work environment has
become increasingly unstable, and therefore managers must take responsibility for
making good decisions in order to ensure the firm’s stability and survival. Harrison
(1996) asserts that decision-making is the most significant activity engaged in by
managers in all types of organizations and at any level. According to Huber (1980),
there is a distinction between decision-making between “choice-making” and “problem-
solving.” He argues that choice-making refers to the narrow set of activities involved in
choosing one option from a set of alternatives. Problem-solving, on the other hand,
refers to the broad set of activities involved in finding and implementing a course of
action to correct an unsatisfactory situation. However, decision-making incorporates
both components of choice making and problem solving (Huber, 1980).

Similarly, Lawson and Shen (1998) state that decision-making is the process of
choosing among alternatives, implementing a decision, and using the subsequent out-
come data to shape any further decisions associated with the earlier one. The process of
choosing among alternatives mostly involves some combination of evaluation of data
on the alternatives, one’s values or preference about what is important, one’s expecta-
tions or predictions about what is likely to happen at some future time, and some
emotional signals about the alternatives. Considering the above definitions, the manage-
rial role is extremely critical in all decision-making in organizations. Komakech (2009)
claims that decision-making is an integral part of modern management. For this reason,
the decision-making process is a continuous and indispensable component of managing
any organization or business activity. However, in decision-making, there is the like-
lihood of disagreement of thought which may introduce conflict among participants, as
conflict is unavoidable and inherent in all organizations (Brockman, 2014). But in the
conflict literature, two dimensions of conflict, cognitive and affective, have come into focus. Cognitive conflict occurs when group members discuss their various opinions about organizational tasks. This kind of discussion stimulate positive and healthy decision making by compelling group members to accommodate the multiple viewpoints of colleagues (Schweiger, Sandberg, & Rechner, 1989). On the other hand, affective conflict ensues when group members differ in organizational issues based on their personal and emotional standpoints. This kind of conflict can hurt management decision-making by generating individual bitterness and group disturbances in work (Jehn, 1995).

In this study, we examine whether affective interpersonal conflict impacts on managerial decision-making in private firms. Additionally, we examine whether affective interpersonal conflict serves as a moderator between managerial decision-making and organizational performance of private firms in Ghana. To the best of our knowledge, we are unaware of any studies that have examined the potential for moderation of interpersonal conflict in managerial decision-making. Besides, given our belief that affective interpersonal conflict is destructive, we examine whether this effect can trigger organizational performance of private firms in Ghana. Thus, it is appropriate that we examine the moderating role of affective interpersonal conflict on managerial decision-making and organizational performance.

**The concept of conflict**

Conflict can be considered as a struggle or a contest between people with opposing needs, ideas, values, or goals (Algert & Watson, 2002). Similarly, conflict can create both negative and positive emotions by an individual depending on the attributional or cognitive level of the person. Hence, results of most research indicate that managers have rated several negative effects significantly higher than any positive effects of conflict (Baron, 1991). Accordingly, DuBrin (2002) assert that there are two types of conflict which can either be cognitive (task) or affective (emotional). The cognitive, also known as C-type conflict, focuses on substantive, issue-related differences. The C stands for cognitive, indicating that the conflict relates to tangible, concrete issues that can be dealt with more intellectually than emotionally. The affective or A-type conflict focuses on personalized, individually oriented issues. The A stands for affective, indicating that the conflict relates to subjective issues that are dealt with more emotionally than intellectually. Whatever the case, these two categories of conflict often occur together and exert a disruptive influence on management in many situations (Baron, 1991).

This suggests that a conflict is the friction felt when two or more people or groups disagree about something. Accordingly, Lam, Chin, and Pun (2007) describe conflict as the disagreements among the working parties about the tasks being performed, including differences in viewpoint, ideas, and opinions. It exists whenever one party perceives that its interests are being opposed or negatively affected by another. For Robbins and Judge (2009), conflict is a process that begins where one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about. This is a disagreement between persons, and thus carries the weight of interpersonal conflict which can negatively affect organizational output. In this article, we focus on affective interpersonal conflict, which emphasizes subjective and
individually oriented issues between workers, and provide empirical evidence that interpersonal conflict can contribute to emotional and destructive effect on managerial decision-making in organizations.

**Interpersonal conflict**

The concept of interpersonal conflict has been a challenging managerial task and occurs between two or more individuals who work together in groups or teams (Beheshtifar & Zare, 2013). The concept can be regarded as a dispute that occurs when interests, goals, or values of different individuals or groups are incompatible with each other (Henry, 2009). According to Wood et al. (2003), interpersonal conflict is a conflict that occurs between two or more individuals who work together in groups or teams. This results in a situation whereby the parties frustrate each other in an attempt to achieve their objectives. Conflict arises in groups because of the scarcity of freedom, position, and resources. People who value independence tend to resist the need for interdependence and, to some extent, conformity within a group. Similarly, people who seek power may struggle with others for position or status within the group. Conflict is a part of organizational life and may occur between individuals, between the individual and the group, and between groups (Weihrich, 1992). When there is a disagreement between people or a group within the organization, researchers generally view this as an interpersonal conflict. This type of conflict has a dynamic process that occurs between employees who are in a mutually dependent and interactive relationship but have diverse beliefs and values (Barki & Hartwick, 2004). Hence, interpersonal conflict can be said to consist of three important elements: some form of interaction between employees; interdependence among them; and an incompatibility based on their perception or values. Workplace interpersonal conflict may range from minor disagreements between co-workers to physical assaults on others. The interpersonal conflict in this case may be overt (e.g. being rude to a workmate or colleague) or may be covert (e.g. spreading rumors about a workmate or colleague). Whether interpersonal conflict is covert or overt, it has the tendency to destroy co-worker relations, since employees involved in interpersonal conflict become cynical to each other and toward work (Abugre, 2017). Additionally, interpersonal conflict is linked to both physical and psychological anxieties such as frustration and dejection (Spector & Jex, 1998). Therefore, workplace interpersonal conflict may be reflected as a broad range of interpersonal mistreatment behaviors, such as rude behavior and yelling at each other.

Many individual differences lead to interpersonal conflict, including personalities, culture, attitudes, values, perceptions, and other differences (Elsayed-Elkhouly, 1996). A personality conflict refers to very strong differences in motives, values, or styles in dealing with people that are not resolvable. For example, if both parties in a relationship have a high need for power and both want to be dominant in the relationship, there is no way for both to be satisfied; thus, a power struggle ensues, resulting in interpersonal conflict. Interpersonal conflict may include rude behavior but, unlike workplace incivility, interpersonal conflict would also include instances of respectful yet contentious disagreement. Interpersonal conflict has long been considered a stressful job demand and therefore positively influences job strain (Keenan & Newton, 1985). In the demands–control model, work load demands, conflicts, or other stressors place the individual in a motivated or energized state of stress. Unless the individual can somehow take action to cope with the stressor, the unreleased
energy induced by job stressors will manifest itself internally, producing distress and strain (Ilies, Johnson, Judge, & Keeney, 2011), which subsequently can impact negatively on organizational performance. This is because, if conflict is not well managed, it could escalate and result in undesirable outcomes related to time delays, cost overruns, and quality defects in the performance of the organization (Leung, Liu, & Ng, 2005).

Organizational performance

Organizational performance is the primary goal of every manager or leader in an organization. Thus, organizational performance becomes a very important responsibility of managers where the decisions they make largely impact on the success or failure of the organization (Komakech, 2009; Thomas & Kilmann, 2008). Organizational performance is the transformation of inputs into outputs for achieving certain outcomes (Chen, Tsui, & Farh, 2002). It is the organization’s ability to attain its goals by using resources in an efficient and effective manner (Daft, 2000). Similarly, Ricardo and Wade (2001) define organizational performance as the ability of the organization to achieve its goals and objectives. It is based upon measures that reflect the performance of a work unit, business unit and/or firm as exclusive unit (Delery & Shaw, 2001). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs. According to Richard et al. (2009) organizational performance should be related to factors such as profitability, improved service delivery, customer satisfaction, market share growth, and improved productivity and sales. Organizational performance is therefore affected by a multiplicity of individuals, groups, tasks, technology, structures, and managerial and environmental factors (Behn, 2003; Boxall & Purcell, 2011).

The link between managerial decision-making and organizational performance

Some studies have been conducted on the relationship between decision-making and organizational performance. For instance, Andersen (2004) found that decentralized decision structure and (strategic) planning activities are associated with higher organizational performance in dynamic environments. Likewise, distributed decision authority, managerial decision-making and strategic planning processes are all positively correlated with economic performance (Andersen, 2004). Also, Scott-Ladd and Marshall (2004) argue that managerial decision-making has great influence on the direction of the organization in all spheres, and if not well taken can be costly to the firm. Empirically, their study revealed that managerial decision-making impact positively on the performance of organizations.

Similarly, Ojokuku and Sajuyigb (2014) emphasize the significance of managerial decision on organizational performance and, propose that increasing employee participation in decision-making will impact positively on their growth and potential for survival. This suggests that there is a positive relationship between decision-making and organizational performance. That is to say, good decision-making in organizations will result in increased performance and vice versa. Moreover, Khattak, Igbal, and Bashir (2012) investigated employee involvement and participation at work and found that the decisions of top management have significant impact on employees’ job satisfaction,
which in turn leads to improved organizational performance. This assertion suggests that there is a link between managerial decision-making and organizational performance. As a result, we hypothesize that:

Hypothesis 1: Managerial decision-making is positively related to organizational performance of private firms.

The moderating effect of affective interpersonal conflict

Evidence suggests that there is a relationship between decision-making and organizational performance (Ducharme & Martin, 2000). Also, extant literature has established that interpersonal conflict is pervasive in every organizational setting (Brockman, 2014; Leung et al., 2005). It lingers around the corridors of every organization so far as there is always the struggle to assume authority and power in organizations (Behfar, Mannix, Peterson, & Trochim, 2008). For example, Brockman (2014) has emphasized that interpersonal conflict is arguably one of the most influential factors for organizational success. This is followed by Hahn (2000), who pointed out that the frequency of interpersonal conflict at work occurs between 25 to 50% of an employee’s daily work. This suggests that interpersonal conflict is something that is bound to occur among individual workers. Accordingly, managers spend 30–42% of their productive time dealing with conflict between employees (Bobinski, 2006). The time spent by managers dealing with interpersonal conflict can really be a bother and a nuisance to administrative work. Thus, Brockman (2014) indicates that unresolved interpersonal conflict on the jobsite can be detrimental to organizational work.

Therefore, as individuals make decisions in organizations, the presence of conflict among such individuals can somewhat impact on the decision-making (Tjosvold, 2008). In addition, Thomas, Bliese, and Jex (2005) found that interpersonal conflict negatively intensifies the relationship between decision-making and organizational commitment. However, closer personal relationships among managers would be good for effective decision-making. Passos and Caetano (2005) argue that conflict has significant relationship with employee performance and job satisfaction. Considering the inevitable characteristic and the injurious effect of interpersonal conflict on management and organizational outcomes, this work explores the underlying mechanism of affective interpersonal conflict on organizational performance. Additionally, the work examines whether affective interpersonal conflict will moderate the relationship between managerial decision-making and organizational performance. Thus, we hypothesize that:

Hypothesis 2: The presence of affective interpersonal conflict between management and or employees will negatively affect organizational performance of private firms.

Hypothesis 3: Affective interpersonal conflict will moderate the relationship between managers’ decision-making and organizational performance.

Research design and sample

A descriptive cross-sectional research survey was used as the research design in this study. In this study, our population comprised of managers of 10 private companies
which are part of the Ghana Club 100 list of 2014. The Ghana Club 100 comprises of the best performing 100 companies annually in Ghana. Organizations or companies making it into the GC 100 are to serve as role models for the private sector and provide a forum for corporate Ghana to interact with the government at a high level. These organizations are usually considered as high-performing enterprises in the country. In this case, we sampled 200 managers from 10 service companies of the 2014 list of the Ghana Club 100. We sampled 20 managers comprising lower-level, middle-, and upper-level managers from each company to arrive at out sample size of 200. However, 197 useable questionnaires were returned for analysis, representing 98.8% of the sample, which is excellent. A comprehensive information on the demographic characteristics of the respondents for the study is provided in Table 1 below.

**Instrumentation and measures**

A structured questionnaire was used as the survey instrument to gather data from respondents. The measures were adapted from previous research, as well as specifically developed and tailored for managerial decision-making and organizational performance-management research in transitional economies. The instrument comprised of four parts. Part A contained the demography of respondents, such as age, marital status, and gender. Part B contained questions on managerial decision-making, such as “My manager’s mood goes up and down as a result of what happens at work” and “My manager feels at home in situations where he/she is under pressure to make quick decisions.” This was adopted from the London Business School decision-making style research (2004). Part C contained questions on affective interpersonal conflict, such as “My manager is often seen in arguments with colleagues and subordinates” and “The extent of control my manager has over the quality of his/her relationship with others at work is low.” This was adapted and modified from Eatough (2010). Part D contained

**Table 1** Demographic Profile of Research Respondents.

<table>
<thead>
<tr>
<th>Detail</th>
<th>Frequency</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
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<tr>
<td>Male</td>
<td>95</td>
<td>48.20</td>
</tr>
<tr>
<td>Female</td>
<td>102</td>
<td>51.80</td>
</tr>
<tr>
<td><strong>Age</strong></td>
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</tr>
<tr>
<td>18–27 yrs</td>
<td>82</td>
<td>41.60</td>
</tr>
<tr>
<td>28–37 yrs</td>
<td>85</td>
<td>43.10</td>
</tr>
<tr>
<td>38–47 yrs</td>
<td>23</td>
<td>11.70</td>
</tr>
<tr>
<td>48–57 yrs</td>
<td>5</td>
<td>02.50</td>
</tr>
<tr>
<td>58+</td>
<td>2</td>
<td>01.00</td>
</tr>
<tr>
<td><strong>Educational level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WASSCE</td>
<td>10</td>
<td>05.10</td>
</tr>
<tr>
<td>Diploma</td>
<td>13</td>
<td>06.60</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>133</td>
<td>67.50</td>
</tr>
<tr>
<td>Master’s degree</td>
<td>37</td>
<td>18.80</td>
</tr>
<tr>
<td>PhD</td>
<td>4</td>
<td>02.00</td>
</tr>
<tr>
<td><strong>Length of service</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 yr</td>
<td>45</td>
<td>22.80</td>
</tr>
<tr>
<td>1–5 yrs</td>
<td>89</td>
<td>45.20</td>
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<tr>
<td>6–10 yrs</td>
<td>49</td>
<td>24.90</td>
</tr>
<tr>
<td>11–15 yrs</td>
<td>11</td>
<td>05.60</td>
</tr>
<tr>
<td>16 yrs and above</td>
<td>3</td>
<td>01.50</td>
</tr>
</tbody>
</table>
questions on organizational performance. It is generally accepted that no single measure of performance may fully account for all aspects of organizational performance. Consequently, most researchers employ several measures of performance (Denison & Mishra, 1995). Thus, as a perceptual study, we gathered the data on perceptual indicators of organizational performance. For that matter, respondents were asked to provide their perceptions on a five-point Likert-type scale of organizational performance which we adapted and modified from (Yilmaz, Alpkan, & Ergun, 2005). Some of the questions were: “My organization makes employees and shareholders happy by providing satisfactory pay and dividend respectively” and “The objectives set for the organization are often met at the end of the year.” All sections of the instrument were measured with a five-point Likert scale, with 1 = strongly disagree to 5 = strongly agree. See Table 2 for a confirmation of the variables used for the study.

Control variables

In this study, four control variables (gender, age, tenure, and education) were included in the analyses in an attempt to cater for alternative explanations for significant relationships. All four control variables were measured in nominal terms: gender (coded 0 = female, 1 = male); education (coded 1 to 5); age (coded 1 to 5); length of service (coded 1 to 5) and educational level (coded 1 to 5).

Data analytical approach

We used three different multivariate approaches to analyze the data. First, we employed structural equation modeling (SEM) to test the hypothesized relationships. Before testing the hypothesized model, we used factor analysis and confirmatory factor analysis to determine the validity and reliability of the study measures. SEM is a powerful collection of multivariate analysis techniques which specifies the relationships between variables through the use of two main sets of equations: measurement equations and structural equations (Bryne, 2010). Second, we used multiple regression to test the relationship between variables (i.e. managerial decision-making and organizational performance, and affective interpersonal conflict and organizational performance). Third, a hierarchical moderated regression analysis was also employed to test the moderating effect of affective interpersonal conflict on the relationship between managerial decision-making and organizational performance.

Measurement fit, validity and reliability analyses

To establish the reliability of the survey instrument, exploratory factor analysis and then confirmatory factor analysis were both employed for the study. In the exploratory factor analysis, the KMO indicator and Bartlett’s test of sphericity presented the following estimates: management decision-making (MDM) (KMO = 0.774, Bartlett test = 0.000; CVE = 55.953); affective interpersonal conflict (AIC) (KMO = 0.845, Bartlett test = 0.000; CVE = 69.021), and organizational performance (OP) (KMO = 0.783, Bartlett test = 0.000; CVE = 47.113). Based on the above figures, the data were considered to be adequate and more appropriate to run a confirmatory factor analysis, as the KMO values were more than 0.6 and close to 1; and the significant values of Bartlett’s test
were less than 0.05. Thus, we further validated the measurement constructs by performing confirmatory factory analysis (CFA). (See Table 2 for the summary of individual factors and their measures.) The goodness-of-fit indices for the measurement model (CFA) are also shown in Table 3. From the results, the ($\chi^2$/df) for the model is well within the threshold of 3; the GFI value also exceeds 0.90, and the CFI value is also great (Hu & Bentler, 1999).

The validity and reliability of the measurement constructs or scale are assessed using various measures. The discriminant validity is assessed using average variance extracted (AVE). Discriminant validity “differentiates between one construct and another in the same mode” (Ghadi, Alwi, Bakar, & Talib, 2012, p. 140). An AVE value of more than 0.7 is considered very good, whereas the level of 0.5 and above is acceptable (Hair, Black, Balin, & Anderson, 2010). The AVE values as shown in Table 2 range from 0.524 to 0.544, indicating that the measurement instrument has demonstrated good discriminant validity. There is also discriminant validity when the square root of AVE is greater than the squared construct correlations (Fornell & Larcker, 1981). Thus, all the squared correlations were below their squared root of AVE values, which implies that the scale showed a good discriminant validity. In addition, the standardized factor loading (SFL) ranges from 0.535 to 0.867, which are all above the recommended threshold of 0.50 (Table 2). The coefficient estimates for each of the measurement items were also significant at 0.001 level of significance. The results therefore show that the scale, too, has a good convergent validity. The reliability of the scale is assessed using Cronbach’s alpha and composite reliability (CR) (see Table 2). Both the Cronbach’s alpha and CR values all demonstrate significant results which are all above the generally accepted threshold of 0.50 and are within 0.701 and 0.844 respectfully.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Loading</th>
<th>T- value</th>
</tr>
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<tbody>
<tr>
<td>Managerial decision-making ($\alpha = 0.585$, CR = 0.844, AVE = 0.524)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MD3: My manager’s mood swings as a result of what happens at work.</td>
<td>0.650</td>
<td></td>
</tr>
<tr>
<td>MD4: My manager makes decisions without input from employees.</td>
<td>0.753***</td>
<td>5.383</td>
</tr>
<tr>
<td>MD5: When problems arise at the workplace my manager takes a longer time to get over them.</td>
<td>0.739***</td>
<td>5.678</td>
</tr>
<tr>
<td>MD6: The only thing that matters to my manager is achieving his personal goals.</td>
<td>0.867***</td>
<td>5.630</td>
</tr>
<tr>
<td>MD8: My manager is much less concerned with the organization’s achievement than with his/her personal fulfillment.</td>
<td>0.579***</td>
<td>4.292</td>
</tr>
<tr>
<td>Affective interpersonal conflict ($\alpha = 0.849$, CR = 0.847, AVE = 0.528)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IC2: My manager often yells at others at work.</td>
<td>0.647***</td>
<td>5.684</td>
</tr>
<tr>
<td>IC4: My manager hardly calms his/her temper down when others make mistakes at work.</td>
<td>0.819***</td>
<td>6.782</td>
</tr>
<tr>
<td>IC5: The extent of control my manager has over the quality of his/her relationship with others at work is low.</td>
<td>0.752***</td>
<td>7.039</td>
</tr>
<tr>
<td>IC6: My manager fails to exhibit concern and regard for others on the job.</td>
<td>0.755***</td>
<td>6.843</td>
</tr>
<tr>
<td>IC7: My manager engages in limited interactions with others at work.</td>
<td>0.645</td>
<td></td>
</tr>
<tr>
<td>Organizational performance ($\alpha = 0.795$, CR = 0.701, AVE = 0.544)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OP5: My organization attracts positive attention in what it is engaged in because of its operational effectiveness.</td>
<td>0.759***</td>
<td>3.939</td>
</tr>
<tr>
<td>OP6: The customer base of my organization has risen remarkably over the years.</td>
<td>0.535***</td>
<td>3.603</td>
</tr>
<tr>
<td>OP7: My organization has improved its technological capacity over the years.</td>
<td>0.684</td>
<td></td>
</tr>
</tbody>
</table>

Note: $\alpha = \text{alpha}$; CR = composite reliability; AVE = average variance extracted.
Correlation analysis was performed to establish preliminary relationship between the dependent variable, moderator and the independent variable, a pre-condition recommended by Baron and Kenny (1986) for moderation analysis. Additionally, the correlation results are used to determine potential existence of multicollinearity between the independent variables. The results are shown in Table A2, and indicated significant correlation between the main variables, thereby satisfying the condition for a moderation analysis.

Test of hypotheses
Hypothesis 1 states that there is a positive relationship between managerial decision-making and organizational performance. From Table 2, the results show that there is a significant and positive relationship between managerial decision-making and organizational performance ($\beta = 0.153, p < 0.05$). This suggests that there will be an increase in organizational performance if managerial decision-making is high or increased. Thus, increased managerial decisions have a great potential to influence the performance of employees in the organization.

Hypothesis 2 states that there is a negative relationship between affective interpersonal conflict and organizational performance. From Table 5, the results indicate that...
there is a negative relationship between affective interpersonal conflict and organizational performance ($\beta = -0.184$, $p < 0.05$). This means the presence of affective interpersonal conflict in work organizations will lead to a decrease in employees’ organizational performance. The $F$ value is 4.695 ($p < 0.05$), which signifies that the model is fit for the study.

Hypothesis 3 states that affective interpersonal conflict will moderate the relationship between managers’ decision-making and organizational performance. Table 3 shows that a three-step levels of moderated hierarchical regression is used. In step 1, it is found that there is a significant relationship between managerial decision and organizational performance ($\beta = 0.153$, $p < 0.05$). However, when affective interpersonal conflict was introduced into the equation, it is realized that the relationship between managerial decision and organizational performance is not significant ($\beta = 0.090$, $p > 0.05$). Neither is the relationship between affective interpersonal conflict and organizational performance significant in step 2 ($\beta = -0.144$, $p > 0.05$). In step 3, when the interaction term was introduced into the equation, it was found that the interaction term explained approximately 89% of the variance in organizational performance ($\Delta R^2 = 0.887$). Also, it is clear in Table 3 that the interaction term has significant positive relationship with organizational performance. This simply explains that, in work organizations, managerial decisions will be greatly influenced by organizational performance where there is affective interpersonal conflict. Research indicates that conflict among individuals can seriously impact managerial decision-making to their performance (Passos & Caetano, 2005; Tjosvold, 2008). Hence, our findings confirm hypothesis 3. Additionally, an interaction plot is used to present the moderated relationship in Figure 1. The plot is fully crossed, which suggests that when there is high interpersonal conflict, managerial decision-making is low with lower organizational performance. However, when interpersonal conflict is low, there is higher managerial decision-making with high organizational performance. Therefore, the interaction plot further supports our hypothesis 3.

![Interaction Effect of Affective Conflict and Managerial Decision-Making](image_url)
The primary objective of this study is to establish the relationship between managerial decision-making, affective interpersonal conflict, and organizational performance. More importantly, the study tried to establish the moderating role of affective interpersonal conflict in the relationship between managerial decision-making and organizational performance. In this regard, three hypotheses were gleaned from our theory as instruments to test our findings. Consequently, all three hypotheses of the study are accepted and supported statistically as follows:

First, the findings of the study revealed that there is a significant positive relationship between managerial decision-making and organizational performance. Second, our study findings showed that there is a significant negative relationship between affective interpersonal conflict and organizational performance. Third and finally, our study found that affective interpersonal conflict moderates the relationship between managerial decision-making and organizational performance.

Following our study findings, we learn three major lessons that are very useful for management in organizations. First, managerial decision-making is considerably important to the performance of organizations. Therefore, managers must be very prudent and act with the best of their discretion when taking decisions on organizational matters. This is particularly important for businesses in sub-Saharan Africa, as they face critical managerial and structural problems in today’s competitive environment. Decision-making is one of the important and routine activities in all businesses, and since the performance of an organization depends on the decisions managers make, the success of any business or the organization would depend on the managers’ abilities to make critical decisions. Hence, our finding validates Moss and Kinnear’s (2007) work that managers must take responsibility for making good decisions in order to ensure the organization’s survival. Second, we learn from this work that the presence of affective interpersonal conflict in management would thwart the positive performance of organizations, since affective interpersonal conflict is negatively related to organizational performance. The implication of this finding is that irrespective of the knowledge and good decisions a manager makes for his/her business or the organization, affective interpersonal conflict amongst individuals or team members would work against all

### Table 6 Hierarchical Moderated Multiple Regression Analysis.

<table>
<thead>
<tr>
<th>Variable</th>
<th>β</th>
<th>R²</th>
<th>Δ R²</th>
<th>FΔ</th>
<th>F²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1 Managerial decision</td>
<td>0.15*</td>
<td>0.024</td>
<td>0.024</td>
<td>4.695</td>
<td>0.031</td>
</tr>
<tr>
<td>Step 2 Managerial decision</td>
<td>0.090</td>
<td>0.04</td>
<td>0.071</td>
<td>3.409</td>
<td>0.066</td>
</tr>
<tr>
<td>(A) Affective interper. conflict</td>
<td>-0.144</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3 Managerial decision</td>
<td>0.09**</td>
<td>0.887</td>
<td>1.847</td>
<td>1447.806</td>
<td>0.000</td>
</tr>
<tr>
<td>(A) Affective interper. conflict</td>
<td>-0.144**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction (A) × (B)</td>
<td>0.92**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * p < 0.05, ** p < 0.01

Discussion

The primary objective of this study is to establish the relationship between managerial decision-making, affective interpersonal conflict, and organizational performance. More importantly, the study tried to establish the moderating role of affective interpersonal conflict in the relationship between managerial decision-making and organizational performance. In this regard, three hypotheses were gleaned from our theory as instruments to test our findings. Consequently, all three hypotheses of the study are accepted and supported statistically as follows:

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Following our study findings, we learn three major lessons that are very useful for management in organizations. First, managerial decision-making is considerably important to the performance of organizations. Therefore, managers must be very prudent and act with the best of their discretion when taking decisions on organizational matters. This is particularly important for businesses in sub-Saharan Africa, as they face critical managerial and structural problems in today’s competitive environment. Decision-making is one of the important and routine activities in all businesses, and since the performance of an organization depends on the decisions managers make, the success of any business or the organization would depend on the managers’ abilities to make critical decisions. Hence, our finding validates Moss and Kinnear’s (2007) work that managers must take responsibility for making good decisions in order to ensure the organization’s survival. Second, we learn from this work that the presence of affective interpersonal conflict in management would thwart the positive performance of organizations, since affective interpersonal conflict is negatively related to organizational performance. The implication of this finding is that irrespective of the knowledge and good decisions a manager makes for his/her business or the organization, affective interpersonal conflict amongst individuals or team members would work against all
efforts made leading to none performance and willingness of these individuals who harbor disagreement and divergent views of management. Third, we learn from this study that affective interpersonal conflict has a major influence on managerial decision-making and organizational performance. The study findings show that the presence of high affective interpersonal conflict decreases organizational performance, irrespective of the magnitude of managerial decision made in the organization. On the other hand, the lower or reduced incidence of affective interpersonal conflict in organizations, the better or higher the performance of organizations.

Therefore the significance of this study to management and organizations in the sub-Saharan African business environment is great. Particularly, the sub-region’s environment is characterized by high power distance, family-oriented and high fear of decision-making (Hofstede, 1983), which are prone to interpersonal conflict in organizations. The negative impact of affective interpersonal conflict on management decision-making and organizations performance must therefore be a worrying factor for policy-makers in this region to note seriously.

**Theoretical and practical contribution**

There are a number of contributions emanating from the findings of this work. Theoretically, a significant lesson derived from this empirical work is the significant effect of interpersonal conflict on management decision-making and organizational performance in developing countries, particularly in sub-Saharan Africa. Our results provide an interesting awareness of the significance of management’s quality of relationship with co-workers and subordinates, and how this impacts on management decision-making and the overall effectiveness of the organization. Hence, this research builds on prior studies on the negative effects of interpersonal conflict on organizational performance (Thomas et al., 2005; Tjosvold, 2008), but goes further to explore the unique influence of affective interpersonal conflict on the decisions made by management and how the former can hinder the overall productivity of the organization.

A second theoretical contribution of this work is the link between managerial decision-making and organizational performance. Our findings show that decisions made by management can impact positively on the performance of organizations. These findings validate prior research work on decision-making and organizational performance (Andersen, 2004; Ojokuku & Sajuyigb, 2014). This work, however, advances the importance of the factors that determine the extent of management decision-making with regard to employee desired inputs, which could lead to organizational performance. These are management decisions with inputs from employees, the mood of managers during decision-making, and decision oriented toward personal goals or organizational goals. Thus, managers can stimulate employees’ commitment and performance with the adoption of strategic decision-making.

A third theoretical implication is the impact of affective interpersonal conflict on organizational performance. The results demonstrate that affective interpersonal conflict in organizations can be detrimental to performance and organizational outcomes. Interpersonal conflict is a disagreement between individuals, and this disagreement has serious consequences on communication and interaction of employees on their work. Lack of effective interaction or communication between co-workers and/or between supervisors
and subordinates results in negative organizational outcomes (Abugre, 2012). The impact of this is consequential to the growth of organizations in developing countries.

Practically, this study brings to bear some important managerial relevance to management and stakeholders. First, indigenous organizations, including small-scale businesses, family-oriented businesses, and public sector organizations, take for granted the implications of interpersonal conflict between managers and subordinates, and between employees based on differences in sect, ethnicity, and political party relations. These differences in most cases result in interpersonal conflict and do have negative impact on the organizations. Managers should therefore take note of the insights from this investigation if they want their businesses to grow.

Second, our findings provide support for managerial decision-making and organizational performance. This presupposes the need for robust decision-making strategies, which may include involving all levels of employees for the sake of high work performance systems in sub-Saharan Africa economies. Our findings also suggest that managers should embrace the positive outcomes of decision-making, e.g. increase creativity and potentiality of employees, and eschew negative outcomes of decision-making, like unequal demands in resources and conflict that could result in dissatisfaction and dejection of some workers. The latter is what nurtures affective interpersonal conflict which can be detrimental to the implementation of positive decision-making in organizations. Third, the process of choosing among alternatives mostly involves the evaluation of information on the alternatives. Managers and leaders of businesses should pay attention to one’s values or preferences about what is important, one’s expectations or predictions about what is likely to happen at some future time, and some emotional signals about the alternatives before settling on a decision. In view of the above explanations, the managerial role is extremely critical in all decision-making in organizations.

**Conclusion and recommendations**

Based on the findings and discussion of this study, it is recommended that managers pay utmost attention to the decisions they make, because if such decisions are convincing, employees will embrace these decisions which positively influence their organizational performance, leading to the overall performance of macro-states. Managers can best do this by taking into consideration the ideas, opinions, and views of employees before making any major decision related to them. This would promote a community of learning that actively encourages the growth of diverse and conflicting views of employees. Decision-making has had serious consequences on the sub-region, in particular spanning from small and family businesses to public sector organizations and then the political governance of states. Until now, the region is still reeling from these negative consequences resulting from managerial and administrative decision-making interlaced with high interpersonal conflict which often characterizes the continent as backward and retrogressive. These descriptions of the continent gave Tony Blair – the former British prime minister – the impetus to say “Africa is a scar on the conscience of the world.” (Blair, 2001)

What sub-Saharan Africa needs now is strategic managerial decision-making linked to value-based judgment devoid of idiosyncratic ideas to erase her scar in the
Conscience of the world; values and preferences that would lift the continent from the current situation of despair; value-based decisions that can turn around the continent with her abundant resources; value-based decisions that are strategic to our context and convey hope to workers and the youth.

Therefore, managers should help to reduce the degree of conflicts among employees, as it tends to decrease employees’ organizational performance. This can be done through employee socialization, involvement, and participation in management activities. Occasionally organizing get-togethers and fun fairs for employees to make amends with colleague workers and to know each other better should be encouraged. An effective managerial interaction with co-workers and subordinates would reduce interpersonal conflict and enhance productivity (Abugre, 2012).

**Limitations and direction for future research**

This study is limited in both conceptual and methodological limitations, despite its overwhelming significance to management and theory. Our first limitation is the sample size and the use of cross-sectional survey. Inasmuch as the current sample size may be adequate for a single quantitative study, we advise future research to use an alternative method to collect data for the study, or even increase the size of the study sample, as it might be too simplistic to generalize the findings to other organizations or nation states in the SSA environment. Additionally, contextual control may limit the generalization of the study. The differences between public sector management and private sector management in SSA mostly revolves around the corporate culture and value systems. Given that our study objectives deal with affective interpersonal conflict and managerial decision-making, it is possible that the variations in public and private sectors management systems may limit our findings. Thus, we propose a future research in a comparative study of the two sectors.

Third, we focused only on one attribute or dimension of interpersonal conflict as our moderating variable – affective conflict. However, interpersonal conflict is a multidimensional construct constituting both affective and cognitive conflicts. We invite future researchers to also examine cognitive conflict or both dimensions (affective and cognitive conflicts) for a comprehensive view of interpersonal conflict. Our fourth potential limitation is the measurement of organizational performance variables. Measuring performance has always been problematic to researchers – as Denison and Mishra (1995, p. 205) note, investigation of firm performance requires that it be defined by a complex set of stakeholders, who may hold differing, incompatible, and changing criteria. This study used performance variables that relate to the internal organizational processes and external organizational outcomes using subjective managerial perceptions. The reason for using such a subjective scale is that organizations are reluctant to disclose exact performance records or indices, and managers are less willing to share objective performance information. Therefore, future studies may explore specific organizational and associated performance components in more detail.

Nevertheless, since there is hardly a process of research without errors, we believe that the managerial and theoretical contributions of this work bring a unique insight to African business and management literature – especially as most SSA countries and
businesses bear similar characteristics due to their interconnected cultural and social systems (Abugre, 2016).

**Disclosure statement**

No potential conflict of interest was reported by the author.

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Appendix

Figure A1 Interaction Effect of Affective Conflict and Managerial Decision-making.

Note: MD indicates managerial decision; IC denotes Affective interpersonal conflict
Measurement Model Assessment of SEM (Appendix material only)

Note: MDM = managerial decision making, ICM = interpersonal conflict management, OPM = organizational performance measurement