

THE RELATIONS BETWEEN CONFLICT RESOLUTION STYLES AND ENTREPRENEURIAL PROPENSITY. EDUCATIONAL MANAGEMENT CHALLENGES.

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Abstract

Entrepreneurship is the goal-oriented process of achieving desired results while assuming some portion of the risk. The ability to resolve conflicts productively should be one of the basic characteristics of the entrepreneur. For the above reasons, the study aims to examine the relationship between the used conflict resolution styles (CMSs) and entrepreneurial propensity (EP).

The research design following the purpose of the study utilised a quantitative design. The data were collected using self-administered online questionnaires. The survey was started in December 2018 and ended in January 2019. There were 564 usable responses, 57.45 per cent were women (N=324), and 42.55 per cent were men (N=240). To measure CMSs, we adapted the 28 items ROCI-II scale. Entrepreneurial propensity (EP) was measured as the degree of agreement with the claim “Someday I would like to own my own business”.

The results indicate that there is a statistically significant association between CMS and EP. Moreover, based on the results, we may think that those who expressed a high inclination to entrepreneurship do not often use avoiding style, while those who expressed low inclination prefer it.

Key words: conflict management styles, entrepreneurial propensity, ROCI-II, management education

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Introduction

SMEs are the backbone of the economies based on market principles. In all EU economies count for about two-thirds of total employment and generate more than half of overall value

added. In Slovakia, although the SME contribution to total value added is lower than average for the EU, their contribution to total employment is higher than the EU average.

Concerning their size and capitalisation, the entrepreneur's personality plays a major role in their performance. Thus, psychological characteristics in entrepreneurial behaviour can never be overlooked. How entrepreneurs manage conflicts has direct impacts on affection, morale, loyalty, and cohesiveness in firms. Conflicts in SMEs, primarily unmanaged ones, are often perceived as destructive. They often lead to problems such as deviations from organisational aims and objectives and to the risks as the sustainability of the stimulating organisational environment. On the other side, the absence of conflict leads to stagnation (Çınar & Kaban, 2012).

Although it is indisputable, that conflict management has a strong impact on firm performance; there are still not many empirical studies have specifically linked conflict resolution styles and entrepreneurial propensity. Thus the study aims to examine the relationship between the used conflict resolution styles (CMSs) and entrepreneurial propensity (EP). This paper is organised as follows. Section 1 introduces the terminology used throughout this paper. This section describes conflict management styles (CMSs), methods used for measuring CMS and also presents some relevant studies dealing with entrepreneurial propensity. Section 2 presents the used data and methodology. Section 3 discusses the results. Finally, the study draws some concluding remarks about the role of university education in creating conditions to become a good entrepreneur. The limits of the study's methodology are also mentioned.

1 Literature review

Conflict management styles (CMSs) have been described as specific behavioural patterns that individuals prefer to employ when dealing with conflict (Shih & Susanto, 2010). They can be divided depending on the concern for self or others and manifested scope of interest (high or low), to the following five styles: Integrating style (IN), Obliging style (OB), Dominating style (DO), Avoiding style (AV), Compromising style (CO). Integrating style (IN) involves high concern for self as well as others. It is concerned with the effort to achieve an acceptable solution for everyone involved in the conflict. Obliging style (OB) involves low concern for self and high for others involved in the conflict. Persons who choose this style usually give up what they want to maintain a relationship with others. Dominating style (DO) involves high concern for self and low for the others. It is associated with a keen interest to win even at the

others' loss. Avoiding style (AV) involves low concern for self and low for the others. An individual does not deal with conflict, ignore it. It usually leads only to temporary solutions. Compromising style (CO) involves moderate concern for self and also for the others. An individual gives up more than in DO, but less than in OB style. Also, an individual solves the problem more directly than with AV style but does not examine the problem to the depths like with IN style. The aim is to find a compromise, a common solution. Both parties lose because they sacrificed a lot, and after that, all conflict parties are disappointed.

Organisational Conflict Inventory-II (ROCI-II) is one of the most commonly used methods today for measuring CMS (Çınar & Kaban, 2012). For instance, it has been used by Hsi-An Shih and Ely Susanto (2010) to investigate the relationships between CMSs and emotional intelligence (EI) (Shih & Susanto, 2010). Çınar & Kaban (2012) used ROCI-II to find the relations between the conflict reasons and the conflict management style at two public hospitals in Istanbul are determined. Chen et al. (2015) tried to explain how creative entrepreneurs can adequately deal with intra-firm conflicts to accomplish desirable venture outcomes. Yu & Guo-Ming (2008) examined CMS in a hypothetical cross-cultural organisational situation. Rahim et al. (2018) explored the relationship between social intelligence (SI) and problem-solving (PS) style of handling conflict.

Entrepreneurship is a vehicle of economic growth; an instrument that facilitates employment generation, innovation, and competitiveness; and a catalyst of social development. Entrepreneurial propensity (EP) is an important factor for creating new ventures as well as developing an entrepreneurial culture within a large company (Chelariu et al., 2008). There is no consensus on the factors that drive entrepreneurial propensity, although a representative array of determinants could be identified from the literature. Whether or not someone tends to be an entrepreneur is often investigated based on subjective perceptions. Koellinger et al. (2013) surveyed participants whether they believed they had the knowledge, skill and experience required to start a business, and whether thought that good opportunity for starting a business could be found in the area where they lived. Fafaliou (2012) in the study conducted on a sample of 364 Greek students, who, at the time of research, attended classes at a specific the University of Economics and Business Studies with questions about the probability of actually founding a business. Belas et al. (2018) investigated how the propensity for entrepreneurship is influenced by gender with the following claims: "I am very interested in entrepreneurship. I am convinced that I will start entrepreneurship after I graduate from

university.” The entrepreneurial intention of university students was also measured by a single statement: “I have a strong interest in doing business” (Çera et al., 2018).

2 Used data and methodology

Study attempt to clarify the relationship between the used CMSs and EP of the students in the Management of Small and Medium Entrepreneurship study program. The above discussion suggests the following research questions: RQ1: What is the overall trending CMSs preferences between students in the Management of Small and Medium Entrepreneurship study program? RQ2: What is the overall trending EP of the students in the Management of Small and Medium Entrepreneurship study program? RQ3: Whether the association between the CMSs and EP is statistically significant?

The research design following the purpose of the study utilised a quantitative design. The data were collected using self-administered online questionnaires. The survey was started in December 2018 and ended in January 2019. Respondents in this study were students in the Management of Small and Medium Entrepreneurship study program. Sufficient information about the purpose, procedure, data confidentiality, and the ethics of withdrawal from study participants was provided, and informed consent was obtained from all respondents who decided to participate in this study. There were 564 usable responses, 57.45 per cent were women (N=324), and 42.55 per cent were men (N=240). To measure CMSs, we adapted the 28 items Rahim Organizational Conflict Inventory-II (ROCI-II) (Rahim & Magner, 1995) scale as follows. The scale was translated to the Slovak language. After translation, 3 participants focus group were asked about the understandability and ambiguity of the questions. Upon their opinion, the upgraded version of the questionnaire was prepared. Additional questions addressing demographic information on gender were added. Entrepreneurial propensity (EP) was measured as the degree of agreement with the claim “Someday I would like to own my own business”. The seven-point Likert scale response with 1 representing strongly disagree and 7 representing strongly agree. Style with the highest score represents the person’s most typical or dominant responding pattern during conflicts and negotiations (Davis et al., 2016). Subsequently, respondents with high EP also were allocated. We modified sample by excluding the respondents with an ambivalent opinion about EP (EP=3) to measure correlations between CMSs and EP. The modified sample included 507 responses, 54.44 per cent were women (N=276), and 45.56 per cent were men (N=231).

Appropriate Cronbach's α coefficient for the summated total score and any subscale scores (items) were calculated to describe the extent to which all the items in a test measure the same construct. According to several authors the range reliability can be regarded as excellent if $\alpha > 0.9$, good if $\alpha > 0.8$, acceptable if $\alpha > 0.7$, questionable if $\alpha > 0.6$ and uncertain if α is > 0.5 . Entire set (Cronbach's $\alpha = 0.9311$), as well as subsets (Cronbach's α : IN = 0.9722, OB = 0.8541; DO = 0.8468, AV = 0.5644, CO = 0.7178) showed acceptable reliability.

3 Results

To found the overall trending CMSs preferences between students in the Management of Small and Medium Entrepreneurship study program (RQ1) we calculated the absolute (fi) and relative frequencies (ni) of prevalent CMS style. Most preferred conflict style was IN (fi = 299, ni = 53.014 per cent). The least preferred conflict style was OB (fi = 21, ni = 3.723 per cent). Other styles showed following frequencies: AV (fi = 11, ni = 19.326 per cent), CO (fi = 92, ni = 16.312 per cent), and DO (fi = 43, ni = 7.624 per cent).

We did not find the consensus on which style is the most inappropriate for entrepreneurs in the literature, but it is possible to think that it is AV (avoiding style), because it usually leads only to temporary solutions. From this point of view, the results of the students are satisfying.

To found the overall trending EP preferences between students in the Management of Small and Medium Entrepreneurship study program (RQ2) we divided respondents into three groups according to their answers (respondents with high inclination to entrepreneurship (HIE) EP > 3 , respondents with ambivalent opinion about entrepreneurship (AOE) EP = 3, and respondents with low inclination to entrepreneurship (LIE) EP < 3). After that, we calculated the absolute (fi) and relative frequencies (ni) of prevalent EP. Results showed relatively high EP (HIE fi = 335, ni = 59.397 per cent) between students.

To answer the third research question (RQ3) we conducted Pearson's chi-squared test, which showed that CMS and EP have a statistically significant association (N = 507, DF = 4, -LogLike = 128.24012, RSquare (U) = 0.1957, Pearson ChiSquare = 239.131, $p < .0001$).

On the basis of the mentioned above we can describe prevalent CMSs as follows. In respondents with HIE was most preferred conflict style IN (fi = 209, ni = 41.22 per cent). The least preferred conflict style was AV (fi = 5, ni = 0.99 per cent). Other styles showed following frequencies: CO (fi = 65, ni = 12.82 per cent), DO (fi = 35, ni = 6.90 per cent), and OB (fi = 21, ni = 4.14 per cent). In respondents with LIE was most preferred conflict style AV

($f_i = 104$, $n_i = 20.51$ per cent). The least preferred conflict style was OB ($f_i = 0$, $n_i = 0.0$ per cent). Other styles showed following frequencies: CO ($f_i = 8$, $n_i = 1.58$ per cent), DO ($f_i = 8$, $n_i = 1.58$ per cent), and IN ($f_i = 52$, $n_i = 10.26$ per cent).

Conclusion

Globalisation creates enormous pressure on organisations. SMEs must better develop an entrepreneurial culture, understand the risks and opportunities in the market and ensure their sustainability (Kozubikova et al., 2015). Many studies confirmed that college education creates conditions for the student to become a good entrepreneur. Universities in Slovakia actively promote and engage in supporting entrepreneurship. Many of them have established entrepreneurship departments and institutes for students' start-ups. The problem is that despite the increased resources devoted to entrepreneurship education and training, we have very little evidence to demonstrate its benefits (Volery et al., 2013). Education is strongly dependent upon the individual commitment of faculty members whose real business experience is often questionable.

Moreover, there is no opportunity for staff development in teaching entrepreneurship. So, the question of what should be the subject of education for potential entrepreneurs is still open and current. After that, the first challenge is how to foster the creation of start-ups and make the entrepreneurial career more attractive to young people (Raposo et al. 2008). Also, the second challenge is a lack of qualified human resources for the SMEs (Bejtkovsky, 2018), especially those who are proactive, entrepreneurial.

The study aimed to examine the relationship between the used conflict resolution styles (CMSs) and entrepreneurial propensity (EP). The aim of the study was decomposed into three research questions: What is the overall trending CMSs preferences between students in the Management of Small and Medium Entrepreneurship study program? What is the overall trending EP of the students in the Management of Small and Medium Entrepreneurship study program? Whether the association between the CMSs and EP is statistically significant? Study found that most preferred conflict style was IN ($f_i = 299$, $n_i = 53.014$ per cent) and the least preferred conflict style was OB ($f_i = 21$, $n_i = 3.723$ per cent). Results showed relatively high EP (HIE $f_i = 335$, $n_i = 59.397$ per cent) between students. The results also showed that there is a statistically significant association between CMS and EP. Moreover, based on the results, we may think that those who expressed a high inclination to entrepreneurship prefer integrating style and do not often use avoiding style; while those who expressed low

inclination prefer avoiding style and do not very often use the obligating style. Although we did not find the consensus about the inappropriateness of some CMSs for entrepreneurs, it is possible to think that it is avoiding style. Integration of the conflict management subject to the curriculum, specifically with a focus on eliminating inappropriate conflict resolution styles, may raise students entrepreneurial propensity and also may address listed challenges.

Although this paper contributes to the literature in several ways, the described methodology has some limitations. Firstly, it is not easy to generalise results because of convenience sampling procedures were being used. Secondly, the self-reported questionnaire could cause a response bias because of reprisal fear. Thirdly, despite their popularity, the dual concern approach is not without limitations. For example, according to Davis et al. (2016), one of their great attractions, the production of five summaries “style” scores, may also constitute their most serious shortcoming. A small number of styles lead to a problematic understanding of the results meaning. Moreover, the second problem is that people frequently do not employ a single conflict style, either within a single conflict episode or over time (Davis et al., 2016).

Future research directions should consider ascertaining the influence of variables such as gender, age, culture, formal training and industry type on the leadership role perspectives and conflict resolution styles of entrepreneurs and also CMSs impact on entrepreneurs performance.

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