



Organizational conflict and organizational growth and productivity: Evidence from Nigerian firms

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Abstract

Organizational conflict remains an inevitable feature of contemporary workplaces, but its consequences for organizational growth and productivity depend considerably on the nature, intensity, and management of such conflict. This study examined the relationship between organizational conflict, organizational growth, and productivity among Nigerian firms, with particular attention to the mediating role of employee engagement and the influence of leadership style. The study utilized data from 750 respondents drawn from manufacturing, services, banking, and agro-based firms across Lagos, Abuja, Rivers State, South-East Nigeria, and other parts of the country. Organizational conflict was measured in terms of task conflict and relationship conflict, while organizational growth was assessed through revenue growth, market-share growth, and employee growth rate. Productivity was measured using output per employee, service quality, and project completion rates. Employee engagement was incorporated as a mediating variable, while leadership style and union presence served as control variables.

Descriptive and inferential results showed a consistent deterioration in organizational outcomes as overall conflict increased. Firms experiencing low levels of conflict recorded a mean employee engagement score of 3.84, average revenue growth of 13.5%, a productivity index of 109.8, and an average project completion rate of 88.4%. In contrast, firms characterized by high conflict recorded mean engagement of 2.82, revenue growth of 5.0%, productivity of 89.2, and project completion of 73.9%. Relationship conflict exerted a particularly strong negative effect, as a one-unit increase was associated with an 8.2 percentage-point reduction in revenue growth and a 9.4-point decline in productivity ($p < .001$). Task conflict exhibited an inverted U-shaped relationship with productivity, with the optimal level occurring around a score of 3.2. Employee engagement mediated approximately 42% of the effect of organizational conflict on productivity. Democratic leadership was associated with a 0.41-point reduction in conflict and a 6.3-point increase in productivity. The study concludes that relationship-based conflict is substantially detrimental to firm growth and productivity, whereas carefully managed task conflict may provide limited performance benefits. Nigerian organizations should institutionalize effective conflict-resolution systems, strengthen employee engagement, promote democratic and participative leadership, and distinguish constructive task disagreements from destructive interpersonal conflict.

Keywords: Organizational conflict, task conflict, relationship conflict, organizational growth, productivity, employee engagement, democratic leadership, Nigerian firms

Introduction

Organizations are social systems in which individuals and groups with different interests, values, professional backgrounds, responsibilities, expectations, and perceptions interact in pursuit of common objectives. Such diversity is essential for creativity, specialization, problem-solving, and organizational adaptation, but it also creates conditions under which disagreement and conflict may arise. Organizational conflict therefore constitutes an inherent aspect of organizational life rather than an exceptional occurrence. It may emerge from incompatible goals, competition for scarce resources, differences in values and perceptions, ambiguity in roles and responsibilities, communication failures, interdependence of organizational units, leadership practices, personality differences, and competing expectations among organizational stakeholders. The central managerial challenge is consequently not the complete elimination of conflict, which may be neither possible nor desirable, but understanding its different forms and ensuring that disagreements are managed in ways that protect employee well-being and organizational performance.

Organizational conflict generally refers to a process in which an individual or group perceives that another

individual or group has interests, goals, values, preferences, or actions that are incompatible with its own. Contemporary organizational behaviour literature increasingly recognizes conflict as multidimensional. Of particular relevance are task conflict and relationship conflict. Task conflict concerns disagreements over the content of work, ideas, policies, decisions, procedures, strategies, and alternative approaches to accomplishing organizational objectives. Relationship conflict, in contrast, involves interpersonal incompatibilities characterized by tension, resentment, anger, personality clashes, hostility, and emotional friction. This distinction is important because different forms of conflict may produce substantially different organizational consequences. Classic meta-analytic evidence established that relationship conflict is particularly detrimental to team performance and member satisfaction, while the consequences of task conflict depend considerably on contextual conditions (De Dreu & Weingart, 2003) ^[8].

The traditional perspective on organizational conflict regarded conflict principally as dysfunctional and therefore something that effective management should prevent or suppress. Under this perspective, conflict was associated with poor communication, ineffective supervision, declining morale, employee dissatisfaction, reduced cooperation, and

organizational instability. Subsequent perspectives challenged this assumption by suggesting that some disagreement can be functional when it stimulates critical thinking, challenges established assumptions, encourages consideration of alternative solutions, and prevents groupthink. This functional perspective is especially relevant to task conflict. Employees who respectfully challenge a proposed marketing strategy, question an inefficient production procedure, identify weaknesses in a credit decision, or offer competing solutions to an operational problem may ultimately improve organizational decision-making. However, disagreement ceases to be constructive when it becomes excessive, personalized, emotionally charged, or disconnected from organizational objectives.

Empirical scholarship therefore presents a more nuanced picture than the simple assumption that conflict is either beneficial or harmful. De Wit *et al.* (2012) ^[9], drawing on 116 empirical studies involving 8,880 groups, reported stable negative relationships between relationship and process conflict and group outcomes but found the relationship between task conflict and performance to be more complex. Task conflict was comparatively more beneficial where it was weakly associated with relationship conflict, among top-management teams, and where performance was evaluated through financial outcomes or decision quality. These findings imply that constructive disagreement can potentially enhance organizational functioning when employees are capable of separating intellectual disagreement from personal antagonism.

More recent evidence has further qualified the functional-conflict argument. Yuan *et al.* (2026) ^[28], in an updated meta-analysis, found that task, relationship, process, and status conflict were, on average, negatively associated with team performance. Importantly, however, the strength and direction of task- and relationship-conflict effects varied considerably across situations, with national culture, team characteristics, performance dimensions, and measurement approaches explaining part of the heterogeneity (Yuan *et al.*, 2026) ^[28]. Thus, conflict cannot be evaluated independently of its intensity and organizational context. This provides an important foundation for investigating possible nonlinear relationships, particularly whether task conflict may contribute to performance at moderate levels but become damaging after exceeding an optimal threshold.

This possibility is especially important in relation to organizational productivity. Productivity represents an organization's efficiency in converting human, financial, technological, and material resources into valuable outputs. Although productivity is sometimes measured exclusively through physical output, contemporary organizations require broader indicators. Output per employee, service quality, timely completion of projects, customer satisfaction, innovation, efficiency, and effective utilization of resources provide complementary dimensions of organizational productivity. Conflict can affect each of these dimensions. Persistent interpersonal hostility may divert employees' attention from productive activities, obstruct information exchange, undermine teamwork, delay decisions, increase absenteeism, encourage employee withdrawal, and generate psychological stress. Conversely, appropriately managed disagreement about tasks may expose weaknesses in organizational procedures and facilitate better decisions.

The implications of organizational conflict also extend beyond immediate productivity to organizational growth. Growth reflects an organization's ability to expand its economic and operational capacity over time and can be captured through revenue growth, market-share expansion, employment growth, asset accumulation, customer-base expansion, and organizational sustainability. Conflict may constrain growth when internal disputes consume managerial attention and organizational resources that could otherwise be devoted to innovation, customer service, strategic planning, investment, and market development. Persistent dysfunctional conflict may also increase employee turnover, disrupt continuity, weaken organizational reputation, and delay strategic implementation. In highly competitive environments, these internal inefficiencies can translate into lost customers, reduced revenue, weaker market position, and slower expansion.

The relationship between conflict and organizational outcomes may nevertheless operate through important psychological mechanisms rather than exclusively through direct effects. One such mechanism is employee engagement. Work engagement broadly represents a positive work-related psychological state characterized by vigor, dedication, and absorption. Engaged employees invest physical, cognitive, and emotional energy in their work, demonstrate persistence, identify strongly with organizational objectives, and are more willing to contribute beyond minimum job requirements. Conflict, particularly interpersonal conflict, can deplete the psychological and emotional resources required for such engagement. Employees working in environments characterized by tension, hostility, distrust, and recurrent interpersonal disputes may progressively withdraw their discretionary effort even when they remain formally employed.

Existing evidence provides support for this mediating perspective. Research examining task and relationship conflict, engagement, and performance has demonstrated that job engagement can function as an explanatory mechanism linking workplace conflict to performance, while the quality of workplace social relationships may attenuate some adverse consequences of conflict. More recent research similarly emphasizes the importance of engagement within conflict-prone team environments. These findings suggest that studying only the direct conflict-performance relationship may conceal an important part of the underlying process. Understanding whether organizational conflict reduces productivity partly because it weakens employee engagement therefore has considerable theoretical and managerial significance.

Leadership represents another crucial organizational factor. Leaders shape communication patterns, decision processes, resource allocation, interpersonal norms, employee participation, and the mechanisms through which disputes are resolved. Autocratic leadership concentrates decision-making authority and may facilitate rapid action in particular situations, but excessive reliance on unilateral decisions can create perceptions of exclusion and suppress legitimate disagreement. Laissez-faire leadership, by providing limited managerial intervention, may permit unresolved disagreements to intensify. Democratic leadership, by contrast, emphasizes employee participation, consultation, communication, and shared problem-solving. These characteristics may facilitate constructive expression

of divergent views while preventing task disagreements from developing into interpersonal hostility.

Consequently, effective conflict management should not be equated with suppressing disagreement. Organizations require systems through which employees can express divergent opinions without fear, challenge assumptions on substantive grounds, negotiate competing interests, and resolve interpersonal disagreements before they become destructive. The managerial objective is to preserve the potential informational value of task disagreement while minimizing relationship conflict.

These issues are particularly salient within the Nigerian business environment. Nigerian firms operate under substantial competitive and institutional pressures, including infrastructure constraints, fluctuating operating costs, technological disruption, regulatory uncertainties, changing consumer preferences, labour-management relations, economic volatility, and intense competition for skilled employees and market opportunities. Within such an environment, internal conflict can compound external business challenges. Manufacturing organizations may experience disputes concerning production targets, resource allocation, safety, compensation, and work schedules; service organizations may face conflict surrounding customer expectations, workloads, performance evaluation, and service standards; banks may encounter disagreement over targets, credit decisions, compliance requirements, technology adoption, and employee performance; while agro-based firms may confront resource, operational, and supply-chain disagreements.

Available Nigerian evidence reinforces the practical relevance of conflict management. Babarinde and Alade (2024) ^[1] examined conflict-management strategies and employee performance in selected manufacturing firms in Lagos State, while Ndubuisi and Oko (2023) ^[17] examined conflict management and productivity in private-sector organizations in Abia State. While these studies contribute to the Nigerian literature, important questions remain regarding the simultaneous effects of distinct conflict dimensions on both growth and productivity across firms and industries.

A significant limitation in parts of the existing literature is the tendency to conceptualize conflict as a single phenomenon or focus primarily on conflict-management strategies without adequately differentiating between task and relationship conflict. This distinction has major analytical consequences. If all conflict is treated as uniformly destructive, organizations may inadvertently suppress constructive debate and employee voice. Conversely, if managers assume that conflict automatically generates creativity, they may underestimate the damaging consequences of hostility and interpersonal tension. Furthermore, many studies rely on a single performance indicator, whereas organizational effectiveness is multidimensional.

Another important research gap concerns nonlinear effects. The relationship between task conflict and productivity may not be adequately represented by a simple linear model. Very low task conflict could indicate excessive conformity, reluctance to question poor decisions, or groupthink. Moderate disagreement may stimulate information processing and alternative perspectives, while high levels may consume time, delay decisions, fragment teams, and eventually generate relationship conflict. An inverted U-

shaped specification may therefore provide a more informative test of the conflict-productivity relationship than assuming that each incremental increase in task conflict produces an identical effect.

The role of employee engagement creates an additional empirical gap. Conflict may affect productivity both directly and indirectly by altering employees' willingness and psychological capacity to invest themselves in organizational tasks. Identifying this pathway has significant managerial implications because it suggests that conflict management and employee-engagement policies should not be treated as unrelated human-resource interventions. Likewise, leadership style and union presence may shape the conflict environment and organizational outcomes and should therefore be incorporated as relevant control variables.

Against this background, the present study investigates organizational conflict, organizational growth, and productivity among Nigerian firms. It draws on data from 750 managers, supervisors, and employees across manufacturing, services, banking, and agro-based organizations located in Lagos, Abuja, Rivers State, South-East Nigeria, and other parts of the country. Organizational conflict is examined through task conflict and relationship conflict, while organizational growth is assessed using revenue growth, market-share growth, and employee growth. Productivity is evaluated through output per employee, service quality, and project completion. Employee engagement is examined as a mediating mechanism, while leadership style and union presence are incorporated as controls.

Specifically, the study seeks to determine the effect of organizational conflict on organizational growth and productivity; assess the distinct influence of relationship conflict; investigate whether task conflict exhibits a curvilinear relationship with productivity; determine the extent to which employee engagement mediates the conflict-productivity relationship; and evaluate the relevance of leadership style to conflict and productivity. By integrating conflict type, nonlinear effects, employee engagement, organizational growth, productivity, and leadership within a multi-industry Nigerian setting, the study provides a more comprehensive framework for understanding workplace conflict.

Review of Related Literature

1. Concept of Organizational Conflict

Organizational conflict is a pervasive feature of contemporary organizations because employees, managers, units, and organizational stakeholders frequently differ in their goals, expectations, values, perceptions, interests, and preferred approaches to accomplishing tasks. Conflict occurs when one party perceives that the interests, actions, or objectives of another party are incompatible with its own. Within organizations, such incompatibility may emerge from scarce resources, unclear responsibilities, poor communication, incompatible performance expectations, differences in personality, organizational politics, interdependence between departments, leadership practices, reward systems, and competing professional interests.

Earlier perspectives on organizational conflict largely regarded it as inherently dysfunctional. Contemporary organizational behaviour scholarship, however, distinguishes between forms of conflict and recognizes that

some disagreements may generate useful outcomes under specific circumstances. Jehn's influential conceptualization differentiated task-related disagreements from interpersonal or relationship-based disagreements, thereby providing a basis for understanding why all conflict does not necessarily produce identical organizational consequences.

2. Task Conflict

Task conflict refers to disagreements among organizational members regarding the substance and content of work. It includes differences concerning ideas, strategies, policies, judgments, decisions, procedures, and approaches to completing assignments. Such disagreements are intellectually focused rather than primarily personal.

Task conflict has historically been viewed as potentially functional because divergent perspectives can encourage employees to critically evaluate assumptions, identify weaknesses in proposed decisions, generate alternative solutions, and improve information processing. Nevertheless, empirical evidence does not support the assumption that task conflict is universally beneficial. De Dreu and Weingart (2003) ^[8] found that both task and relationship conflict were negatively related to team performance and satisfaction on average. Yuan *et al.* (2026) ^[28] similarly found negative average relationships between major conflict dimensions and team performance, although substantial variability existed across contexts.

3. Relationship Conflict

Relationship conflict refers to interpersonal tension and incompatibility among organizational members. It involves personality clashes, resentment, anger, frustration, distrust, emotional hostility, and interpersonal friction. Unlike task conflict, which concerns what should be done, relationship conflict concerns difficulties arising from how organizational members relate to one another.

Relationship conflict is generally considered dysfunctional because it consumes cognitive and emotional resources that employees could otherwise direct toward productive activity. Meta-analytic evidence strongly supports its negative consequences (De Dreu & Weingart, 2003; Yuan *et al.*, 2026) ^[8, 28]. An additional concern is that task conflict can progressively evolve into relationship conflict, underscoring the importance of conflict-management systems capable of preventing professional disagreement from degenerating into interpersonal hostility.

4. Organizational Growth

Organizational growth refers to sustained improvement in the size, capacity, market position, resources, and economic performance of an organization. Growth may be reflected through increasing revenues, expanding market share, higher employment, greater asset accumulation, customer-base expansion, geographic expansion, and improved operational capacity. For the present study, organizational growth is represented by revenue growth, market-share growth, and employee growth rate.

Organizational conflict can affect growth through several pathways. Excessive conflict may delay strategic decisions, divert managerial attention, discourage innovation, increase employee turnover, weaken coordination, reduce service quality, and damage customer relationships. Conversely, carefully managed disagreement concerning business

strategy may expose weaknesses in existing practices and facilitate better strategic choices.

5. Organizational Productivity

Organizational productivity describes the efficiency and effectiveness with which an organization transforms available resources into desired outputs. In modern service and knowledge-intensive organizations, productivity encompasses dimensions such as output per employee, service quality, project completion, customer satisfaction, innovation, and operational efficiency.

Conflict can reduce productivity by disrupting teamwork, communication, coordination, and concentration. Existing evidence strongly suggests that conflict and performance are closely connected. De Dreu and Weingart (2003) ^[8] found negative average associations between both major conflict dimensions and team performance, while Yuan *et al.* (2026) ^[28] reached a similar general conclusion from updated meta-analytic evidence.

6. Curvilinear Relationship Between Task Conflict and Productivity

A particularly important perspective in conflict research concerns the possibility of a nonlinear relationship between task conflict and performance. The curvilinear argument proposes that both excessively low and excessively high task conflict may be undesirable. Very low conflict may encourage conformity and groupthink; moderate disagreement may stimulate critical evaluation and problem-solving; and excessive disagreement may consume time, obstruct decisions, create frustration, and develop into relationship conflict.

Shaw *et al.* (2011) ^[26] provided empirical evidence for this contingency perspective, finding that the relationship between task conflict and team performance was inverted U-shaped when relationship conflict was low. Petrou and Bakker (2019) ^[18] similarly investigated the possibility that moderate levels of task conflict could be more conducive to creativity than either very low or very high levels.

7. Employee Engagement

Employee engagement represents the extent to which employees invest their physical, cognitive, and emotional energies in performing organizational roles. Within the Utrecht Work Engagement framework, engagement is commonly conceptualized through vigor, dedication, and absorption. Engaged workers generally demonstrate greater commitment, persistence, initiative, and willingness to devote discretionary effort to organizational tasks.

Conflict can undermine engagement when employees perceive the workplace as psychologically exhausting or socially threatening. Relationship conflict may drain emotional resources, reduce enthusiasm, weaken organizational identification, and encourage psychological withdrawal. This provides the basis for considering employee engagement as a mediator between conflict and productivity.

8. Employee Engagement as a Mediator

The mediating role of engagement suggests a sequential relationship in which organizational conflict affects employee engagement, which subsequently affects productivity. Conflict environments characterized by hostility or continuous disputes may reduce vigor and

dedication. Lower engagement may then manifest in reduced effort, weaker collaboration, poorer service quality, declining output, and slower project completion. Moruku and Oluwafemi (2023)^[16], studying hospitality organizations in Delta State, examined employee engagement strategies in relation to organizational conflict management and highlighted the relevance of engagement practices to managing workplace conflict. These findings suggest that interventions aimed at strengthening employee engagement may partially protect organizations from the adverse productivity consequences of conflict.

9. Leadership Style, Conflict and Productivity

Leadership style represents another important factor influencing both organizational conflict and performance. Leadership determines how decisions are made, how employees communicate upward, how disagreements are addressed, and how organizational resources are distributed. Autocratic leadership concentrates authority in the leader; laissez-faire leadership provides substantial autonomy; and democratic leadership emphasizes consultation, participation, dialogue, employee voice, and shared decision-making.

Democratic leadership may reduce destructive conflict by giving organizational members legitimate channels for expressing disagreement. Democratic leaders may also prevent task disagreement from becoming personalized by encouraging respectful discussion and collective problem-solving. Accordingly, democratic leadership is expected to reduce destructive conflict while facilitating productivity through employee participation and commitment.

10. Theoretical Framework

The study is anchored primarily on Interactionist Conflict Theory and Social Exchange Theory. Interactionist Conflict Theory challenges the traditional assumption that every form of conflict is undesirable and proposes that a minimal or moderate degree of functional conflict may be necessary to maintain creativity, adaptability, critical thinking, and organizational responsiveness. Excessive conflict, however, becomes dysfunctional. This theory is particularly suitable for explaining the predicted inverted U-shaped relationship between task conflict and productivity.

Social Exchange Theory explains the mediating importance of employee engagement. Employees evaluate their relationships with colleagues, supervisors, and organizations in terms of reciprocal social exchanges. Where employees experience respect, support, fairness, and constructive interaction, they are more likely to reciprocate through commitment and discretionary effort. Conversely, environments characterized by interpersonal hostility and persistent conflict may encourage withdrawal and reduced engagement.

11. Empirical Review

International empirical research generally establishes that relationship conflict is detrimental to organizational outcomes. De Dreu and Weingart (2003)^[8] found negative associations between relationship conflict, task conflict, performance, and satisfaction. Shaw *et al.* (2011)^[26], however, demonstrated that under low relationship conflict, task conflict may exhibit an inverted U-shaped relationship with performance. Yuan *et al.* (2026)^[28] found that although major conflict categories demonstrated negative average

relationships with team performance, substantial contextual heterogeneity remained.

Evidence from Nigeria similarly emphasizes the need for effective organizational conflict management. Ndubuisi and Oko (2023)^[17] examined private-sector organizations in Abia State and reported significant relationships between conflict-management practices and organizational productivity. Moruku and Oluwafemi (2023)^[16] investigated employee engagement and organizational conflict management within hospitality organizations in Delta State, demonstrating the relevance of employee-focused strategies in conflict management.

12. Gap in the Literature

Despite substantial research on organizational conflict, several gaps justify the present study. Many Nigerian studies focus on conflict-management strategies rather than distinguishing explicitly between task conflict and relationship conflict. Studies also frequently treat organizational performance as a single outcome rather than separately examining organizational growth and productivity using multiple indicators. Limited Nigerian empirical research has investigated the possible curvilinear effect of task conflict or employee engagement as a mediator between organizational conflict and productivity. The present study addresses these gaps using data from 750 respondents across manufacturing, services, banking, and agro-based firms in multiple Nigerian locations. It simultaneously examines task and relationship conflict, organizational growth, multidimensional productivity, employee engagement, democratic leadership, and union presence. By incorporating direct, curvilinear, and mediating relationships, the study provides a more integrated explanation of how organizational conflict affects growth and productivity in Nigerian firms.

Methodology

1. Research Design

The study adopted a quantitative cross-sectional survey research design to examine the relationship between organizational conflict, organizational growth, and productivity among Nigerian firms. The design permitted the systematic collection and analysis of standardized data from managers, supervisors, and employees across different industries and geographical locations. It also facilitated the estimation of direct, nonlinear, and mediating relationships among organizational conflict, employee engagement, organizational growth, and productivity.

2. Population and Sample

The study covered employees of firms operating within the manufacturing, services, banking, and agro-based sectors of the Nigerian economy. The final analytical sample consisted of 750 respondents. Manufacturing accounted for 300 respondents (40.0%), services 250 (33.3%), banking 120 (16.0%), and agro-based organizations 80 (10.7%). Regarding firm size, 280 respondents (37.3%) represented small firms, 320 (42.7%) medium-sized firms, and 150 (20.0%) large organizations. The firms ranged from 2 to 35 years of operation, with a mean organizational age of 11.4 years. Respondents comprised 300 managers, 250 supervisors, and 200 employees. A multistage sampling procedure was adopted, with firms stratified according to industry and geographical location.

3. Instrument and Measurement of Variables

Data were obtained using a structured questionnaire consisting of demographic, organizational, conflict, engagement, leadership, and performance measures. Organizational conflict was operationalized through task conflict and relationship conflict, each measured on a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. Task conflict demonstrated Cronbach's alpha of .88, relationship conflict .90, and the overall conflict index .89. Employee engagement served as the mediating variable and was measured using nine items based on vigor, dedication, and absorption; its reliability coefficient was .92. Organizational growth was assessed through revenue growth percentage, market-share growth, and employee growth rate. Productivity was measured using output per employee index, service quality score, and project completion rate. Leadership style and union presence were incorporated as control variables.

4. Validity and Reliability

Content and face validity were established by ensuring that questionnaire items adequately represented the constructs identified in the organizational conflict, engagement, leadership, growth, and productivity literature. Construct reliability was assessed using Cronbach's alpha. All multi-item measures exceeded the generally accepted threshold of .70, with coefficients ranging from .88 to .92, indicating satisfactory to excellent internal consistency.

5. Data Analysis

Data were analyzed using descriptive and inferential statistical techniques. Frequencies, percentages, means, and standard deviations summarized respondents, firms, and study variables. Conflict was classified into low (1.0-2.5), medium (2.6-3.5), and high (3.6-5.0) categories. Multiple regression analysis estimated the effects of task and relationship conflict on organizational growth and productivity while controlling for relevant organizational characteristics. Statistical significance was evaluated at the 5% level ($p < .05$). To investigate the nonlinear relationship between task conflict and productivity, both the linear task-conflict term and a squared task-conflict term were included. Mediation analysis determined whether employee engagement transmitted part of the effect of organizational conflict to productivity.

6. Ethical Considerations

Participation was voluntary, and respondents were informed of the academic purpose of the research. Confidentiality and anonymity were maintained, and no personally identifying information was required for analysis. Data were treated in aggregate form and used exclusively for research purposes.

Results and Discussion

1. Descriptive Results

The sample represented different sectors, firm sizes, geographical locations, and organizational roles. Manufacturing accounted for 300 respondents (40.0%), services 250 (33.3%), banking 120 (16.0%), and agro-based organizations 80 (10.7%). Regarding organizational size, 280 respondents (37.3%) were drawn from small firms, 320 (42.7%) from medium-sized firms, and 150 (20.0%) from large firms. The average age of participating firms was 11.4 years.

Geographically, 200 respondents (26.7%) were located in Lagos, 150 (20.0%) in Abuja, 120 (16.0%) in Rivers State, 180 (24.0%) in South-East states, and 100 (13.3%) in other locations. Managers constituted 300 respondents (40.0%), supervisors 250 (33.3%), and employees 200 (26.7%).

Table 1: Descriptive Statistics of Major Study Variables

Variable	Mean	SD/Relevant Statistic
Task Conflict	3.14	0.89
Relationship Conflict	2.70	0.94
Overall Conflict Index	2.92	-
Employee Engagement	3.40	-
Revenue Growth	10.1%	-
Market Share Growth	3.23	-
Employee Growth Rate	6.6%	-
Output per Employee Index	100.0	18.0
Service Quality Score	7.14	-
Project Completion Rate	82.8%	-

The results indicate a moderate overall level of organizational conflict, with an overall conflict index of 2.92. Task conflict recorded a mean of 3.14 (SD = 0.89), while relationship conflict had a lower mean of 2.70 (SD = 0.94). Employee engagement recorded a mean score of 3.40. Average revenue growth was 10.1%, the mean employee growth rate was 6.6%, and the average project completion rate was 82.8%.

2. Organizational Outcomes Across Conflict Levels

Table 2: Employee Engagement, Growth and Productivity by Conflict Level

Conflict Level	N	%	Engagement	Revenue Growth	Productivity	Project Completion
Low (1.0-2.5)	242	32.3	3.84	13.5%	109.8	88.4%
Medium (2.6-3.5)	308	41.1	3.43	9.9%	101.5	82.9%
High (3.6-5.0)	200	26.7	2.82	5.0%	89.2	73.9%
Total	750	100.0	-	-	-	-

A pronounced deterioration in organizational outcomes occurred as conflict increased. Low-conflict firms recorded employee engagement of 3.84 compared with 2.82 among high-conflict firms.

Revenue growth declined from 13.5% under low conflict to 5.0% under high conflict. The productivity index declined from 109.8 to 89.2, while project completion decreased from 88.4% to 73.9%.

3. Main Regression and Mediation Results

Table 3: Summary of Major Regression Results

Relationship Tested	Effect	Statistical Decision
Relationship Conflict -> Revenue Growth	-8.2 percentage points	$p < .001$
Relationship Conflict -> Productivity Index	-9.4 points	$p < .001$
Task Conflict -> Productivity	Inverted U-shaped	Peak ≈ 3.2
Conflict -> Engagement -> Productivity	42% mediated	Partial mediation
Democratic Leadership -> Conflict	-0.41 points	Negative effect
Democratic Leadership -> Productivity	+6.3 points	Positive effect

4. Effect of Relationship Conflict on Organizational Growth

Relationship conflict exerted a significant negative effect on revenue growth. A one-unit increase in relationship conflict was associated with an estimated 8.2 percentage-point reduction in revenue growth ($p < .001$), controlling for relevant organizational characteristics. This indicates that interpersonal tension and hostility have economically meaningful implications for organizational growth. The finding is consistent with De Dreu and Weingart (2003) and Yuan *et al.* (2026)^[8, 28], who documented generally adverse performance consequences of relationship conflict.

5. Effect of Relationship Conflict on Productivity

Relationship conflict also produced a statistically significant adverse effect on productivity. A one-unit increase in relationship conflict reduced the productivity index by approximately 9.4 points ($p < .001$). Persistent interpersonal hostility can impose significant productivity costs because employees may divert time and psychological resources toward managing tension rather than performing productive work. This finding corresponds with the broader meta-analytic literature on relationship conflict and performance.

6. Curvilinear Effect of Task Conflict on Productivity

The relationship between task conflict and productivity was nonlinear and inverted U-shaped. Productivity initially improved as task conflict increased from low to moderate levels but began to decline when task conflict exceeded the optimal level. The estimated productivity peak occurred at approximately 3.2 on the five-point task-conflict scale. The finding supports the interactionist perspective and is consistent with Shaw *et al.* (2011)^[26], who demonstrated that task conflict may exhibit an inverted U-shaped relationship with performance under appropriate conditions.

7. Mediating Role of Employee Engagement

Mediation analysis revealed that employee engagement explained approximately 42% of the total effect of organizational conflict on productivity. Employee engagement declined progressively from 3.84 under low conflict to 3.43 under moderate conflict and 2.82 under high conflict. The result demonstrates that conflict affects productivity partly by weakening employees' vigor, dedication, absorption, and willingness to invest discretionary effort. The mediation is partial, indicating that conflict also operates through other pathways such as communication difficulties, coordination problems, decision delays, stress, absenteeism, and resource diversion.

8. Leadership Style, Conflict and Productivity

Democratic leadership was associated with a 0.41-point reduction in organizational conflict and a 6.3-point increase

in productivity. The positive effect of democratic leadership can be explained by its emphasis on employee participation, consultation, communication, and shared decision-making. It may create conditions under which task conflict remains constructive and employees can challenge ideas without turning disagreements into interpersonal hostility.

9. Discussion of Major Findings

Taken together, the findings demonstrate that the nature and intensity of organizational conflict matter substantially for organizational outcomes. Relationship conflict was consistently harmful, producing significant reductions in both revenue growth and productivity. The study nevertheless rejects the proposition that every form of conflict should be eliminated. Task conflict demonstrated an inverted U-shaped relationship with productivity, with an optimal point around 3.2.

A particularly important contribution of the study is the identification of employee engagement as a mechanism through which conflict affects productivity. The finding that engagement accounted for 42% of the conflict effect suggests that managers should consider conflict management and employee engagement as interconnected organizational policies rather than separate human-resource concerns. Democratic leadership simultaneously reduced conflict and enhanced productivity.

Overall, the empirical evidence presents a coherent pattern: low destructive conflict, moderate constructive task disagreement, high employee engagement, and democratic leadership are associated with superior organizational outcomes. Nigerian firms should therefore institutionalize grievance procedures, open communication, participative decision-making, mediation mechanisms, conflict-management training, and employee-engagement initiatives.

Conclusion and Recommendations

1. Conclusion

This study examined the relationship between organizational conflict, organizational growth, and productivity among Nigerian firms, with particular emphasis on task conflict, relationship conflict, employee engagement, and leadership style. Using data from 750 managers, supervisors, and employees across manufacturing, services, banking, and agro-based firms, the study provides evidence that organizational conflict is multidimensional and that its consequences depend substantially on the type and intensity of conflict experienced within the organization.

The findings demonstrate that relationship conflict is predominantly dysfunctional. A one-unit increase in relationship conflict was associated with an 8.2 percentage-point reduction in revenue growth and a 9.4-point decline in the productivity index. The study also established an

important distinction between relationship conflict and task conflict. Task conflict exhibited an inverted U-shaped relationship with productivity, with the estimated optimal level occurring around 3.2 on the five-point scale.

Employee engagement emerged as a major explanatory mechanism. Approximately 42% of the effect of organizational conflict on productivity was mediated through employee engagement. Leadership style was equally important: democratic leadership was associated with a 0.41-point reduction in conflict and a 6.3-point improvement in productivity.

The study consequently concludes that organizations should not pursue the unrealistic objective of eliminating every form of conflict. Rather, Nigerian firms require a differentiated conflict-management strategy that minimizes destructive relationship conflict while allowing controlled and respectful task disagreement. Sustainable organizational growth and productivity are more likely when employees can debate ideas constructively, interpersonal relationships remain respectful, engagement is protected, and leadership encourages participation and effective communication.

2. Recommendations

1. Institute comprehensive conflict-management systems, including grievance procedures, mediation arrangements, confidential reporting mechanisms, and clearly defined escalation processes.
2. Give priority to preventing relationship conflict by addressing interpersonal hostility, bullying, resentment, persistent personality clashes, and emotionally charged disputes at an early stage.
3. Encourage constructive task conflict by allowing employees to question proposals, challenge assumptions, suggest alternatives, and respectfully disagree with managers and colleagues.
4. Prevent excessive task conflict by clarifying decision rules and bringing debates to a timely conclusion when disagreements become repetitive or disruptive.
5. Integrate employee engagement into conflict-management strategies through recognition, career development, supportive supervision, participation in decision-making, constructive feedback, and effective communication.
6. Promote democratic and participative leadership through leadership-development programmes emphasizing consultation, active listening, transparency, emotional intelligence, negotiation, and collaborative problem-solving.
7. Train managers and employees in negotiation, mediation, emotional intelligence, communication, teamwork, active listening, anger management, and interpersonal problem-solving.
8. Monitor task conflict, relationship conflict, employee engagement, turnover intention, absenteeism, grievance frequency, and team cohesion alongside revenue growth, service quality, output per employee, and project completion.
9. Strengthen transparent communication regarding responsibilities, performance expectations, organizational changes, reward systems, and strategic priorities.
10. Adopt sector-specific conflict-management practices that reflect the different operational realities of manufacturing, service, banking, and agro-based firms.

3. Implications for Management

The findings suggest that conflict management should be treated as a strategic management function rather than merely a corrective human-resource activity. Managers should focus on creating organizations in which employees are psychologically safe enough to disagree about ideas but professionally disciplined enough to avoid interpersonal hostility. Conflict-management competence should be incorporated into leadership appraisal, supervisory training, organizational culture, and employee-development programmes.

4. Suggestions for Further Studies

Future studies could employ longitudinal research designs to determine how conflict evolves over time and establish stronger causal relationships among conflict, engagement, growth, and productivity. Researchers could investigate additional mediators and moderators, including psychological safety, organizational justice, emotional intelligence, trust, organizational culture, job satisfaction, and communication quality. Further research could examine individual industries separately, compare public and private organizations, and undertake cross-country studies involving Nigeria and other African economies.

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