CONSTRUCTIVE CONFLICT RESOLUTION EFFECTIVENESS IN OUTSOURCED IT PROGRAMS

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ABSTRACT

IT vendors typically employ more advanced project governance techniques including program management to work effectively with the numbers and variety of clients while still pursuing the benefits of a single oversight. These structural features lend themselves to conflict across teams with individual requirements. However, little research exists on program management, much less in the IT context, that represents conflict across IT project teams. In this study, the effectiveness of collecting projects into programs is studied through the lens of constructive controversy theories. A model is developed to consider the management of conflict across multiple projects combined into a single program.

Keywords: Conflict resolution, Program management, Constructive controversy

Introduction

IT programs by their nature are complex due to managing interrelated projects with multiple managers in a resource limited environment, with differing and often conflicting needs, emergent inputs and conditions affecting the process, and elevated ambiguity (Khamooshi et al. 2009; Thiry 2010; Wideman 2004). Conflicts emerge when there is duplication of activities across IT projects or when activities in one project may diminish the outcomes of another (OGC 2007). Understanding the effects of conflict resolution is crucial to attaining success in this unique context that is gaining widespread allocation in the IT field, especially in the more complex arenas as the implementation of enterprise resource planning systems and development of client systems by vendors (Bennett et al. 1994; Epner 2001; Mehta et al. 2006). In IT, studies have dissected conflict to examine the possible relationship in a traditional intra-team environment to eventual success, but do not report a consistent relationship between conflict resolution and outcomes (Barki et al. 2001). Yet, other disciplines report when a conflict situation is dealt with effectively a number of beneficial outcomes follow (Chang et al. 2010). The objective of this study is, therefore, to examine the impact of constructive conflict resolution among the constituent project managers in a program team. Constructive controversy theory
(CCT) (Johnson et al. 2006) provides the direction to model the IT environment and test a path analytic model which includes consequences of cognition-based trust and interpersonal cooperation, which mediate the relationship of constructive conflict resolution with program outcomes.

**Background**

Barki et al. (2001) identified four components of conflict that characterize the IT environment: interdependence, disagreement, interference and negative emotion. IT program teams exhibit all of these four properties. Typically, project teams within a program have a high level of resource interdependence because they must share resources to accomplish individual project goals (Görög 2011). Client users depend on specific program members to manage the development effort, program members also depend upon the same top management to provide the resources. Also, program members involved in IT programs often have divergent opinions, interests, or goals (Tang et al. 2006). Interference among projects is prevalent in the program environment (due to sharing of resources and outcomes among projects) as a consequence of the actions taken by project managers (Miranda 2003). Goal interference was observed when there is a misalignment of immediate objectives, at intra and inter-team levels. Finally, largely as a result of such actions, negative emotions dominate to block desired traits such as trust and cooperative behavior (Englund et al. 1999). Positive outcomes of conflict resolution can be understood within the context of constructive controversy theory (CCT) (Johnson et al. 2006). Resolving conflict in constructive fashion requires an agreement be reached relying on differences in ideas, information, and opinions instead of treating the differences as blocks to progress. Relying on differences leads to an increase in cognition-based trust as opposed to affective based trust, which appears to be a critical factor influencing positive team behaviors that ultimately result in higher team performance (Hempel et al. 2009). Thus, constructive controversy should overcome the problems of interdependence in (Barki et al. (1994; Barki et al. (2001) conflict model by capitalizing on the disagreements to overcome negative emotions (lack of trust) and remove interference by promoting cooperative behaviors.

The model derived from the expectations of CCT applied the IT program context and considering the properties of IT conflicts identified in prior research is presented in Figure 1. Conflict that is resolved by discussing differences, constructive conflict resolution, will lead to favorable perceptions of cognition-based trust, interpersonal cooperation, and objectives of an IT program that include efficient implementation of the program as well as the attainment of business objectives for the program.
Fig. 1. Conceptual Research Model

Hypotheses

When individuals work constructively in a conflict resolution setting, they openly discuss relevant information (Johnson et al. 2006). Communications practices that allow for discussion of information such as program goals and priorities or project statuses provide program members a sense that their colleagues openly share information, thereby enhancing cognition-based trust. When team members are engaged in constructive conflict resolution behaviors that encourage open communication and honest feedback, it conveys a perception of caring and support for other’s work and ability. These perceptions reinforce and strengthen cognition based trust. This leads us to state:

H1: Constructive conflict resolution will be positively associated with cognition-based trust among IT program members.

Constructive controversy theory suggests that a constructive approach to conflict resolution provides an opportunity for the members to discuss and synthesize alternatives to reach a consensus. The consensus is reached after a critical and investigative debate about diverse perspectives. Hence constructive conflict resolution stimulates increased communication and also makes for genuine commitment among team members (Kets de Vries 2005). Satisfactory conflict resolution is considered vital for building a foundation for cooperative relationships (Pondy 1967). Perceptions of fair treatment in constructive conflict management will encourage team members and provide a platform for increased cooperation. Hence,

H2: Constructive conflict resolution will positively improve the interpersonal cooperation among IT program members.

Cognition-based trust provides cues as to how to process, interpret, and act upon given information. This is because cognition-based trust depends on the context and success of past interactions that provide significant clues about the competence of team members and context considerations that clarify the members on whom cognition-based trust is bestowed (Zucker 1986). Positive feelings, attitudes, and perceptions of workplace peers, subordinates, and
supervisors may facilitate an environment more conducive to individual willingness and serve to achieve common objectives. Within a program environment, engagement and teamwork are much more difficult to attain when there is lack of trust (OGC 2007). Hence we hypothesize:

H3: Cognition-based trust will positively improve the interpersonal cooperation among IT program members.

Mutual trust is a mechanism for (a) enabling people to work together more effectively, (b) providing team members to expect that their efforts will be reciprocated and not exploited by others, and (c) facilitating a high level of commitment to the relationship among the people (Andersen et al. 2006). A trustworthy environment will improve motivation, innovation and performance and the healthy relationships of project team members will continue after the project closure (Binder 2007). Wang (2003) found that cognition-based trust was positively related to participation of managers in decision making. Therefore, we hypothesize that:

H4: Cognition-based trust will positively improve IT program’s implementation efficiency.

Collaboration among teams, and the interdependence of tasks on coworkers have a major impact on an organization’s delivery capability and productivity (Hantos et al. 2000). Past literature has confirmed that groups are more creative and productive when high levels of participation, cooperation and contribution evolve among the members (Bencsik et al. 2007). Thus, the ability to cooperate leads to performance improvement at multiple levels. Hence, these hypotheses:

H5: Interpersonal cooperation will positively improve an IT program’s implementation efficiency.
H6: Interpersonal cooperation will positively improve an IT program’s achievement of business objectives.

Successful program managers are adept at the skill of conflict management and resolution (Miloševic et al. 2007). Conflict resolution among new venture team members is an important determinant of business parameters such as economic success, competitive position, efficiency and client satisfaction (Lechler 2001). A senior management team that models the right behavior and good conflict management ensures that the entire organization will remain a functioning, competitive force (Guttman 1999). Hence,

H7: Constructive conflict resolution will positively improve an IT program’s achievement of business objectives.
H8: Constructive conflict resolution will positively improve an IT program’s implementation efficiency.

Methodology

A survey methodology is selected to test the above hypotheses. The instrument package includes a cover letter and questionnaire and were handed to 50 IS vendors in India out of which 38 vendors participated.
For each program, questions were asked of a program manager and a matching project manager to avoid common method bias (independent and mediator variables were determined by project managers while dependent and control variables were assessed by program managers). The constructs are developed based on similar constructs from previous studies. Structural Equation Modeling (SEM) with Partial Least Squares (PLS) analysis allows empirical assessment of the measurement model used in this study (Lohmöller 1989). All constructs showed high convergent validity. Composite reliability of each construct was also above 0.7. For each variable the skewness was less than 2 and the kurtosis less than 5, indicating no significant violation of normal distribution (Ghiselli et al. 1981).

Results

As seen in Figure 2, all hypotheses were supported except H8, indicating the relationship is fully mediated. This mediation could be expected given that the two mediating variables represent both the emotion and action required in models of conflict resolution [4]. The relationship from cognition-based trust to the achievement of business objectives was not hypothesized due to lack of literature support in relating cognition-based trust to strategic outcomes and a lack of expectation that trust within the program team without an associated action will contribute to business objectives set outside the program. None of the control variables showed to be significant to either dependent variable.

Figure 2. Resulting Path Model

Discussion

The model tested was derived from constructive controversy theory as applied to the conflict properties in the IT program context. In this fashion, CCT was extended to the program level
context which requires inter-team conflicts be resolved to achieve desirable outcomes. Elusive conflict outcomes specified but not supported in prior IT research are found to hold under this lens. First, this study identified at the program level that Barki et al. (1994); Barki et al. (2001) conflict model is applicable: negative emotion and interference behaviors are manifests of unresolved conflict and that positive emotion and behaviors were manifestations of conflict resolution. Second, this study translated and extended constructive controversy theory to the IT program context. Specifically, a constructive approach to managing conflicts resulted in the strengthening of cognition-based trust. Finally, only business objectives and implementation efficiency were examined in this study, other program performance measures were not examined. Future studies that adopt different sample frames and different performance measures are strongly encouraged to further generalize the results of this study.

References


[Data Tables are not included due to page restrictions. For full paper please contact Neeraj Parolia.]