Role Conflict toward Employee Performance  
(Studies in Government Budgeting Team at Kendari)

Jalaluddin Rum$^1$, Eka Afnan Troena$^2$, Djumilah Hadiwidjoyo$^2$, Surachman$^2$

$^1$Doctoral Program Of Management Sciences, Brawijaya University, Malang-Indonesia;  
$^2$Economics And Business Faculty Of Universitas Brawijaya, Malang-Indonesia.

**ABSTRACT** : This research is motivated by phenomenon of employee’s poor performance as a result of conflict. Conflict is caused by factors of different employee knowledge, low organizational commitment, and based-interests power. This study analysis unit is Regional Working Units at Regional Apparatus Work Unit (RAWU). Samples were 131 employees and analysis method is Structural Equation Modeling (SEM). This study result showed that higher knowledge can increase employee’s performance and lower intensity conflict. Organizational commitment can improve employee performance, but can not reduce conflict intensity. Power can reduce intensity of conflict, but does not improve employee performance. Conflict can drive employee’s performance. Study findings suggest that conflict can act as a complete mediation the relation between knowledge and employees performance. Conflict becomes partial mediation that improves power and employees performance. Practical implications of this study that knowledge of job procedures, commitment continue, coercive power, environmental change and quality of work is biggest indicator the effect of conflict on employee performance.

**KEYWORDS**: Conflict, Knowledge, Organizational Commitment, Power and Employee’s Performance.

I. INTRODUCTION

One knowledge and skills that need to be owned by leaders, managers, and administrators is conflict management. Political leaders use at least 25% of their time to face and manage conflict [59]. At least 20% manager time is used to resolve conflicts. Conflict in their daily lives is something fundamental and essential. Organization Conflict has power to establish staff performance, because the variables change simultaneously and dynamically. Here, conflict is a natural process that occurs within an organization or community. Human resource management is seen as line manager’s responsibility in many organizations [49]. Managers have to deal with different participants (subordinate, supervisor) that often have different agendas, values, perspectives and objectives. Organization conflict is interaction between two or more parties each other that interconnected and interdependent, but separated by goal difference [41]. Conflict within organization, often asymmetrical, occurs where only one party aware and provide a response to conflict, or one party perceives the other party that has been or will be attacked by negatively [43]. Conflict management is ranking 7 of 10 priorities of manager activities to lead company. They inevitably face conflict in performing task. Conflicts can occur between leaders and followers; conflicts among his followers, and conflicts between members of organization and outside organization. Time to resolve conflict would increase if employees strike. Without knowledge and skills of conflict management, they will not able to resolve conflicts faced. Conflict can be dysfunctional, which evolved from constructive to destructive conflict that would hamper organizational goals achievement. Furthermore [59] states that conflict is one of life essence and human development that have diverse characteristics. Humans have different gender, social and economic strata, legal system, nation, tribe, religion, creed, politics, as well as culture and purpose of his life.

Throughout human history, difference always leads to conflict. Organization Conflict is something that inevitable and natural in a process of interaction between individuals. If conflict is not managed properly, then it can become a serious problem in organization and can create a chaotic condition that makes employee unable to work together. Conflicts have a major effect on lives of human beings, either individually or in groups, as well as the positive and negative effect. Both of these effects can make a difference to human life. Conflict can change and develop human life for the better. Conflict makes negative effect on organizations such as lower productivity, high absenteeism, or turnover. In addition, conflict also had a positive effect as eliminating stagnation, bring creative ideas and others. Therefore, organizational leaders need to manage conflicts between individuals in order to have a positive effect on organization. Conflict management includes understanding organization's leadership about when, what, and how to manage conflict.
One positive effect of conflict management is to increase satisfaction of organization members [38]. The problem is how to manage conflict effectively and efficiently to minimize losses and maximize benefits for employees and organizations to make positive effect on organizational performance. Conflict management begins by mapping source, type and conduct of conflict from the perspective of individual members of organization. If source, type and behavior when conflicts can not be managed properly then it will have a negative effect on organization. Positive or negative effect of conflict on organization performance will affect employee and organization as a whole. Several studies have been conducted at organization level about various factors causing conflict. Conflict may be due to objectives differences between divisions or between departments in an organization [16]. Study conflict in a Multi National Corporation (MNC) found that conflict is caused by cultural differences [35]. Moreover, from analysis conducted on conflict in Multi National Corporation, it cause a fundamental shift in decision-making process, distribution of power and authority, and pattern of incorporation and supervision related to transnational.

Empirically, there are some research that has revealed about some negative effect of conflict between individuals, groups, and organizations. An example is conflict is negatively associated with workers reaction such as satisfaction, climate, which can reduce group effectiveness [28]. Task conflict can be beneficial in task group that is not routine but it will hurt performance on routine tasks [7]. Relationship conflict (affection) produces a negative result because it can reduce creativity and decisions quality, eroding unity and commitment of team and limit acceptance and support of decision [1]. This conflict tends emotional and someone focuses on discrepancies or disputes between individuals and usually will lead to hostility, distrust, cynicism, apathy and other negative emotions. Therefore, it can be said that almost all types of conflicts can negatively effect both on individuals, groups, or organizations. Conflict can have positive or negative effect on organizational performance, depending on nature of conflict and how to resolve them. Every organization has an optimal conflict level that can be considered truly functional. Conflict help to make positive performance. If conflict level too low, it will have an effect on performance. Innovation and change becomes difficult, and organizations will difficult to adapt to changes in its environment. If this low level conflict continues, organizational survival can be threatened. Conversely, if conflict level is too high, it creates chaos that could also threaten organization survival [60].

Research has been conducted on factors affecting employee performance with variable knowledge, organizational commitment, power, conflict and employee performance, such as research on knowledge and employees performance by [51], [39], [20], [24] where knowledge have significant effect on employee performance. Good knowledge, ability of employee, mastery of technology, and experience is needed to grow company. In contrast, knowledge does not have significant effect on performance due to ability of an individual employee owned, mastery of technology and experience of employees will reduce teamwork effectiveness. Because employees believed that they had more ability than his fellow team members, they tend to give rise to personal ego attitude so that other fellow co-workers tend to vacuum [22]. Research the effect of organizational commitment on employee performance was conducted by [2], [44], and [34]. It was concluded that Organizational Commitment has significant effect on Employee Performance, if employee felt himself as part of organization and difficult to get another job, then employee will continue to work as closely as possible to meet organization demands. In contrast, [21] concluded that organizational commitment does not significantly affect performance of an employee because employee has a high commitment shown to have less attendance.

Research the effect of power on employee performance was done by [57], [60], [54], [53], [21]. They found that power significantly affect employee performance because power can bring superior employee commitment in duties performance and raise employee compliance attitude towards work. In contrast, study by [46], [55] showed that coercive power does not have significant effect on employee performance because employee worked constantly fear sanctions and penalties that will eventually lead to resentment. Previous research found that knowledge significantly affect on conflict [58]. It concluded that employees with higher knowledge level in carrying out the job tend have low intensity conflict, because employees only focus on work that he was doing so tend not involve themselves in conflict. In contrast, study results of [29], [30] found that knowledge does not significantly affect on conflict, where individual knowledge can reduce interdependencies group/team so that conflict intensity is likely to increase as other employees tend to be utilized. Study found that organizational commitment significantly affect on conflict [40], [19], [47], employees who feel an emotional bond, identification, and her involvement in organization tend have low-intensity conflict. Adversely, study results [5] showed that organizational commitment had no significant effect on conflict, but if employees get a work environment that is not conducive due to unfair competition, the more likely a conflict will increase. Research of [13], [31] and [8] found that conflict have significant effect on of power.
It concluded that power of authoritarian leaders who will give birth to fear that employees tend to avoid conflict. In contrast, study results by [18] show that power does not affect significantly on conflict. It concluded that coercive power is applied by leadership in short term it will only give birth to fear. Knowledge is overall information and ideas contained in statements made about events, natural, social and individual. Individual commitment is responsibility, dedication, speed and ease-response communication between individuals in team to finish work [42]. Another factor related to management is individual power within a team. Management processes within team can work well if individual know the duties and functions (duties) on team, so as to build relationships between individuals in a team environment as well as knowing their work on structure of tasks and authority. Power of individual within team relates to decisions in manufacture design and control management process.

Previous studies have not connected all variables in an integrated and comprehensive (still partial) due to differences in measurement and analysis methods and findings, as well as general object of previous studies in manufacturing field. Therefore, originality of this study is to makes integrated and comprehensive analyzes of Knowledge, Organizational Commitment, Power and Conflict on Employee Performance variables. the goal is to determine how much effect Knowledge, Organizational Commitment, Power and Conflict on Employee Performance variables, direct, indirect and total effect. Research location is Kendari City Government. Novelty of this research is to analyze conflict as a mediating variable in which the result of this study is expected to clarify relationship between Knowledge, Organizational Commitment and Power on Employee Performance variables.

Problems in Kendari City Government Budgetary are paradigm shift in government finances management since regulation of performance-based financial management, shorter bureaucracy mutations, technological innovation, information availability more easily and quickly and faster cultural and social change. Root causes of team's budget and work units (RAWU) is each individual brings their individual and institution missions. the most prominent differences in each individual employee is lack knowledge to understand mechanism of budget allocation needed, less employee organizational commitment to support budgeting process, and based on interests of power. Therefore, conflicts often occur between fellow team budget with work units and it makes unsatisfactory employee performance. Phenomenon shows employee performance (Tim Budgetary) of Government Kendari is unsatisfactory. This show employee behaviors symptoms that less disciplined, less concerned with their basic tasks and functions, less employee attendance less during budgetary discussion, less efficient in utilizing time (schedule budget discussions often delayed). This conflict often occurs between employees as Regional Apparatus Work Unit (RAWU) in one side and the other side as team's budgeting. Conflict is characterized by tension, hatred, revenge, and interference between employee regarding the disagreement between tasks being performed, including differences in viewpoints, ideas, and opinions. Phenomenon and the reality at government budget team above can change and develop in accordance with information found in field. Authors interested to study this phenomenon and focused on the effect between variables that have been tested by previous researchers weather still consistent or generate new findings. This study was conducted in Kendari city government and conflict is used as a mediating variable.

II. CONCEPT FRAMEWORK AND RESEARCH HYPOTHESIS

Contradiction and inexistence the consensus concepts in literature and previous research about role of conflict on performance, where conflict become mediation variable to links knowledge, organizational commitment and authority on employee performance, encourage researchers to reexamine construction developed by previous researchers that integrated from different viewpoints. Briefly, conceptual framework is shown in Figure 1 below:
Figure 1 show relationship between variables. Hypothesis formulation of this study can be explained as follows. Oxford Dictionary 2003 defines knowledge is defined as: "Awareness or familiarity gained by experience, person’s range of information, a theoretical or practical understanding of a subject, language, etc, the sum of what is known, true, justified belief, certain understanding as opposed to opinion" [67]. Similarly, [66] states "An employee who has high knowledge and skills will support achievement of goals and objectives that have been established by organization". Etymologically, [60] stated that work performance or achievements is desired outcome of behavior. High performance and good work in will be achieved by an employee if they have expertise and skills in accordance with their job [68]. According to [61] "Addressing deficiencies in employee’s quality can be done by increasing personnel technical skills." Another important factor is management should maintain and even improve employee skills when there are technology and science developments. Research on knowledge and employees performance conducted by [51], [39] and [22]. They found that knowledge significantly affect on employee performance. Based on explanation above, proposed research hypothesis is follows:

H1a: Knowledge affect on employee performance.

Employee commitment formation is affected by various factors. Factors that stated by [37] include: (a) personal: job expectations, psychological contract, job choice and personal characteristics factor, all of them can create early commitment, (b) organizational factors: initial work experience, job scope, supervision, goal consistency. All of them create responsibility organization (liability observed), and (c) non-organizational factors: availability of alternative jobs. These three factors shape individual commitments for an employee organization. Commitment is an effect of individual attitudes in organization [61]. Individual psychological effects that obtained in dealing various changes can shape organizational commitment. Most important thing in this context is formation of an employees high work commitment as expected by organization. Study organizational commitment to employee performance conducted by [62], [63] and [64]. They found that organizational has a significant effect on commitment to employee performance. Based on explanation above, proposed research hypothesis is follows:

H1b: Organizational Commitment affect on employee performance.

Power is defined as a person's ability to obtain something desired in accordance with the way that used by person ([60]. Performance is an overview of achievement level to implement activity/program/policy in realizing goals or objectives, vision and mission of organization as stated in organization strategy planning [25]. Understanding performance emphasizes achievement of activities or programs implemented so that performance can be achieved if activity or program is implemented in accordance with objectives, vision and mission of organization. Research relationship between power and employee's performance was done by [54], [53]. They found that power significantly affect on employee performance. Based on explanation above, proposed research hypothesis is follows:

H1c: Power affect on employee performance.

Knowledge is individual capacity to perform various tasks in a job [43]. Everyone has strengths and weaknesses in knowledge and that makes it superior to others in performing tasks or activities. Differences in this knowledge will affect conflict. Furthermore, it is said that knowledge is an ability that allows a person doing work psychologically. Knowledge show degree, type and level of knowledge, skills and abilities team members to solve team problems. Differences experience will encourage and support the emergence proposed approach to problem that led to conflict resolution [60]. Results of previous studies on knowledge with conflict as practiced by [58] found that knowledge significantly affect on conflict. Based on explanation above, proposed research hypothesis is follows:

H2a: Knowledge affect on conflict.

Commitment is one effect of a person's attitude and the changes aspect. Commitment has been defined, among other things: (a) attachment namely "a sense of identification, engagement, and loyalty or allegiance is expressed by one of company [60], (b) commitment is" degree of how far individual chose a particular organization and objectives, intending to maintain membership in organization [43]. Commitment implies a sense of identification, engagement, and loyalty/fidelity or degree, or nature of one's relationship to organization that indicated by favoring to organizational goal, interested to maintain membership in organization, willingness to try the best to organization interest, and trust and strong acceptance of values and goals of organization. Organizational commitment associated with each group where there is a difference which usually ends up with a conflict. Research result of [41], [19] and [47] show that organizational commitment has significant effect on conflict. Based on explanation above, proposed research hypothesis is follows:
H2b: Organizational commitment affects on conflict.

Power is defined as a person's ability to obtain something desired in accordance with the person’s way [60]. Study [20] showed that most dimensions of managerial power enable the acquisition of employee’s knowledge. Furthermore, this study found that trust has a negative effect on acquisition of knowledge. Study [3] found conflicts resolution within group marketing will improve performance of group. Research result of [13], [31] and [8] show that power has a significant effect on conflict. Further research [40] shows that dominant reaction to dominant behavior depends on position of opponent power. Managers will react more complementary to their superiors and will react more reciprocal to their subordinates. Based on explanation above, proposed research hypothesis is follows:

H2C: Power affects on conflict.

Conflict is a discrepancy or disagreement among members of team due to personal incompatibility that eventually led to mutual suspicion, mistrust, and hostility among team members ([4]). Research show conflict can reduce decision making effectiveness by reducing team ability to create high-quality policies and reduce the ability of team members to accept team's decision. Affective conflict can lower willingness to receive information, and higher conduct of hostilities between the team members, lowering ideas acceptance from people who are not favored, lowering tolerance, and interfere with the effectiveness of communication and cooperation within the team ([11], [3], and [4]). Work conflict is a disagreement among members of work team toward team goals and activities required to achieve these goals. This conflict type arises as a result of differences in perspectives lead to different points of view on an issue. Cross-functional work teams come from different functional areas. They often have different backgrounds and perspectives. Research on conflict with employee’s performance conducted by [40] and [27] that conflict significantly affect on employee performance. Based on explanation above, proposed research hypothesis is follows:

H4: Conflict affects on employee performance.

III. RESEARCH METHODS

This research uses quantitative approach (positivism). Design of this study is explanatory research in order to explain relationship between variables by testing hypotheses and drawing causality conclusions. Study site is Kendari Government Employee, especially Kendari City Government Budgeting Team become analysis unit of this study.

3.1 Population and Sample

This study population is employees that directly involved in Kendari City Government Budgeting. The characteristics are Civil Servants in Regional Apparatus Work Unit (RAWU), directly involved in budget preparation, and budget team area in government Kendari city with a total of 498 people. Sample size is determined by proportional stratified random sampling technique so that resulting samples size are 131.

3.2 Data Collection Methods and Measurement

Data is collected by survey that conducted in a single stage (one short study) through questionnaires. Questionnaires contain question that spread respondent. Furthermore, in-depth interviews is used to uncover the facts behind the quantitative findings in order to perform synthesis of indicator used to measure study variables, broaden horizons object of study, identify problems, and confirm the results of analysis/discussion. Measurement data in this study is a Likert scale. Likert scale used to measure attitudes, opinions and perceptions of respondents agreement on subject, a particular object or event. Likert scale range from 1 to 5 scales the following criteria: strongly disagree (1), disagree (2), undecided (3), agree (4); strongly agree.

3.3 Analysis of Structural Equation Modeling (SEM)

SEM analysis was used to test causal relationship between exogenous and endogenous variables in a model study. SEM analysis essentially consists of confirmatory factor analysis (CFA), and regression analysis/path analysis. This analysis also used to check validity and reliability of research instrument as a whole [48]. Reason for the use of SEM in this study is based on consideration that: (1) SEM suitable to confirm unidimensionality of various indicators for a construct/concept/factor, (2) SEM suitable to used to test suitability/accuracy of a model based on empirical data under study; (3) SEM was suitable to test suitability of model as well as a causal relationship between built and observed factors in model, and (4) SEM can examine size effect, whether direct, indirect, or total effect of independent variable (exogenous variable) of dependent variable (endogenous variable). Therefore the SEM can be used to determine the dominant variable [48].

www.ijbmi.org 43 | Page
IV. ANALYSIS AND RESULTS

4.1 Feasibility Testing of Structural Model

Feasibility testing of a structural model aims to know compliance with data and observations constructed using estimated value of standardized regression weights, consisting of direct relationships and indirect relationships. Structural model is conform to observational data if the Chi-square is small and significant at \( \alpha = 0.05 \); probability values \( \geq 0.05 \); CMI/DF \( \leq 2.00 \); GFI, AGFI, TLI, NFI and CFI \( \geq 0.90 \), and RMSEA \( \leq 0.80 \). Feasibility testing results of complete structural model that become basis for comparison of model suitability index is presented in Table 1 below:

<table>
<thead>
<tr>
<th>Goodness of Fit</th>
<th>Calculation Result</th>
<th>Good Condition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
<td>202,497</td>
<td>Small</td>
<td>Good</td>
</tr>
<tr>
<td>Probability</td>
<td>&gt;0,05</td>
<td>&gt;0,05</td>
<td>Less</td>
</tr>
<tr>
<td>CMI/DF</td>
<td>( \leq 2 )</td>
<td>( \leq 2 )</td>
<td>Good</td>
</tr>
<tr>
<td>GFI</td>
<td>( \geq 0,90 )</td>
<td>( \geq 0,90 )</td>
<td>Marginal</td>
</tr>
<tr>
<td>AGFI</td>
<td>0,798</td>
<td>( \geq 0,90 )</td>
<td>Good</td>
</tr>
<tr>
<td>TLI</td>
<td>0,943</td>
<td>( \geq 0,95 )</td>
<td>Good</td>
</tr>
<tr>
<td>CFI</td>
<td>0,953</td>
<td>( \geq 0,95 )</td>
<td>Good</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0,079</td>
<td>( \leq 0,08 )</td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: results of data processing.

Model test results in Table 1 indicate that from eight criteria Goodness of Fit models are built to estimate structural parameters according to observed data, there are six criteria that meet the minimum requirements (cut off point) required the Chi-square value; CMI/DF ; AGFI; TLI; CFI, and RMSEA. While the other two criteria, namely probability and GFI is marginal. Referring to principle of parsimony [48] that if there are one or two criteria of goodness of fit that has met the expected value, then model can be said well or development of conceptual models and theoretical hypotheses can be said to be supported by empirical data. Therefore, it concluded that structural model that constructed in this study are consistent with results of observation and allows for analysis of structural relationships and testing hypotheses. Model tests are performed after developing structural relationship model in this research according to data observation and structural models suitability index. Purpose of structural relationship model testing is to determine relationship between latent variables that designed in this study. Details of complete structural relationship model are presented in Figure 2 below:

Figure 2. Standardized estimate of full structural relationship models
Description: s = significant path, ns = non-significant path

Figure 2 shows that from all seven direct relationships in this study, there are five significant and two insignificant. Structural model shows structural relationships in addition to latent variables. It also describes relationship of latent variables with observable variables and measurement error on each observed variable. Suitability analysis results of structural model become a basis to analyze relationship between latent variables and hypothesis testing in order to determine relationship between latent variables and hypothesized causal relationships that significance levels are presented in Table 2.

Table 2. Path Coefficients (Standardized) Relation between Variables

<table>
<thead>
<tr>
<th>Relation between variables (Independent → Dependent)</th>
<th>Mediation variables</th>
<th>Hypothesis testing result</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Path Coefficient of Direct Effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge(X₁) Conflict (Y₁)</td>
<td>-</td>
<td>-0.183</td>
<td>.046</td>
</tr>
<tr>
<td>Organizational Commitment (X₂) Conflict (Y₁)</td>
<td>-</td>
<td>-0.069</td>
<td>.436</td>
</tr>
<tr>
<td>Power (X₃) Conflict (Y₁)</td>
<td>-</td>
<td>-0.222</td>
<td>.018</td>
</tr>
<tr>
<td>Knowledge(X₁) Employee Performance (Y₂)</td>
<td>-</td>
<td>0.265</td>
<td>&lt; 0.001</td>
</tr>
<tr>
<td>Organizational Commitment (X₂) Employee Performance (Y₂)</td>
<td>-</td>
<td>0.222</td>
<td>.029</td>
</tr>
<tr>
<td>Power (X₃) Employee Performance (Y₂)</td>
<td>-</td>
<td>-0.006</td>
<td>.930</td>
</tr>
<tr>
<td>Conflict (Y₁) Employee Performance (Y₂)</td>
<td>-</td>
<td>-0.681</td>
<td>&lt; 0.001</td>
</tr>
<tr>
<td>Path Coefficient of Mediation Effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge(X₁) Employee Performance (Y₂) Conflict (Y₁)</td>
<td>0.124</td>
<td>-</td>
<td>Significant</td>
</tr>
<tr>
<td>Organizational Commitment (X₂) Employee Performance (Y₂)</td>
<td>0.047</td>
<td>-</td>
<td>Insignificant</td>
</tr>
<tr>
<td>Power (X₃) Employee Performance (Y₂) Conflict (Y₁)</td>
<td>0.151</td>
<td>-</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Results of hypothesis testing

Table 2 and Figure 2 shows that there are seven direct relationship model built in this study: 1) Knowledge have significant effect on employees performance, 2) organizational commitment have a significant effect on employee performance, 3) power have insignificant effect on employee performance; 4) knowledge have significant effect on conflict; 5) organizational commitment have insignificant effect on conflict; 6) Power have significant effect on conflict; 7) conflict have significant effect on employee performance. Indirect effect test results can be explained as follows: 1) indirect effect relationship between knowledge on employee performance that mediated by conflicts show that good performance is not only affected by knowledge but also have been affected by relatively low intensity conflict. Pattern of relationship is complete mediation. Secondly, indirect effect relationship between power and employee performance that mediated conflict shows that power can act as a partial mediation. It means that despite better employee’s performance, intensity conflict likely to be high.

V. DISCUSSION OF RESEARCH FINDINGS

Employee performance will achieve maximum results when supported by knowledge owned [40]. Each employee is expected to continue to explore knowledge and not just rely to existing system. It can be said that every employee has a role to improve company. While [19] states that factors that affect the business environment today are no longer information, but have switched to knowledge. Based on analysis the effect of knowledge on employee performance, it shows that value of standardized path coefficient = 0.265 and p-value <0.001, thus said to be significant.
Testing results showed that hypothesis of knowledge significantly affect on employee performance is accepted. It means that higher knowledge significantly can increase employee performance. These findings are consistent with studies of [51], [39], [20], [24], that knowledge significantly affect on employee performance. Where with good knowledge, the ability of employee, mastery of technology, and experience is needed to grow company. Adversely, this result is inconsistent with study [22] that knowledge was not a significant effect on performance due to ability of individual employee, mastery of technology and experience of employees will reduce the effectiveness of teamwork. Because employees believed that they had more ability than his fellow team, they tend to bring out personal ego to co-workers so that other team members tend to feel left out.

These findings reinforce theory of knowledge that essentially knowledge can be divided into two interrelated parts. First, Theoretical Knowledge, knowledge base that owned by employees as working procedures, as well as company's motto and mission tasks and responsibilities, other information that required and obtained both formal (schools, universities) as well as from non-formal (experiences). Second, Practical Knowledge, knowledge that is given to employees in order to understand how and when employees behave and act in the face various problems and implementation of work procedures based on knowledge theory and experiences occurred. Theory of [68] state that a commitment is a form of attitudinal loyalty is expected to exist in every organization. Furthermore, it is said that a commitment that arises not only positive as loyalty, but it also involves an active relationship with the labor organization which has goal to provide every effort for organization successful in work. Commitment can also be affected by tenure factors. Usually employee with strong commitment will have long tenure, those who have achieved success with organization concerned. As a logical consequence, there will be a condition that employees who have high job commitment will behave properly and obey all organization wisdom. Direct effect analysis the effect of organizational commitment on employee performance obtained path coefficient significant positive of 0.222 and p or-value of <0.001. This results showed that hypothesis of organizational commitment have a significant effect on employee performance is accepted. It means that stronger employee organizational commitment will significantly improve employee performance. This result is consistent with previous studies of [13], [31], [8], [14], and [21] that person's preferences in organizational commitment can affect employee performance.

Power theory by [60] state power is defined as one's ability to obtain something desired by people. This theory provides a strong argument that power comes from (1) access to resources, information, and support, (2) the ability to obtain cooperation needed to accomplish task. Direct effect analysis the effect of power on employee performance obtained insignificant negative path coefficient of -0.006 and p or-value of 0.930. It means that power has no effect on employee performance. Stronger power will not improve employee's performance. Thus, hypothesis that power has a significant effect on employee performance is rejected. It is because power is not dominated by a particular individual or group of budgeting team but by all budgeting team. However, the empirical fact is different. Because of competition for limited resources (budget), team members sometimes feel ego, feel a close connection to ruling, was a senior and led the unit works, so decision has generated often sidelined. This result is consistent with previous research of [57], [60], [54], [53], [21] that power significantly affect on employee performance because power can create superior employee commitment in tasks implementation and attitude adherence of employees to work. But this result inconsistent with research of [46], [55] that coercive powers affect insignificant on employee performance because coercive power of employees in workplace will always create afraid of sanctions and penalties that will eventually lead to resentment.

Conflict theory by [69] state that to face life conflict, scientific knowledge can make conflict as a driving force for advancement of science. Scientific knowledge tries to find and introduce systematic patterns of explanation for a number of facts to reinforce the rules by showing logical relations of propositions one another. Hypothesis testing results show that path coefficients (standardized) of direct effect knowledge on conflict is negative and significant of -0.0183 to at p-value of 0.046. Thus, hypothesis that knowledge significantly affect on conflict is accepted. This shows that there is a significant negative effect of knowledge level on conflict, ie higher knowledge can significantly reduce conflict. Commitment theory by [37] state that there are multiple determinants of one's commitment to organization. First, the commitment is effected by several aspects of scope itself that called organizational factors. These factors will create a responsible attitude towards the success of task performed. Secondly, organizational commitment is affected by alternative employment opportunities owned workers that called non-organizational factors. The greater the turnover opportunity, the greater desire to work elsewhere, worker's organizational commitment tends low. Third, employee commitment to organization was effected by employee's personal characteristics. These factors create initial commitment. Initial commitment arise when workers just starting to come in as a member of organization. A person who has commitment at starting work has a tendency to not change jobs for a relatively long period.
Including this factor is job satisfaction, age seniority, and tenure. The older workers or the longer work and more senior, as well as higher satisfaction to work makes people tend to have a relatively high commitment.

Hypothesis testing results showed that path coefficients (standardized) the direct effect of organizational commitment on conflict variables are negative insignificant at -0.069 and p-value of 0.436. Hypothesis that organizational commitment significantly affect on conflict is rejected. It means organizational commitment indicators that consist of affective commitment, normative commitment, and continue commitment can not reduce conflict intensity that tends to be high. Empirical fact show that it closely related to existence of effective team Budgetary less than 2 (two) months based on Kendari Mayor Decision where employee organizational commitment is not so prominent. This of research result consistent with [41], [19] and [47] that organizational commitment have significant effect on conflict, where employees who feel any emotional attachment, identification, and involvement in organization tend have low conflict intensity. Adversely, study of [5] shows that organizational commitment does not have significant effect conflict. If employees get a work environment that not conducive due to unfair competition, conflict will more likely increase. Organizational commitment of government managers was lower than executives of private companies, because managers in general government less involved, less loyal, and display weaker identification than private sector executives.

Fundamental concept in conflict theory is power. In interpersonal conflicts, power structure is heart of a conflict analysis. Power has an important role in process of conflict. Conflict management style and conflict resolution techniques are chosen by parties to resolve conflict. Is conflict process complicated and time-consume or not? It depends on power possessed by each party to conflict. Hypothesis test result value of path coefficient (standardized) direct effect of power on conflict is negative and significant at -0.222 and p-value = 0.018. This suggests that power affect on Conflict. Hypothesis that power significantly affect on conflict is accepted. This shows that there is a significant negative effect of conflict level on power, ie higher power it can significantly reduce conflict. This result is consistent with research conducted by [44], [34], [2] and [15] that power has a significant effect on conflict. Power is an important factor for employee as an individual because of large power reflects competencies among employees themselves. Partially [46] concluded that coercive power does not have significant effect on performance because coercive power usage will only produce unwanted side effects that hatred of subordinates. Theory developed by [43] stated that organization conflict is known as the Conflict Paradox, namely a view that on one side the conflict is considered to improve performance of group, but on other hand most of groups and organizations seek to minimize conflict. Theory proposed by [10] states that relationship between conflict and performance follows an inverted U-shaped curve, where conflict is productive at a moderate level and not productive at a very low or very high level.

Hypothesis testing result shows that direct effect of conflict on employee performance show significant negative path coefficient value of -0.0681 and p-value of <0.001. Hypothesis that conflict has significant effect on employee performance is accepted. It means that lower conflict can significantly improve employee performance. Empirical strategy approach that taken by employees to manage Team Budgeting is a strategic approach to conflict management style [52]. It consist of: 1) competition; it happened when one party feels has power and other resources to impose something to opponent; when decision and action needs to be taken quickly, such as in emergencies, 2) collaboration; to create an integrated solution; both parties do not have sufficient powers and resources to impose in order to achieve its objectives. This result is consistent with research that conflict can improve employee performance. These findings reinforce study results [6] with object on Dual Career Couple in Jabodetabek). But this is inconsistent with research results of [56], [17], [27], [11], [11], [6], [45], and [50] which states that dysfunctional conflict significantly affect on employees performance degradation. Other inconsistent result is done by [1] that affective conflict reduces group performance due to hostility where affective conflict makes individuals in group are more resistant to job-related ideas expressed by other group members. Furthermore, study results of [26], in a non-marketing context, describe conflict is associated with productivity as U inverted graph. Number of conflicts is essential to productivity and change, whereas organization with little or no conflict will stagnate.

VI. RESEARCH FINDINGS

Knowledge has direct and significant effect on employee’s performance, as well as through conflict as mediation. These findings indicate that knowledge with indicator of personal knowledge, job procedures, and technology is so important to improve employee performance. Conflict becomes complete mediation the relation between knowledge and employees performance. Conflict become partial mediation to relates relationship between power and employees performance.
VII. RESEARCH CONTRIBUTION

Theoretically, this study contributes to support of view of human relationships (humanist) that conflict is a natural occurrence in all groups and organizations as well as outlining the interactionist view that cooperative groups, quiet, peaceful and harmonious tend to become static, apathetic and unresponsive to changes and innovation. Therefore, this view encourages group leaders to maintain a minimum level of ongoing conflict. Partial support of research by [58], [36], [9], [33], [23] states that knowledge has a significant effect on conflict, [41], [19] and [47], [32] states that organizational commitment has not significant negative effect on conflict [44], [34], [2] [15] that significantly lowers power conflict. Power is important for employees as individuals because Power reflects authority size among employees themselves, [51], [39], [22], [20], . [24]. Knowledge has significant effect on employee performance; [13], [31] and [8], [14, [21] states a person's preferences in Organizational Commitment may affect on employee performance [54], and [53], [21 ] that power has no significant effect on employee performance and [56], [17], [27], [11, [12], [6], [45], [50] which states that conflict significantly affect on lower employee performance. This study result has been able to justify and develop theory of human resource management in a holistic (whole) that management should harmonize conflict between knowledge and power to improve employee performance. This study contributes to support formulation programs and policies adopted by Kendari Government to improve employee performance in organization especially with regard to conflict role on employee performance. Research was conducted at Kendari Government, capital of Southeast Sulawesi province. the results are expected to generalize and contributing to implement the district/city governments in Indonesia. Results of this study contribute to unit leader that conflict significantly affects on employee performance. Conflict is not a threat but a potential for organization to improve performance.

VIII. LIMITATIONS OF RESEARCH

There are limitations of this study. First, researchers are civil servants at Government of Kendari. Therefore, it is possible that respondents fill questionnaire by looking at researcher background to give a subjective answer. Secondly, busyness and time constraints of respondents at the time of filling the questionnaire will affect respondents' answers to describe phenomena that happen at work; third, study was conducted in the area with a culture difference from other regions. Further research is needed on an area that has a different culture. It would likely increase validity and generalizability of this study.

IX. CONCLUSION

Knowledge has significant positive effect on employee performance. It means that higher knowledge (with indicator of employee personal understanding of knowledge, job procedures, and technology) can improve employee performance. Organizational commitment has significant effect on employee performance. It means that higher organizational commitment of employees (with indicators of affective commitment, normative commitment and continue commitment) will improve employee performance. Power does not significantly affect on employees performance. It means that power (with indicators of replies power, coercive power and authority continue) can not improve employee performance. Team budgeting power is collective, but sometimes arise ego from team members so that decision that generated can be countered back and eventually affect employee performance. Knowledge has significant negative effect on conflict, ie the higher knowledge can significantly reduce conflict. It means that individual's understanding of personal knowledge, job procedures and mastering technology will reduce interdependence level among team members. Organizational commitment does not have significant effect on conflict. It means that organizational commitment can not reduce conflict intensity, so tends to be high. Power has significant effect on Conflict. It means higher power will decrease conflict intensity because a tendency to apply coercive power and return (reward power). Knowledge has significant effect on employees performance who mediated by conflict. It means that higher individual knowledge will increase employee’s performance. Although conflict intensity tends to be high, individual employees remain focused to finish his work. Organizational commitment does not have significant effect on employees performance that mediated by conflict. It means that employee's performance will tend to decrease when conflict intensity tends to be high. Power has significant effect on employees performance that mediated by conflict. It means that coercive power, legitimate power and reward power that applied by leader will decrease intensity of conflict. Conflict has significant effect on employee performance. It means that lower conflict will increase employee performance. Conflict happened is at minimal conflict and considered as group dynamics.
X. SUGGESTIONS
Based on research limitations, it can be suggested to next researchers as follows:
1. This study is limited to a quantitative approach that supported by qualitative information. Further research is expected to use qualitative approach in order information about effect conflict on employee performance can be obtained more comprehensively.
2. Future studies are expected to accommodate ethnic and cultural diversity. It makes study will broader and deeper.
3. Complexity the factors that affect employee performance should be observed continuously. Other factors beyond studied variables provide opportunity to be reassessed.
4. Budget team should come from employees who have knowledge as well as high organizational commitment to job.

This study proves that Conflict affect on employee performance. High intensity conflict it can degrade employees performance. Conversely, low intensity conflict will likely improve performance. Therefore, it is necessary to create conflict management to provide atmosphere and comfort in workplace through improvement and understanding of knowledge, organizational commitment and power in order to keep employees excited and eager to work.

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