# The Effect of Workplace Conflict and Stress on Employees Performance at a Freight Transport Company

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Keywords: Human Resources Management, Performance, Work Conflict, Work Stress.

Abstract: This research aims to find out the effect of a work conflict and stress on employees' performance at a freight transport company with and without educational level as a control variable. The method used in this research was a quantitative approach by using questionnaires data from 40 employees in the company. The data obtained then being analysed with classic assumption test and inferential statistics. The result of the study shows that work conflict and stress have a significant impact on employee performance with and without educational level as a control variable.

## **1 INTRODUCTION**

The company's most important asset is its human resources. Employees as resources have a share as a driving factor of every process in the company. Suppose a company does not have qualified employees. In that case, the impact will be more difficult for a company to achieve its company goals. Unconsciously, companies often require employees to develop their work capability; these actions can also affect job satisfaction and employee performance. Job stress will occur if the action is continued.

Work conflict is a conflict between individuals due to disagreement among the employees because of differences of opinion or obstacles in communication. Work conflict is a social hereditary that applies in various circumstances because it arises due to differences of opinion and conflicts between two or more parties. Conflict itself can have a positive and negative impact on a company. The positive impact of the conflict, for example, can increase the motivation of company employees at work because employees will compete to provide the best results for the conflict, one of them is work stress.

Work stress usually occurs because of an emotional or physical reaction due to pressure from within or outside the company. Work stress can positively affect, for example, motivating the employees, spurring them to work even harder, and producing a good performance. In general, work stress is caused by a physical and psychological imbalance that causes the condition of employees to be disturbed. Work stress can turn into a severe problem for the company because this condition can make the performance of employees decrease. Work stress that is not resolved correctly will hinder and disrupt the work process in the company.

Work stress and work conflict are two interrelated things because work conflict will cause work stress experienced by employees. In a company, a conflict is an unavoidable event.

A freight company in Batam (the company name cannot be mentioned) was used as an object in this research because the work environment of this company requires a high discipline on working time and progress. The employees require to work well under pressure. Therefore, this research was conducted to determine the effect of workplace conflict and stress on the employee's performance in this company.

The objectives of this study were to find out the effect of workplace conflict and stress on employees' performance and find out the correlation between workplace conflict and stress in affecting the employees' performance.

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## 2 LITERATURE REVIEW

## 2.1 Human Resources

Human Resources are human skills that can work for a work business service. Said to be able to work means being able to carry out an activity that has economic value. Human resources are the most valuable assets for the company. Employees as resources have a role as a driving factor for every process in the company (Prayudi, 2017). If a company does not have qualified employees, it will make it more difficult for a company to obtain its goals. In order to achieve the vision and mission expected by the company, proper and regular management is needed, especially employees, because employees are the core factor in planning, forming, and carrying out existing activities within a company. Even though the company has facilities and infrastructure and excessive company finances, but there are no qualified employees, the company's goals are still not appropriately achieved. Employees must continue to be trained and given knowledge so that their abilities can continue to develop. It proves that employees are the primary resource that must be considered.

## 2.2 Workplace Stress

Workplace stress is a condition in which a person experiences excessive emotional demands and makes it difficult to function effectively in all areas of life (Richard, 2010). Interactions between individuals and their environment usually cause this condition, and stress is an internal and external pressure and other problematic conditions in life. When experiencing stress, two aspects arise as a result of the stress that occurs, namely:

a) Physical aspect

The physical aspect of stress impacts decreasing a person's condition when stress makes the stressed person experience pain in the limbs, such as dizziness and digestive disorders.

b) Psychological Aspect

Psychological aspects of stress, namely the occurrence of disturbances in the behaviour of people who are exposed to stress, emotional symptoms occur, and symptoms of cognition. The severity of the person is experiencing can be seen from the inside and outside of the person.

Job stress is a condition that is not good, is a person's assumption of the conditions experienced, both physically and psychologically, that is excessive because of the demands of work both internally and externally. This work stress can impact employee dissatisfaction when doing their work, and this condition can reduce employee performance. Job stress is a significant problem in modern companies today (Safaria and Triantoro, 2011).

Work stress can positively affect, for example, motivating, spurring people to work even harder, and producing a good performance. However, there is more work stress at this time, which negatively impacts employees and the company. In general, work stress is caused by a physical and psychological imbalance that causes the condition of employees to be disturbed. Work stress that is not resolved correctly will hinder and disrupt the work process in the company. Therefore, leaders in the company are responsive in solving these problems.

According to Hasibuan (2012), several factors cause work stress, including:

- a) A difficult job to complete
- b) There is pressure and leadership behaviour in the company
- c) Inadequate working hours and work requirements
- d) Problems within the company between individuals and leaders
- e) Less company reciprocity
- f) Problems in the employee's family.

## 2.3 Workplace Conflict

Work conflict is a conflict between individuals due to disagreement or incompatibility between employees due to differences of opinion or barriers to communication. Work conflict in a company is also often influenced by ambitious and aggressive individuals or groups. These individuals or groups usually create a potential conflict in carrying out their activities in the company. Work conflict is a social hereditary that applies in various circumstances because it arises due to differences of opinion, as well as conflicts between two or more parties. Work conflicts usually occur in companies as a result of communication, structure, or personal problems.

Some of the causes of conflict include:

Communication

A misunderstanding that causes incomplete information is one of the causes of conflict. It could be due to miscommunication, the use of language that is difficult to understand, and the method of delivery.

Structure

Competition between power seekers in the company and competition for goals in the company also causes conflict within a company.

Private

Incompatibility between the personal mindset of employees with the behaviour of superiors in the company and differences in at something or perspective and perception.

Differences of opinion

The occurrence of differences of opinion in a company can led to a conflict. If the condition of this difference is sharp enough, it can cause tension.

Misunderstood

Not all employees in the company agree, for example, an employee who has good intentions, but for other employees, such actions can harm other employees, causing discomfort or even hatred.

There are several forms of conflict within a company, including:

- Hierarchical Conflict
   Hierarchical conflict is a conflict that occurs
   between leaders in one company. This conflict
   occurs due to differences in interests between
   each, differences of opinion, and goals.
- Functional Conflict Functional conflict is a conflict caused by various work units in the company. Conflict occurs because of the different goals of each part.
- Line Staff Unit Conflict Line Staff Unit conflict is caused by departmental leaders and staff in contact with their work authorization.
- Formal-Informal Conflict
   Formal-Informal conflict is a conflict caused by rules informal companies carried out in nonformal companies.

## 2.4 Performance

Employee performance is the output of work activities. The results include the company's quality and quantity in the company in completing their work following what the company has given to the assigned employee. Performance is a description of the work or achievement of the activities carried out in achieving the company's goals, vision, and mission. Performance is seen from the results of work or work success and includes how the work activities are carried out. Employee performance is closely related to the results of the employee's work in a company. The results of the work include quality, quantity, and on-time work.

Performance standards are performance benchmarks applied to a company. Performance standards are comparisons or targets for a job. Good work standards must be easy to understand and valuable for the continuity of the company and employees (Abdullah, 2014). Performance standards are an essential component of the company. The setting and implementation of performance standards must involve employees who work in the company to achieve the company's goals. Performance standards help in completing work effectively and efficiently. The purpose of implementing performance standards is to make work within a company effective and efficient to be right with what the company wants to achieve. So, with performance standards, employees and leaders in the company can find out when the goals of a company are achieved.

# **3 RESEARCH METHODOLOGY**

This research uses a quantitative approach, namely, studying a population or sample based on the philosophy of positivism (Sugiyono, 2014). This research design is a descriptive approach with the form of a causal relationship, namely the type of relationship characterized by cause and effect.

## 3.1 Population and Sample

## 3.1.1 Population

According to Sugiyono (2017), the population is the total of objects to be studied. These objects have specific properties, are complete and precise, and can be used as objects in research. The population of this study is employees of the freight transport company with a total of 40 people.

## 3.1.2 Sample

A sample is a method where the object has specific properties, is complete, precise, and can represent an object (Sugiyono, 2017). The population used as a sample in this study were employees of the freight transport company, because the population is known and numbered less than 100, the technique used in this study is saturated sampling. Saturated sampling is a way of taking samples using the entire population as a sample in research (Sugiyono, 2014). So, the total number of respondents in the sample of this study was 40 respondents.

## 3.2 Hypothesis

The following are some of the hypotheses that were proven in this study:

H1: There is a partial and significant effect of work conflict on employee performance at the freight transport company.

H2: There is a partial and significant effect of work stress on employee performance at the freight transport company.

H3: There is a simultaneous and significant effect of a work conflict and work stress on employee performance at the freight transport company.

H4: There is a simultaneous and significant effect of a work conflict and work stress on employee performance at the freight transport company with educational level as a control variable.

### 3.3 Data Collection Technique

The data collection technique for this research is a field survey using a questionnaire given to each respondent. According to Sugiyono (2014), the survey method is distributing questionnaire data in a study conducted on a population. The questionnaire is a sheet containing questions given by researchers to respondents to obtain data about the responses given by respondents regarding questions related to the research object. The purpose of the survey is to obtain respondents' perceptions of the research conducted. The distribution of questionnaires in this study using sheets of paper was distributed to 40 respondents who were employees of the freight transport company who has worked for at least two months. The measurement scale in this study is the Likert Scale. Using this scale, the researcher asked respondents to fill out a questionnaire and asked the respondent to indicate their level of agreement with a series of questions included in the questionnaire. The questions listed by the researcher have been explicitly made to make it easier for researchers to measure the results of opinions from respondents.

#### **3.4** Data Analysis Method.

#### 3.4.1 Classic Assumption Test

The classical assumption test in this study was run using the program SPSS (Statistical Product and Service Solution) version 20 to find the output in the form of statistical calculation results, namely normality test, multicollinearity test, and heteroscedasticity test.

#### 3.4.2 Inferential Statistics

Inferential statistics is a statistical calculation to analyse sample data so that conclusions can be drawn on the population from sample about the suitability between the results received from the sample and the results received from the population (Sugiyono, 2014).

Inferential statistical tests were carried out using SPSS version 20 in order to find the output in the form of statistical calculations, namely multiple linear regression test, T test, F test, and coefficient of determination.

**Multiple Linear Regression Test.** This analysis is used to determine the impact of two or more dependent variables on one independent variable or prove the presence or absence of a functional relationship between two or more independent variables (X) and a dependent variable (Y).

t-Test. Using the t-test to show how much influence the independent variables have individually and explain the variation of the dependent variable. The ttest was carried out by comparing the t-count of each independent variable with the t-table value with an error degree of 5% ( $\alpha$ =0.05) (Sugiyono, 2014).

**F-Test.** The F test is used to see the effect of all independent **variables** that can influence the dependent variable. The F test uses a risk level or a significant level of 5% with the following decision-making criteria to test the hypothesis:

- If F<sub>count</sub> > F<sub>table</sub>, then H0 is rejected. Ha is accepted, which means it has a simultaneous influence between the independent variables on the dependent variable.
- If  $F_{count} < F_{table}$ , then H0 is rejected. Ha is rejected, which means that it does not have a simultaneous influence between the independent variables on the dependent variable.

**Coefficient of Determination.** The coefficient of determination ( $\mathbb{R}^2$ ) is intended to determine the best level of accuracy in regression analysis, and this is evidenced by the magnitude of the coefficient of determination ( $\mathbb{R}^2$ ) between 0 (zero) to 1 (one). If the coefficient of determination is zero, the independent variable does not affect the dependent variable. From the coefficient of determination ( $\mathbb{R}^2$ ), a value can be obtained to measure the contribution of several X variables to the variation in the Y variable's rise and fall, which is usually expressed in percentages.

## 4 RESULT AND DISCUSSION

### 4.1 Result

#### 4.1.1 Validity and Reliability Test

The test in this study uses tools called SPSS version 20. Based on the validity tests using SPSS, each item/indicator of statements on the variables of work conflict (X1), work stress (X2), and employee performance (Y) has an r value that is greater than the r table of 0.3120, so that it can be said that all statement items/indicators contained in each variable are valid.

Based on the reliability test using SPSS, it is known that all statement items/indicators on the variables of work conflict, work stress, and employee performance have Cronbach's alpha values greater than 0.60 so it can be said that all statement items/indicators are reliable.

#### 4.1.2 Classic Assumption Test

**Normality Test.** Based on the normality test using SPSS, it was found that the value of Asymptotic Significance (2-tailed) is 0.997, where the value is greater than the alpha value of 0.05. It can be concluded that the data in this study is normally distributed.

**Multicollinearity Test.** Based on the test using SPSS, it can be seen that each independent variable has a tolerance value > 0.1 and a VIF value <10, so it can be concluded that there are no symptoms or multicollinearity problems in the regression model in this study.

#### Heteroscedasticity Test.



Figure 1: Heteroscedasticity test result using SPPS.

Based on Figure 1 above, it can be seen that in the scatterplot, there are no specific regular patterns (wavy, widening, and also narrowing) and the points on the scatterplot spread evenly where the points are above and below 0. It was concluded that there were no symptoms or problems of multicollinearity in this study.

#### 4.1.3 Inferential Statistics

**Multiple Linear Regression Test.** The following are the results of multiple linear regression without control variables:

Table 1: Test result of multiple linear regression without control variable.

Model		Unstandardized Coefficients		Standardized	t	Sig.
				Coefficients		
		В	Std. Error	Beta		
	(Constant)	5.828	.934		6.237	.000
1	Work Conflict	.396	.077	.585	5.163	.000
	Work Stress	.305	.088	.393	3.467	.001

Based on Table 1 above, it can be seen that:

- The constant of 5.828 means that if the work conflict (X1) and work stress (X2) is 0, then the employee's performance (Y) is 5.828.
- Work conflict (X1) has a regression coefficient of 0.396 and is positive. It means that if the independent variable has a fixed value or does not change, then an increase in one unit of employee performance will increase by 0.396.
- Work stress (X2) has a regression coefficient of 0.305 and is positive. It means that if the independent variable has a fixed value or does not change, then an increase in one unit of employee performance will increase by 0.305.

The following are the results of multiple linear regression without control variables:

Table 2: Test result of multiple linear regression with control variable.

Model		Unstandardized Coefficients		Standardized	t	Sig.
				Coefficients		
		В	Std. Error	Beta	1	
	(Constant)	4.685	1.012		4.632	.000
1	Work Conflict	.246	.097	.364	2.535	.016
	Work Stress	.258	.086	.333	3.017	.005
	Educational Level	.434	.187	.297	2.320	.026

Based on Table 2 above, it can be seen that:

• The constant of 4.685 means that if the work conflict (X1) and work stress (X2), and the level of education (XC) is 0, then the employee's performance (Y) is 4.685.

- Work conflict (X1) has a regression coefficient of 0.246 and is positive. It means that if the independent variable whose value is fixed or does not change, the increase in one unit of employee performance will increase by 0.246.
- Work stress (X2) has a regression coefficient of 0.258 and is positive. It means that if the independent variable has a fixed value or does not change, then an increase in one unit of employee performance will increase by 0.258.
- The level of education (XC) has a regression coefficient of 0.434 and is positive. It means that if the independent variable has a fixed value or does not change, then an increase in one unit of employee performance will increase by 0.434.

**t-Test.** The following are the results of the t-test without control variables:

Table 3: Test result of t-test without control variable.

Model				Standardized Coefficients	T	Sig.
		В	Std. Error	Beta		
	(Constant)	5.828	.934		6.237	.000
1	Work Conflict	.396	.077	.585	5.163	.000
	Work Stress	.305	.088	.393	3.467	.001

Based on the results of the t-test, the t-count work conflict (X1) is  $5.163 > t_{table} 2.026$ , and the sig value is 0.000 <0.05. Therefore, it can be stated that the work conflict variable (X1) has a significant effect on employee performance. Therefore, it can be concluded that H1 from this study is proven.

Based on the t-test results, the t-count work stress (X2) is  $3,467 > t_{table} 2,026$ , and the sig value is 0.001 < 0.05. Therefore, it can be stated that the work stress variable (X2) has a significant effect on employee performance. Therefore, it can be concluded that H2 from this study is proven.

The following are the results of the t-test with control variables:

Model		Unstandardized		Standardized	t	Sig.
		Coeffici	ents	Coefficients		
		В	Std. Error	Beta		
(Cons	stant)	4.685	1.012		4.632	.251
Work	Conflict	.246	.097	.364	2.535	.016
Work	Stress	.258	.086	.333	3.017	.005
Educa	ational Level	.434	.187	.297	2.320	.026

Based on the results of the t-test, the t-count work conflict (X1) is  $2.535 > t_{table} 2.028$ , and the sig value is 0.016 <0.05. Therefore, it can be stated that the

work conflict variable (X1) has a significant effect on employee performance. Therefore, it can be concluded that H1 from this study is proven.

Based on the t-test results, the t-count work stress (X2) is  $3,017 > t_{table} 2,028$ , and the sig value is 0.005 < 0.05. Therefore, it can be stated that the work stress variable (X2) has a significant effect on employee performance. Therefore, it can be concluded that H2 from this study is proven.

Based on the results above, it can be concluded that there is no significant difference between the results of the t-test without the control variable and the results of the t-test with the control variable, where the results of the t-test both have a significance value less than 0.05 so that the partial hypothesis submission entirely acceptable.

**F-Test.** The following are the results of the F-test without control variables:

Table 5: Test result of F-test without control variable.

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	1118.373	2	559.186	195.923	.000 <sup>b</sup>
1	Residual	105.602	37	2.854		
/	Total	1223.975	39			

Based on Table 5 above, it can be seen that the Fcount value is 195.923 with a sig value of 0.000. From the calculation results, the F-count value is 195.923 >F-table 3.25, and the Sig value is 0.000 <0.05, so that H3 is accepted.

The following are the results of the F-test with control variables:

Table 6: Test result of F-test with control variable.

Ν	Nodel	Sum of Squares	df	Mean Square	F	Sig.
Г	Regression	1132.109	3	377.370	147.882	.000 <sup>b</sup>
1	Residual	91.866	36	2.552		
	Total	1223.975	39			

Based on Table 6 above, it can be seen that the Fcount value is 147,882 with a sig value of 0.000. From the calculation results, the F-count value is 147,882 >F-table 2,87, and the Sig value is 0.000 <0.05, so that H3 is accepted.

Based on the results above, it can be concluded that there is no significant difference between the results of the F test without the control variable and the results of the F test with the control variable, where both the results of the F test have a significance value of less than 0.05 so that the hypothesis can simultaneously be accepted. **Coefficient of Determination.** The results of the coefficient of determination in this study are presented in the following tables:

Table 7: Result of the coefficient of determination without control variable.

Model	R	R Square	Adjusted R	Std.	Error	of	the
			Square	Estim	ate		
1	.956ª	.914	.909	1.689	)		

Table 8: Result of the coefficient of determination with control variable.

Model	R	R Square	Adjusted R	Std. Error	of	the
			Square	Estimate		
1	.962 <sup>a</sup>	.925	.919	1.597		

Based on Tables 7 and 8 above, it can be seen that the value of R Square ( $R^2$ ) obtained in the study without using the control variable is 91.4%. After using the control variable is 92.5%, so it can be interpreted that 92.5% of employee performance variables can be explained by independent variables and control variables in this study, while 7.5% is explained by other variables not explained in this study. Next, it can be concluded that the education level variable has an excellent function to control the influence of the independent variable on the dependent variable because it can increase the value of the coefficient of determination ( $R^2$ ).

#### 4.2 Discussion

Work Conflict Variable is declared to impact Employee Performance variable so that based on the results of data analysis that has been carried out. It means that work conflict has a considerable influence on improving employee performance at the freight transport company. The results of this study are similar to the results of previous research conducted by Fatikhin and Mukzam (2017), which states that work conflict affects employee performance.

The variable of work stress is stated to impact the employee performance variable and is based on the results of the data analysis that has been carried out. Job stress has a considerable influence on improving employee performance at the freight transport company. The results of this study are the same as the results of previous studies conducted by Wartono (2017) and by Noor and Ruhana (2016), which showed that work stress affects employee performance.

Work conflict and work stress variables are declared to affect employee performance variables so that they are sourced from the results of data analysis that has been carried out, which means that both work conflict and work stress together have a considerable impact in improving employee performance at the freight transport company. The results of this study are similar to the results of previous research conducted by Fatikhin and Mukzam (2017) and the results of previous research conducted by Kusuma and Soesatyo (2014) work conflict and work stress jointly affect employee performance.

Work conflict and work stress variables with education level as a control variable are declared to affect employee performance variables based on the results of data analysis that has been carried out, where both work conflict and work stress together have a considerable impact in improving employee performance at the freight transport company. The results of this study are similar to the results of previous research conducted by Fatikhin and Mukzam (2017) and the results of previous research conducted by Kusuma and Soesatyo (2014) that work conflict and work stress jointly affect employee performance. Then the level of education can be a controller in giving influence between work conflict and work stress on employee performance. The level of education with high and adequate standards provides knowledge and teaches about a person's behaviour and attitudes towards others to help improve employee performance. Later, every employee can reduce workplace conflicts and work stress they experience in a company or organization.

## 5 CONCLUSIONS

The following conclusions are obtained based on the result of the study:

- There is a partial and significant effect of work conflict on employee performance at the freight transport company.
- There is a partial and significant effect of work stress on employee performance at the freight transport company.
- There is a simultaneous and significant effect of a work conflict and work stress on employee performance at the freight transport company.
- There is a simultaneous and significant effect of a work conflict and work stress on employee performance at the freight transport company with educational level as a control variable.

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