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Firms as ‘Peaceful Oases’

Conceptualising the Role of Conflict-Sensitive Human Resource Management

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The United Nations supported Principles for Responsible Management Education (PRME), has identified Corporate Peace as an important component of fostering peaceful societies. This includes the need for companies to incorporate peace and reduction of violence into their core business strategy. Realisation of business strategy requires alignment with all organisational business functions, including human resource management. I propose that one avenue toward Corporate Peace, particularly in contexts of protracted and violent political conflict, is through conflict-sensitive human resource management practices in the areas of employee support, participation, and integration. These practices include providing material and emotional support to employees, encouraging employee engagement in collaborative problem solving and innovation, and managing team composition to optimise diversity. The objective of this paper is to offer a conceptual framework and set of propositions that illustrate the proposed role of such practices in creating ‘peaceful oases’ within firms and in the wider society. Conflict-sensitive human resource management practices are proposed to enhance employee attitudes and well-being in a context of societal conflict while modelling positive peace-promoting behaviour that can be transferred to society.

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The principles for responsible management Education has identified Corporate Peace as an important component of fostering peaceful societies. Corporate Peace is defined as ‘the incorporation of peace and the reduction of violence into a company’s strategy, decision making and value chain in order to raise awareness of peace, support and enhance it’ (The Corporate Peace Framework, 2013: 2). Based on this definition, several groups of corporate peace tools have been identified that refer to managerial and organisational practices. They include incorporating peace and reduction of violence into the firm’s strategy, as well as enhancing peace through the firm’s competitive advantage and value chain (The Corporate Peace Framework, 2013). This paper considers the human resource management dimension of business strategy. I propose that one avenue toward Corporate Peace is through conflict-sensitive human resource management, particularly in firms that operate in environments of prolonged and violent political conflict.

A firm’s business strategy, to be realised, must be aligned with all business functions. This ensures the support of the strategy throughout the organisation (e.g. Lawler & Mohrman, 2003). If a firm’s business strategy encompasses peace and violence reduction, this would necessitate alignment with practices in support of peace and violence reduction in the production, marketing, finance, and human resource management functions of the firm. Taking the human resource management function as an example, it follows that the management of employees would be done in ways that are sensitive to the prevailing conflict and with the aim of promoting peace—inside the firm and in the wider community. This is in keeping with observations and findings in the business and peace literature that emphasise the importance of fostering democratic values, respect, mutual support, and inclusiveness, among others, that mirror attributes of peaceful societies (Fabbro, 1978; Fort & Schipani, 2004, 2007; Spreitzer, 2007; Zoller & Callahan, 2003).

Indeed, a growing body of research has developed in relation to firms operating in conflict or post-conflict settings. Of interest here are the research streams that consider the effects of violent political conflict on business firms, particularly employees (e.g. Alexander, 2004; Bader & Berg, 2013; Reade, 2009; Reade & Lee, 2012), together with the streams that consider how business firms can contribute to peace in conflicted communities (e.g. Feil, 2011; Fort, 2014; Fort & Schipani, 2004, 2007; Oetzel et al., 2007, 2010; Spreitzer, 2007). This paper draws from both streams and considers how firm-level human resource management practices can serve to both enhance peace within the firm and contribute to more peaceful societies.

Specifically, I propose that conflict-sensitive human resource management practices can create ‘peaceful oases’ within firms by moderating the psychological effects on employees of the external conflict, and that these practices also have the potential to generate positive peace dividends for society through transfer effects. That is, conflict-sensitive human resource management practices in the areas of employee support, participation and inclusiveness are expected to
enhance employee attitudes and well-being in a context of societal conflict while modelling positive behaviour that can be transferred to society to promote peace. The firm as a ‘peaceful oasis’ is conceptualised as a community within the firm characterised by employee well-being and positive attitudes toward job, team, supervisor, and firm. The proposed conflict-sensitive human resource management practices include providing material and emotional support to employees, encouraging employee participation in decision making, problem solving, and innovation efforts, and managing team composition to optimise diversity. Many of these practices, which are well established in the management literature, are associated with benefits to the firm such as employee motivation, satisfaction and commitment (Eisenberger et al., 1986; Fiorito et al., 2007). These practices are considered here specifically in the context of violent political conflict.

The objective of this paper is to offer a conceptual framework and set of propositions that illustrate the proposed dual role of conflict-sensitive human resource management practices in creating ‘peaceful oases’ within firms while sowing the seeds for peace in the wider community through transfer effects. The paper adds to our understanding of Corporate Peace by focusing on the human resource management function. There are no studies to date that consider the role of conflict-sensitive human resource management to simultaneously moderate the effects of political conflict on employee attitudes and well-being, and to model positive behaviour that employees can in turn carry to the community for promoting peace. The concept of the firm as a ‘peaceful oasis’ amid an environment of political conflict is novel, and suggests that conflict-sensitive human resource management practices have the power to transform attitudes and enhance well-being. The study offers a means within management control to attenuate the effects of violent political conflict on employee attitudes and well-being while contributing to societal peace, and is expected to be of interest to scholars and practitioners concerned with the management of people in organisations located in conflict zones.

The paper opens with an overview of political conflict and the workplace. This sets the stage for presentation of the conceptual framework and foundation for the related propositions on the role of conflict-sensitive human resource management in creating firms as ‘peaceful oases’. This is followed by an elaboration of the conflict-sensitive human resource management components of employee support, participation, and integration, as well as the proposed transfer effects. The paper concludes with a discussion of practical implications and future research directions.

Political conflict and the workplace

Political conflict encompasses protests, strikes, riots, insurrections, terrorist attacks and war (HIIK, 2014; Klomp & de Haan, 2009). The Heidelberg Institute for Conflict Research (HIIK) (2014: 8) defines a political conflict as follows.
[A] political conflict is a positional difference, regarding values relevant to a society… between at least two decisive and directly involved actors, which is being carried out using observable and interrelated conflict measures that lie outside established regulatory procedures and threaten core state functions, the international order or hold out the prospect to do so.

By definition, political conflict embraces conflict that has been variously referred to in the literature as sociopolitical conflict, ethnopolitical conflict, ethnic conflict, or identity-based conflict, among others. Most conflicts in the world today are intrastate and involve actors who are concerned with ideological differences (such as religion) and/or with changing or preserving the political or economic system (HIIK, 2014). Asia, the top region for FDI inflows (UNCTAD, 2014), has the highest number of conflicts, most of which revolve around ideological differences/systems change or preservation, subnational predominance, and resources. Many of the violent conflicts in the Asia and Oceania region are along religious or ethnic lines and include Bangladesh, India, Indonesia, Pakistan, Papua New Guinea, and the People’s Republic of China (HIIK, 2014: 95).

Many political conflicts are intergroup conflicts, where people’s emotions, perceptions, and worldviews are tied to group identification and appear to be central to cycles of violence and conflict (Schirich, 2001). According to social identity theory (Tajfel & Turner, 1979), people have a need to define themselves in relation to others. There is a tendency to give positive attributes to members of one’s ingroup, and negative attributes to members of outgroups. In conflict settings, people’s understanding of who they are is often based on perceptions of an adversarial ‘other’, or outgroup, and people are willing to both kill and die defending certain sociocultural identities (Schirich, 2001: 149). It is said that violence shapes people’s perceptions of who they are and what they are fighting for (Robben & Nordstrom, 1996).

What does this mean for the workplace? Social identity theory (Tajfel & Turner, 1979) allows for multiple identities, including a professional identity. An individual is simultaneously a member of multiple groups, such as profession, gender, ethnic, etc., each with its own identity. Context is important for the salience of identity. At work, one’s professional identity generally has salience. Yet, organisations are said to mirror the communities in which they are embedded (Brief et al., 2005). This suggests that employees bring to the workplace emotions, perceptions, and identities related to their lives in their communities. When violent intergroup conflict such as civil war erupts along lines of group identity such as ethnicity or religion, it can be expected that employees as members of these groups would bring a certain level of stress, anxiety and perhaps fear into the workplace (Lee & Reade, 2014). As Robben and Nordstrom (1996: 3) observe: ‘the everydayness of war is a never-ending stream of worries...’. Thus, while employees have a professional identity that becomes salient in the workplace, they are not immune to national stressors such as war and terrorism (Hobfoll et al., 1989) that can evoke the salience of their other group identities.
Employee sensitivity, attitudes and well-being

It has been shown that an employee’s sensitivity to conflict external to the firm has an impact on his or her attitudes toward the job, team, leader and company (Bader, 2014; Lee & Reade, 2014; Reade, 2009; Reade & Lee, 2012, 2014). Employee sensitivity has been defined as the degree to which an employee is readily affected by external influences (Reade & Lee, 2012). Studies show that the higher the sensitivity the greater the psychological impact on employee attitudes (Lee & Reade, 2014; Reade, 2009; Reade & Lee, 2012). The following highlights studies that have been conducted on the psychological impact of political conflict on employee attitudes and well-being.

A number of studies emerged following the 9/11 terrorist incident in New York (e.g. Alexander, 2004; Downing, 2007; Mainiero & Gibson, 2003; Ryan et al., 2003). These studies focused on employee attitudes and well-being in response to a traumatic but relatively isolated event. Other research contexts include areas of the world that have experienced protracted conflict, sometimes over decades. These include Israel (Reichel & Neumann, 1993), Lebanon (Messaarra & Karkoulian, 2008), Iraq and Afghanistan (Vinokur et al., 2011), Sri Lanka (Lee & Reade, 2014; Reade, 2009; Reade & Lee, 2012), India and Pakistan (Bader & Berg, 2013), and the UK (Goodwin et al., 2005).

These studies, representing different forms of political conflict in various national settings, have generally substantiated a negative effect of violent conflict on employee attitudes and well-being. The findings include an overall disconnectedness with the organisation and decline in work concentration (Mainiero & Gibson, 2003), lower work motivation and involvement (Bader & Berg, 2013, 2014; Howie, 2007; Reade, 2009), lower work productivity (Alexander, 2004), lower job satisfaction (Alexander, 2004; Howie, 2007; Mainiero & Gibson, 2003; Reade, 2009), lower employee morale (Tevault, 2013), lower commitment to the organisation (Reade, 2009; Reade & Lee, 2012; Vinokar et al., 2011), and lower trust in colleagues and top management (Reade, 2009). Also reported are higher incidents of absenteeism, leave taking, and job separation (Alexander, 2004; Byron & Peterson, 2002; Howie, 2007). Furthermore, there have been reports of heightened levels of stress, anxiety, and depression (Alexander, 2004; Bader & Berg, 2014; Canetti et al., 2010; Howie, 2007; Mainiero & Gibson, 2003), feelings of not being supported by colleagues and top management (Reade, 2009), and anger and other negative emotions expressed by employees toward supervisors and the organisation (Mainiero & Gibson, 2003).

Employee attitudes and well-being have implications for organisational performance. Low employee motivation, for instance, is associated with reduced work effort while low employee commitment is associated with reduced performance and lower willingness to embrace organisational change (e.g. Meyer et al., 2007). It is in the best interest of the firm to transform negative employee attitudes and emotions to positive ones. I propose that conflict-sensitive human resource management practices can play this role and contribute to peace within the firm and the wider society.
The firm as peaceful oasis: a conceptual framework

An oasis is defined as ‘something serving as refuge, relief, or pleasant change from what is usual, annoying, difficult, etc.’ (Random House, 1987: 1335). In an environment of political conflict where societal well-being is compromised, the firm as ‘peaceful oasis’ is conceptualised as a community within the firm characterised by employee well-being and positive attitudes toward job, team, supervisor, and firm. It is proposed that conflict-sensitive human resource management (HRM) practices can promote peace within the firm by enhancing employee well-being and positive attitudes, and also model positive behaviour that can be transferred to society, thus sowing seeds of peace in the wider community.

The genesis of the concept of the firm as peaceful oasis derives predominantly from the work of anthropologist David Fabbro (1978) who identified attributes of peaceful societies. These include, among others, a culture of reciprocity and exchange, and democratic processes of decision making and problem solving where no one is excluded. The conflict-sensitive human resource management practices that are proposed to contribute to the firm as peaceful oasis—employee support, participation, and integration—mirror these attributes. Employee support encompasses social exchange, and participation and integration speak to values of democracy and inclusiveness.

Figure 1 presents a conceptual framework of the role of conflict-sensitive HRM in generating peace within the firm and in the wider society through transfer effects. The starting point is an environment of political conflict. As noted earlier, there is evidence to show that an employee’s sensitivity to political conflict has an impact on employee attitudes toward the job, team, leader and company (e.g. Reade, 2009). Several studies have investigated HRM practices and interventions that might moderate negative psychological effects of political conflict (Bader & Berg, 2013, 2014; Lee & Reade, 2014; Reade & Lee, 2012). Drawing on these and other studies, it is proposed that HRM practices in the areas of employee support, participation and integration can transform externally influenced negative attitudes into positive employee attitudes and well-being. This transformation by conflict-sensitive HRM results in the firm as peaceful oasis.

Figure 1 Role of conflict-sensitive human resource management
As further shown in Figure 1, there are proposed transfer effects from the firm as peaceful oasis to the wider society. There is evidence in the literature indicating that firm-level management practices such as participative leadership may model peace-building behaviour that employees carry to the community (e.g. Spreitzer, 2007). It is proposed that conflict-sensitive HRM practices not only have the power to transform the effects of political conflict on employee attitudes within the firm, but also to model positive peace-promoting behaviour that employees carry into the community. This leads to the first and overarching proposition in this study.

Pr: In an environment of political conflict, conflict-sensitive HRM practices have the dual potential to transform the effects of political conflict on employee attitudes thus creating a ‘peaceful oasis’ within the firm, and to model positive behaviour that can be transferred outside the firm to promote societal peace.

The following two sections elaborate on the conceptual framework. First, the proposed conflict-sensitive HRM practices are introduced and examined as moderators of the effects of external conflict on employee attitudes and well-being. Second, these HRM practices are considered for their potential to model peace-promoting behaviour that can be transferred to the wider community.

**Conflict-sensitive human resource management**

This section highlights the proposed conflict-sensitive HRM practices that contribute to firms as peaceful oases. These HRM practices have been shown to moderate the influence of external conflict on employee attitudes and well-being. I draw on existing empirical and applied studies, informed occasionally by anecdotal evidence from personal experience. These HRM practices are grouped into three themes—employee support, participation and integration—that mirror attributes of peaceful societies.

**Employee support**

Social support is a product of beliefs that one is esteemed and cared for (Cobb, 1976). It is associated with positive emotions (Ruzek et al., 2007). Social and emotional support have been shown to mitigate the harmful effects of environmental stressors such as violent conflict (e.g. Hobfoll & Vaux, 1993; van Emmerick et al., 2007). Further, there is evidence to suggest that the positive emotions associated with social support are an important component in coping with an ongoing threat of violence and serve to protect against negative psychological distress (Ruzek et al., 2007). This can be achieved through material and emotional means.
In times of crisis, employees may expect employers to act in capacities beyond providing a job and salary, and to offer material and emotional support (Alexander, 2004). This is the case even when the causal stressor is outside the domain of the organisation (Byron & Peterson, 2002). The way in which this expectation is managed can influence employee perceptions of their leaders, supervisors and the organisation (Ryan et al., 2003). If employers are perceived as being unsympathetic, they may be poorly evaluated; conversely, if they are perceived as sympathetic, this demonstrates caring and respect for individuals which may promote positive attitudes toward the employer (e.g. Mainiero & Gibson, 2003). This underscores the norm of reciprocity in social exchange thought to be present in the relationship between social support given to employees and positive employee attitudes (e.g. Cropanzano & Mitchell, 2005). There is empirical evidence showing the value of support in conflict situations (Bader, 2014; Bader & Schuster, 2015; Reade and Lee, 2012). Social support was found to be positively related to expatriate work attitudes (Bader, 2014), and the psychological well-being of expatriates in countries exposed to terrorism (Bader & Schuster, 2015). Reade and Lee (2012) found that perceived organisational support moderates the relationship between employee sensitivity to political conflict and employee commitment to the firm, such that commitment is higher with greater perceived organisational support. These studies show the importance of support. This may be particularly important for those employees who are highly sensitive to the conflict. Reade (2009) found that the more sensitive employees were to the political conflict, the more they felt unsupported by their colleagues and top management. These findings behove managers to consider ways to support employees materially and emotionally.

Material support
Material support is provided through resources, such as food, money, transportation, shelter, or other resources depending on the circumstances. In times of crisis, there may be a stoppage of regular services such as public transportation and banking services, as well as the closure of grocery stores (Canetti et al., 2010). A firm’s leadership can do whatever is possible to support employees through provision of needed services and items. This may extend to the temporary provision of shelter if an employee’s residence has been damaged in the conflict or the employee and family have been threatened with attack. This is relevant for domestic and expatriate employees alike. By way of personal example, the author was offered a hiding place in the ancestral village of a senior manager in an organisation in Pakistan, when American personnel and their families throughout the country were threatened with violence by a political group. Such show of support contributes to employee well-being, positive attitudes towards colleagues, leadership and the organisation, all of which contributes to a sense of community within the organisation.

Emotional support
Emotional support is expressed through leadership and management practices, as well as through social networks. Such support may be in the form of providing
emotional assistance and guidance through counselling, particularly in times of crisis (Alexander, 2004). Emotional support can also include showing flexibility, openness, sympathy, willingness to listen, respect for contributions, and other forms of positive peer, supervisory or organisational support (e.g. Eisenberger et al., 1986). It has been observed that in contexts of protracted violent conflict, greater appreciation and consideration needs to be given to people (Saathoff, 2010). This is because people in these circumstances are entwined with a history of loss and pain on many levels, possibly including loss of loved ones.

Managers need to be flexible in their expectations of employees in the face of disruptions that can occur at any time. For instance, employees living in a continual state of emergency may not always arrive to the office on time. There may be roadblocks, spot checks of IDs and other unexpected delays. Again, by way of personal example, two working MBA students arrived late and dishevelled at the author’s class one evening in Colombo, Sri Lanka while the civil war was in progress. A suicide bomb had exploded on the road they were travelling, resulting in a number of serious injuries. The students took the time to transport injured people from the scene to the nearest hospital in their own car. The university had a very strict policy on lateness, but everyone understood the need for flexibility in this situation.

Showing trust toward employees and respect for their contributions is another important aspect of emotional support. The degree to which an employee feels trusted by supervisors and top management is an indication of organisational sincerity. Likewise, the extent to which employees feel respected by supervisors and top management is suggestive of organisational support and caring. Praise and recognition for work-related accomplishments are signs that the organisation values employee contributions. These are examples of perceived organisational support which refers to the extent to which employees perceive that the organisation cares about their well-being and values their contributions to the organisation (Eisenberger et al., 1986; Rhoades & Eisenberger, 2002).

In sum, material and emotional support given to employees by managers has been shown to moderate the negative effects of societal conflict on employee attitudes and well-being. Through the mechanism of social exchange, kindness shown to employees is thought to be returned to the firm in the form of positive employee attitudes toward the company (Cropanzano & Mitchell, 2005). This is an example of reciprocity and exchange which is an attribute of peaceful societies (Fabbro, 1978). This leads to the following proposition.

P2: In an environment of political conflict, material and emotional support provided to employees enhances employee well-being and positive attitudes, contributing to the firm as peaceful oasis.

**Employee participation**

Open and egalitarian decision making and control processes that limit the use of coercive power have been associated with peaceful societies (Fabbro, 1978). These are the characteristics of democratic systems where people are
empowered to participate in making choices and decisions that affect their lives (Fort & Schipani, 2004; Oetzel et al., 2010; Spreitzer, 2007). As Spreitzer (2007) notes, many contemporary business practices involve employee participation in decision making, such as total quality management (TQM). TQM is also an example of employee participation in collaborative problem solving and innovation. I believe these forms of employee participation are relevant to enhancing peace in an environment of political conflict. Collaborative problem solving represents a participative, non-coercive form of conflict management, while collaborative innovation represents possibility, change and hope for the future.

Collaborative problem solving
A problem solving process where individuals actively work with others to pursue avenues that maximise joint gains has been referred to as a collaborative style of problem solving or conflict management (Thomas, 1992). The collaborative style is considered to be optimal for synthesising ideas and working on complex issues. It is thought to be the most effective conflict management strategy, and has been found to reduce both conflicts and stress (e.g. Gross & Guerrero, 2000).

While Africa, Asia and Latin America are regions with political conflict (HIIK, 2014), many societies in these regions are representative of cultural groups that value cooperative forms of resolving conflict (e.g. Faure, 2000). Anthropological studies show evidence of long histories of consensual, village-based dispute resolution in these regions (Merry, 1992). There has been a growing sentiment, in fact, for the revival of indigenous consensual dispute resolution processes as an alternative to formal dispute resolution systems, often colonially imposed (Ben-Mensah, 2004). Reade and McKenna (2007) present a case in Sri Lanka where the subsidiary of a multinational firm experimented with establishing an indigenous dispute resolution forum on the factory floor. The firm’s regular conflict management procedures had failed to resolve an ongoing situation of employees sabotaging the work of employees of rival communal groups that mirrored intergroup conflict in the community. The indigenous forum was open, transparent and encouraged employees to voice their concerns in front of everyone present. The process appeared to address the sabotage and was incorporated into the subsidiary’s conflict management system, which served to legitimise its use in a professional sphere (Reade & McKenna, 2007, 2009). The above leads to the following proposition.

P3: In an environment of political conflict, employee participation in culturally relevant collaborative problem solving enhances employee well-being and positive attitudes, contributing to the firm as peaceful oasis.

Collaborative innovation
Another area of participation proposed to promote firms as peaceful oases is employee engagement in collaborative innovation efforts in the firm. Anthropologists have noted the existence of the creative and hopeful in conditions
of violent conflict, and the importance of the human imagination (Robben & Nordstrom, 1996). Robben and Nordstrom (1996: 14) observe that ‘the tragedies of violence can be counterbalanced by the often remarkable solutions people themselves create while facing violence’. This has implications for firms in conflict zones.

Indeed, there is evidence in the innovation literature to suggest that perceived environmental threat, negative moods, anxiety and distress are positively related to innovation and creativity (Anderson et al., 2014; George & Zhou, 2002). A study by Reade and Lee (2014) found a positive relationship between employee sensitivity to political conflict and their propensity to engage with colleagues in innovation of products, services and processes. They also found that a collaborative conflict management style adopted by supervisors heightened the positive relationship between conflict sensitivity and innovation behaviour. The authors surmise that employees who are exposed to protracted political conflict may be energised to engage in positive change in whatever small ways. Opportunity to engage with others in innovation efforts, as well as a supervisor that uses a collaborative style of conflict management appears to be conducive to positive innovation behaviour.

The above suggests that employee participation in collaborative problem solving, particularly with the use of indigenous or culturally relevant conflict management practices (Reade & McKenna, 2013), can contribute to peace in the firm. Also, employee engagement in collaborative innovation in the firm can potentially make productive use of the constructive side of conflict by harnessing the creative and hopeful in conflict situations. This is consistent with open and democratic problem solving, a characteristic of peaceful societies (Fabbro, 1978). This leads to the following proposition.

P4: In an environment of political conflict, employee engagement in collaborative innovation efforts enhances employee well-being and positive attitudes, contributing to the firm as peaceful oasis.

Employee integration

The nature of relationships between groups of people in society can affect relationships inside the organisation (e.g. Pugh et al., 2008). A likely workplace manifestation is homophilous patterns of relationships based on group identification and the formation of subgroups (Lee & Reade, 2014). Homophily is the tendency to interact with others who are similar on given attributes such as race, ethnicity and gender (McPherson et al., 2001). Particularly in the case of race and ethnicity, subgroup formation is thought to have detrimental effects on workplace integration because it reduces opportunity for individuals to interact and collaborate with colleagues from different racial or ethnic groups (e.g. Ibarra, 1995; Stathi & Crisp, 2010). Homophilous behaviour may be exacerbated in contexts of societal conflict (Lee & Reade, 2014). Kastenmueller and colleagues (2011) report an association between such adverse environmental
conditions and reduced occupational networking in favour of personal (or ingroup) networking.

The advantage of diversity in workgroups and teams has long been documented, and it may be all the more important in contexts of protracted political conflict of an intergroup nature. In a study on ethnic homophily perceptions in a context of ethnic-based civil war, Lee and Reade (2014) found that members of ethnically diverse workgroups perceive less ethnic homophily in the organisation than members of ethnically homogeneous workgroups. That study provides some evidence that in contexts of violent intergroup conflict, managing team composition to optimise diversity can help to manage employee ingroup/outgroup perceptions and potentially enhance not only collaboration and information exchange but also peace within the organisation. This is in line with Fabbro’s (1978) observation that inclusiveness is an attribute of peaceful societies. The above leads to the following proposition.

P5: In an environment of political conflict, employee diversity in teams enhances employee well-being and positive attitudes, contributing to the firm as peaceful oasis.

Sowing seeds of peace through transfer effects

In the previous section, examples of conflict-sensitive HRM practices in the areas of employee support, participation and integration were given to show how they might contribute to the firm as peaceful oasis. Here, their potential transfer effects to the wider society are considered. It has been suggested, for instance, that a multinational enterprise can respond indirectly to violent conflict through sensitive human resource management practices (Getz & Oetzel, 2010). A notable study by Spreitzer (2007) demonstrates how management and leadership practices at the firm level might transfer to the societal level. That study, considered revolutionary in its design to capture the effects of organisational behaviour phenomena on society (Pearce, 2007), illustrates how human resource management practices can serve to model behaviour that can be emulated in the wider community. In line with that study, the objective here is to consider to what extent the proposed conflict-sensitive HRM practices at the firm level model individual behaviour that can be carried to the community level to enhance peace.

Modelling support

Support given to employees is associated with positive work attitudes and psychological well-being in contexts of political conflict (e.g. Bader, 2014; Reade and Lee, 2012). As noted earlier, the rule of reciprocity encapsulated in social exchange theory (Cropanzano & Mitchell, 2005) is thought to be a mechanism
whereby support given to employees invites positive employee attitudes in exchange. The rule of reciprocity suggests, for example, that kindness shown to an individual will inspire that individual to return the kindness.

The large body of research in the area of social exchange in the work domain tends to focus on relationships between individuals or between individuals and their employer. The idea is that over time a culture of trust and loyalty will be built through exchange. Following the spirit of Blau (1964) who identified an exchange obligation as being unspecified and diffused into the future, it is proposed here that the support shown to employees in the workplace can potentially create unspecified and diffuse future obligations for employees to engage in supportive activities toward people in society at large. Naturally, there are bound to be cultural and individual differences in the propensity to engage in exchange. What is suggested here is that support shown by managers can potentially model behaviour that has positive spillover to the community. This leads to the following proposition.

P6: In an environment of political conflict, support provided to employees by managers models positive social exchange behaviour that can be transferred from the firm to society, contributing to societal peace.

Modelling participation

Spreitzer (2007) found that the more peaceful countries in her study were those which valued participative leadership. She found support for her hypotheses regarding the positive effects of participative leadership and empowerment on societal peace. The study demonstrates the potential transfer effects of management practices from the firm to society. The author of that study conjectured that giving voice to employees in the workplace not only empowered them in the work domain but also gave them confidence to engage in dialogue in the community relevant to enhancing societal peace.

In the same vein, and in line with a study by Zollers and Callahan (2003), it is proposed here that collaborative problem solving, or conflict management, may have beneficial transfer effects to the community. Zollers and Callahan (2003) suggest that dispute resolution can advance democratic values and voice if the process is open, transparent and encourages participation. This includes mediation as a conflict management form that gives voice to employees. The authors identified flexibility and informality as important characteristics of a conflict management style, where disputes can be resolved on the spot rather than in a traditional arbitration system that has become ‘encrusted’ with stylised procedures over time (Zollers & Callahan, 2003: 15). These characteristics may be found in some indigenous forms of problem solving, such as the one described earlier (Reade & McKenna, 2007). In that case, the indigenous form of third party mediation is used in an open forum on the factory floor and materialises whenever an employee wants to bring an issue forward to be heard. Line managers have been trained to mediate and facilitate the process, and
anyone can attend and have a say. These open, flexible and collaborative styles of problem solving model employee participation, voice and empowerment and can potentially be carried into the community to enhance peaceful resolution of day-to-day issues. This leads to the following proposition.

P7: In an environment of political conflict, employee participation in collaborative problem solving, particularly using indigenous forms, models working together with others in the community, contributing to societal peace.

Collaborative forms of problem solving can produce creative ideas for change. In conflicted societies, people hope for change. As anthropologists have observed, conditions of conflict hold the existence of hope and creativity, spawning solutions in the face of tragedy (Robben & Nordstrom, 1996). It is not surprising that studies have found a positive relation between environmental conflict and organisational innovation (e.g. Anderson et al., 2014; Reade & Lee, 2014). The workplace can be a channel for human imagination to create positive change. Given an opportunity to participate in innovation efforts, employees are energised to engage in activities that lead to new or improved products, services and organisational processes. It is proposed that engaging in collaborative innovation models participation in decision making and collaboration with others to create positive change that can be emulated in the social sphere. This leads to the following proposition.

P8: In an environment of political conflict, employee engagement in collaborative innovation efforts models working with others in society to create positive change, contributing to societal peace.

Modelling integration

Reducing prejudice and ingroup bias is important for effective organisational functioning, and increasingly important in multicultural societies (Tausch et al., 2010). Organisations rely on idea generation, knowledge sharing and other information flows that can be compromised if channels of communication between people are limited due to the formation of identity-based subgroups. This is thought to be exacerbated in situations of violent intergroup conflict, especially along racial and ethnic lines. As suggested earlier, increased team diversity is thought to enhance organisational functioning. Intergroup contact theory (Allport, 1954; Pettigrew & Tropp, 2006) posits that the frequency and quality of contact between members of different groups will reduce prejudice. As described by Schmid and colleagues (2012: 30), 'intergroup contact exerts positive effects on outgroup attitudes via processes of generalisation of positive attitudes from the encountered individual to the wider outgroup'. Research on intergroup contact has consistently shown a positive change in attitudes toward outgroups (Pettigrew & Tropp, 2006; Pettigrew et al., 2011).
A set of studies from the social psychology literature demonstrates the potential peace benefits to society through intergroup contact and secondary transfer effects (Pettigrew, 2009; Schmid et al., 2012; Tausch et al., 2010). Secondary transfer effects involve generalising attitudes from experience with the immediate outgroup to other outgroups not directly involved in the contact. Tausch and colleagues (2010) conducted the first such study involving groups with long histories of protracted conflict. In their study of Cyprus, for instance, they found that immediate contact between Greek and Turkish Cypriots, including contact in the workplace, affected not only their attitudes toward the primary outgroup, but also their attitudes toward Greeks from Greece (for Turkish Cypriots) and Turks from Turkey (for Greek Cypriots). In this higher order generalisation, the results suggest that the positive attitudes generated between two groups can be transferred to multiple actor groups in a conflicted society and indeed globally. These results imply far-reaching effects of intergroup contact for promoting peaceful societies within national borders and beyond.

It has been proposed that workplaces can further these efforts by providing opportunities for intergroup contact (Lee & Reade, 2014). As observed by Kriesberg (1998) in the case of ethnic conflict, much of the work on reconciliation is done in workplaces and other small groups at the grassroots level of society. Through intergroup contact people can see both their own and others’ full humanity (Schirich, 2001). In support of contact theory in the workplace, Lee and Reade (2014) found that employees in ethnically diverse teams reported less perceived homophily than employees in ethnically homogeneous teams. They suggested that optimising team diversity and providing informal opportunities for intergroup contact would benefit the firm and society through secondary transfer effects. This is underscored by the research results of Tausch and colleagues (2010) who included respondents from workplaces. The above leads to the following proposition:

P9: In an environment of political conflict, working in diverse teams models intergroup understanding and tolerance that can be transferred from the firm to society, contributing to societal peace.

Confluence of transfer effects

In sum, the conflict-sensitive HRM practices presented above are proposed to have the power, independently and even more so jointly, to create peaceful oases within firms and to sow seeds for peace in the wider community. Providing employees with support, and opportunities to work in diverse teams and to engage in collaborative problem solving and innovation may together generate the greatest impact. It is reasonable to submit that the larger the number of firms adopting conflict-sensitive HRM, particularly if all practices are adopted jointly, the greater the cumulative transfer effects to society. Such adoption could result in a confluence of transfer effects. This is encapsulated in Figure 2.
As illustrated, individual firms as peaceful oases generate transfer effects to society through positive modelling of support, participation and integration. The more companies adopt conflict-sensitive HRM, the greater the spread of positive effects throughout society. Such confluence of transfer effects could over time contribute to transforming an environment of political conflict toward a more peaceful society. This leads to the final proposition.

P10: In an environment of political conflict, the greater the number of firms adopting all components of conflict-sensitive HRM, the greater the confluence and spread of peace-promoting behaviour in society.

Conclusion

The overarching aim of this paper was to further our understanding of Corporate Peace by examining the human resource management dimension. The incorporation of peace and reduction of violence into a company’s strategy is central to the concept of Corporate Peace. It was therefore proposed that the management of human resources, as a key function of the firm, needs to be done in ways that are sensitive to the prevailing conflict and with the aim of promoting peace—inside the firm and in the wider community. The specific objective of the study was to offer a conceptual framework and set of propositions that detail the role of conflict-sensitive human resource management (HRM) in creating firms as ‘peaceful oases’ in an environment of political conflict. Conflict-sensitive HRM in the areas of employee support, participation
and integration were proposed to have the power to moderate the psychological effects on employees of the external conflict, while modelling peace-promoting behaviour that could be transferred to society.

The main contribution of the study is that it focuses on conflict-sensitive HRM, an aspect of Corporate Peace that has not been substantially developed in the literature, and combines findings of previous research in novel ways to develop the conceptual framework of firms as peaceful oases. The firm as peaceful oasis is conceptualised as a community within the firm characterised by employee well-being and positive attitudes toward job, team, supervisor, and firm. The proposed conflict-sensitive human resource management practices that create peaceful oases include providing material and emotional support to employees, encouraging employee participation in decision making, problem solving, and innovation efforts, and managing team composition to optimise diversity. These practices mirror attributes of peaceful societies such as fostering democratic values, respect, mutual support, and inclusiveness, among others (e.g. Fabbro, 1978). The study builds on the work of many others in the business and peace field. Initial inspiration came from the works of those who identified attributes of peaceful societies (e.g. Fabbro, 1978) and drew on research streams that consider the effects of violent political conflict on business firms, particularly employees (e.g. Bader & Berg, 2013; Reade, 2009; Reade & Lee, 2012), together with the streams that consider how business firms can contribute to peace in conflicted communities (e.g. Feil, 2011; Fort, 2014; Fort & Schipani, 2004, 2007; Oetzel et al., 2007, 2010; Spreitzer, 2007).

The key implications of the study are as follows. One is that management of people in firms located in conflict zones can be done in a conflict-sensitive manner if the right human resource management practices are utilised. Relatedly, the conflict-sensitive HRM practices highlighted in this study are generally considered best practices as they yield benefits to the firm in terms of higher employee motivation, commitment and performance. Therefore, the better firms are likely to follow these practices, at least to some extent, regardless of whether they are located in conflict zones, and regardless of whether they consider the practices to be conflict-sensitive. In other words, according to the conceptual framework proposed in this study, firms that follow these practices inadvertently contribute to peace within their firms and in the wider society. This is in line with observations that peacebuilding can progress in incremental and unconscious ways, simply through actions like treating people with respect (Fort, 2014) and engaging in day-to-day management practices (Spreitzer, 2007).

If, however, managers understand that certain HRM practices can potentially promote both peace and business success, firms have an opportunity to be proactive in choosing among alternate strategies. All of the proposed conflict-sensitive HRM practices have been shown in prior research to positively affect employee attitudes in environments of political conflict. Regarding proposed transfer effects, some empirical evidence exists to suggest that positive attitudes developed in the workplace can transfer to society to promote peace (e.g. Spreitzer, 2007; Tausch et al., 2010). To the extent managers choose practices shown
to promote both peace and business success, this could potentially reinforce and strengthen incremental and unconscious practices already in force. Figure 1 holds out the possibility of a virtuous circle, whereby managers consciously choose conflict-sensitive HRM practices that lead to greater benefits not only for their firm but also for society, which in turn benefits their firm and so on. Figure 2 suggests that the more conflict-sensitive practices consciously chosen by the largest number of firms results in a confluence of positive behaviour that spreads throughout society for the greatest impact.

The study provides opportunities for future research. I have painted a broad brush stroke of firms as peaceful oases and implications for societal peace that awaits further refinement and testable hypotheses. For instance, there are likely to be other HRM practices that can serve to promote peace within the firm and in the wider society through transfer effects in a context of political conflict. A fuller set of HRM practices needs to be considered for the potential to moderate the effects of external conflict on employees as well as their potential transfer effects to society. Further, the conceptual framework may be applicable to other societal concerns. While this study focused on modelling individual behaviour that can transfer to society to promote peace in an environment of political conflict, the framework may be applicable to modelling other behaviour, such as ethical behaviour relevant to reducing corruption in society. Finally, testable hypotheses need to be developed. Statistical linkages between corporate activity and societal peace are in the embryonic stages (Fort, 2014). Having further empirical evidence on the role of conflict-sensitive HRM to promote peace within the firm and wider society would strengthen the conceptual framework on firms as peaceful oases.

Political conflict is on the rise. Firms operating in conflict zones are exposed to risk that they must manage as well as to social circumstances that they can potentially improve. The more that we can apply interdisciplinary knowledge to these challenges, the better the potential outcomes for firms and society. If the human resource management function can provide opportunities for diverse employees to work in teams to innovate for change and to peacefully resolve problems together while providing them material and emotional support to enhance well-being, I believe it will have contributed to peace.

References


