



JOURNAL OF ECONOMIC DEVELOPMENT & VILLAGE BUILDING

Journal Homepage : <http://jedvb.polteksci.ac.id/index.php/jedvb/>



CONFLICT MANAGEMENT IN THE WORK ENVIRONMENT: A QUALITATIVE STUDY ON VILLAGE ECONOMIC UNITS

Sidik Budiwidodo^{1*}, Eli Suherli², Agus Rohmat Hidayat³, Farika Chandrasari⁴

Universitas Cendekia Mitra Indonesia, Indonesia

e-mail: sidikbw@gmail.com*, h.suherli233@yahoo.com, ghousun99@gmail.com,
farika1607@yahoo.com

Article received on 21 April 2024 — Final revised on 02 May 2024 — Approved on 06 September 2024

Workplace conflict is an inherent aspect of organizational life, particularly within community-based economic institutions such as Village-Owned Enterprises (BUMDes). This study seeks to comprehensively examine the dynamics of workplace conflict in BUMDes by identifying its root causes, evaluating existing resolution strategies, and analyzing both the enabling and inhibiting factors that shape conflict management practices. Utilizing a descriptive qualitative approach, data were collected through in-depth interviews and participatory observation involving BUMDes managers, employees, and village stakeholders across several rural regions in Indonesia. The findings reveal that workplace conflicts often stem from generational communication gaps, authoritarian leadership styles, ambiguity in task delegation, and the absence of formal grievance and resolution systems. Despite these challenges, participatory approaches rooted in local deliberation and mediation by respected community leaders have proven effective in many cases. This research contributes to developing culturally grounded conflict resolution frameworks that enhance organizational cohesion and support the long-term sustainability and resilience of village economic units in Indonesia.

Keywords: *conflict management, BUMDes, village economic unit, village organization, qualitative approach*

INTRODUCTION

Workplace conflict is almost inevitable in organizational dynamics, including in community-based economic units such as Village-Owned Enterprises (BUMDes). A global study by the American Management Association shows that managers spend nearly a quarter of their working time dealing with conflict (Cloke & Goldsmith, 2011). Conflicts can arise due to differences in values, individual goals, communication styles, and work pressures (Rahim, 2017). Conflict can reduce productivity and trigger organizational social tensions if not appropriately managed. On the other hand, conflict can also be a catalyst for renewal and improved performance if managed constructively (Deutsch, Coleman, & Marcus, 2014).

In Indonesia, village economic development through BUMDes has become an important pillar in local economic empowerment. Based on data from the Ministry of Villages, PDTT (2023), more than 50,000 BUMDes are spread across Indonesia. However, many face internal challenges, including conflicts between managers and between managers and the community. These conflicts are often rooted in transparency issues, the dominance of village elites, role imbalances, and non-open communication styles. In village communities with strong social values and customary hierarchies, work conflicts cannot be equated with conflicts in modern corporate organizations.

Village economic units, such as BUMDes, have unique characteristics: they are participatory, community-based, and often run by community leaders with other social roles outside the organization. However, this diversity of roles often leads to overlapping functions, potential conflicts of interest, and structural confusion. Along with the increasing complexity of economic-based village programs, conflict management is an important aspect that has not been discussed in depth, both in practice and in the academic literature.

The urgency of this research arises from the absence of a comprehensive mapping of work conflicts in BUMDes and the unavailability of contextual and local culture-based resolution strategies. So far, conflict resolution approaches in BUMDes have been more informal, relying on personal relationships and lacking documentation. On the other hand, unaddressed conflicts can lead to social disharmony and failure of village economic programs. While much of the conflict management literature addresses corporate enterprises (Danaeefard et al., 2019), the village context requires an approach more sensitive to social norms and local wisdom.

This research offers novelty by using a descriptive qualitative approach to explore the real experiences of BUMDes managers in managing conflict. This approach provides space for participants' narratives and reflections while capturing the complexity of emotions, informal power structures, and social dynamics unique to villages. This research also expands the horizon of conflict management from the corporate space to the local community space, which has so far escaped academic attention.

Previous studies, such as those by Thomas (1992), have classified five conflict management styles: competing, collaborating, compromising, avoiding, and accommodating. Tjosvold (2008) adds the importance of constructive approaches in conflict resolution to build long-term trust. In the context of community-based organizations such as BUMDes, studies by Ayoko et al. (2014) and Jordan & Troth (2004) also underline the importance of emotional intelligence and open communication culture to create a healthy work climate.

The main objective of this research is to explore in depth how conflicts arise, are managed, and are resolved within village economic units in Indonesia, particularly BUMDes. The focus is not only on formal conflict resolution mechanisms but also on informal dynamics, social norms, and the role of local leadership in mediating conflicts.

Practically, the results of this research are expected to provide applicable policy recommendations for village governments, BUMDes managers, and village assistance

agencies in building a more participatory and accountable conflict management system. From the academic side, this research enriches the treasury of human resource management science by adding the village perspective as an alternative organizational space.

Using a narrative and thematic approach, this research enables a re-reading of the experience of village organizations not as mere business units but as complex social ecosystems. Amidst the spirit of self reliance and local economy that the government continues to encourage, the ability of BUMDes to effectively manage internal conflicts becomes an important indicator for institutional sustainability and trust in the village community.

While workplace conflict is a global issue, the specific cultural and structural conditions within BUMDes demand context-sensitive solutions. This study explores conflict typologies and reframes conflict as an opportunity for adaptive institutional learning. Unlike corporate environments, village economic units operate within informal power relations, communal traditions, and socio-emotional bonds. These conditions require a paradigm shift in conflict resolution, emphasizing relational dynamics, collective leadership, and emotional intelligence over rule-bound procedures.

METHOD

1. Research Approach and Type

This research uses a descriptive qualitative approach to deeply understand the dynamics of conflict management in the work environment of village economic units such as BUMDes. This approach was chosen because it can explore the subjective experiences and meanings given by individuals to the conflicts they experience in the workplace.

2. Data Collection Technique

Data was collected through in-depth interviews and participatory observation of employees and managers at a West Java village economic unit (BUMDes). The semi-structured interviews provided an explorative space for participants to share their experiences. Observations were conducted to capture employee interactions and daily work dynamics related to potential conflicts.

3. Data Analysis Technique

Participants were purposively selected based on their at least two years of experience working in the company, involvement in work conflicts, and willingness to be interviewed openly. The data collected were then analyzed using thematic analysis techniques (thematic analysis), with stages: data transcription, coding, categorization, and drawing main themes.

4. Data Validity Test

Data validity was maintained through source and method triangulation techniques, member checking, and an audit trail of the research process. This research does not use quantitative approaches or statistical calculations because the primary focus is on holistically understanding context, perceptions, and experiences.

RESULT AND DISCUSSION

A. Sources of Conflict in Village Economic Units

1. Conflict Due to Different Communication Styles

One of the most frequent sources of conflict in village economic units is the difference in communication style between the older generation, which is more conservative, and the younger generation, which is more open and quick to act. For example, in one BUMDes, the village youth who were members of the village market digitalization team felt that their ideas were not responded to by the core management, which was dominated by senior community leaders. On the contrary, the leaders felt disrespected because the communication was perceived to be impolite and hasty.

This phenomenon shows the importance of effective intergenerational communication in managing village businesses. Thomas (1992) states that communication conflicts arise due to differences in message interpretation. In the village context, this is exacerbated by inequalities in experience and authority and the absence of cross-generational communication training.

2. Dual Role Conflict and Task Ambiguity

Conflicts also often arise because BUMDes or village cooperative administrators hold multiple roles without clarity of duties. For example, a treasurer doubles as a business unit manager and monthly report administrator without a written division of tasks. When recording errors occur, management and employees mutually accuse each other.

This aligns with Rahim's (2017) view that role ambiguity is a serious conflict trigger, especially in informal work structures such as BUMDes. The lack of a written administrative system increases the possibility of miscommunication and conflict of responsibilities.

3. Conflict Due to Authoritarian Leadership

In some villages, the BUMDes leadership model was found to be too closed and centralized. Decisions are made only by one or two without involving other administrators or community members. This leads to social jealousy and dissatisfaction as there is no room for participation.

This leadership style is often rooted in traditional village leadership patterns, but is not in line with the spirit of economic democracy in managing

village business units. Kreitner & Kinicki (2010) mention that an authoritarian style can undermine work motivation and reduce the sense of collective ownership.

B. Conflict Resolution Strategy

1. Avoiding Strategy

Many employees admit to choosing to avoid conflict rather than confront it head-on. This strategy comes from fear of sanctions or stigmatization from management. One technician said, "If we fight back, we could be considered disloyal."

This avoiding strategy is in line with Thomas's (1992) classification. However, it tends to be detrimental in this context because the conflict becomes latent and can explode anytime. It also shows the weakness of the internal grievance mechanism that protects employees.

2. Deliberation and Compromise Strategy

Several village economic units resolved conflicts through village meetings (rembug warga) attended by traditional leaders, religious leaders, and youth organizations. In one case, a conflict between a farmer group and a cooperative management due to fertilizer distribution was successfully resolved through a compromise involving changes to the distribution system based on open and transparent queues.

This collaborative strategy aligns with the win-win solution approach proposed by Tjosvold (2008), where all parties feel heard and valued. The involvement of informal figures as neutral facilitators has also proven effective in the village social context.

3. HRD's Role as Mediator

Village heads or officials often become informal mediators in conflicts between BUMDes managers. One interesting case occurred when the treasurer and head of the savings and loan unit disagreed over funds reporting. Mediation by the village head, accompanied by data clarification and a family approach, restored working harmony.

This approach aligns with the mediation theory in community conflict (Deutsch et al., 2014), emphasizing the importance of a mediator who is respected and trusted by all parties.

C. The Impact of Conflict and the Role of Village Organizational Culture

1. Psychological Impact

Unresolved conflicts lead to a decline in morale and trust among managers. Sometimes, employees resign from BUMDes management because they feel unappreciated or socially excluded. This hampers the sustainability of village

economic programs. Ayoko et al. (2014) state that conflict that is not appropriately handled risks reducing individual psychological health and collective productivity.

2. Stressful Organizational Culture

Most conflicts within BUMDes are not openly disclosed due to a culture of shyness and sour taste. Expressing disagreement with the management can be perceived as "disrespecting the elders." This culture indirectly suppresses the spirit of transparency and participation.

Edmondson (1999) mentions that psychological safety is an important prerequisite for organizational members to express their opinions without fear of being socially punished.

3. Absence of Formal System

Most village economic units studied did not have conflict resolution SOPs or confidential reporting mechanisms. The resolution process still relies on personal closeness and informal relations, which makes it subjective and vulnerable to power imbalances.

Harzing and Pinnington (2011) emphasize the importance of a formal and transparent institutional system so that conflict resolution does not rely solely on personal relationships.

D. Toward A Culturally Responsive Conflict Management Framework In BUMDes

1. Intergenerational Dynamics and Communication Gaps

Generational communication discrepancies significantly influence conflicts in BUMDes. Senior leaders often rely on traditional, hierarchical communication styles emphasizing formality and seniority, while younger staff and volunteers prioritize speed, transparency, and digital mediums. This divergence creates friction and misunderstandings in the organizational workflow. Miscommunication may result in feelings of neglect, disrespect, or insubordination, depending on the generational lens through which interactions are perceived.

Bridging this communication gap is not merely a technical challenge but a cultural one. Training that fosters mutual understanding, empathy, and communication flexibility is essential. Intergenerational mentoring programs and structured dialogue forums can serve as bridges that allow mutual appreciation of differing work ethics, language styles, and expectations, leading to more harmonious workplace dynamics.

2. Power Structures and Leadership Models

Leadership within BUMDes is often concentrated in the hands of a few senior individuals, creating power asymmetries that stifle participation. This top-down model partly reflects broader village social structures, where authority tends to be respected without contest. However, in the management of economic organizations, such concentration leads to resistance, disengagement, and underutilization of human potential.

Adopting participatory leadership models, such as shared or transformational leadership, can help redistribute authority and foster inclusion. These models promote

team-based decision-making, transparency, and emotional intelligence as tools for conflict prevention. Based on performance and collective trust rather than age or hierarchy, leadership renewal processes can gradually shift these dynamics in favor of resilience and innovation.

3. Cultural Norms and Psychological Safety

Cultural norms in rural areas often prioritize social harmony over individual expression. As a result, BUMDes workers may choose silence over confrontation, even in the face of unfair treatment or systemic issues. This inhibits feedback loops, prevents issue escalation from being addressed, and turns potential growth areas into hidden risks.

Creating a psychologically safe environment means allowing dissent and diverse opinions to be expressed without fear of backlash. This involves technical measures like anonymous suggestion systems and cultural transformation. Training programs that include value clarification, role-playing, and case discussions rooted in local values can promote this shift toward a more open and expressive organizational culture.

4. Informal Mediation Versus Formal Resolution

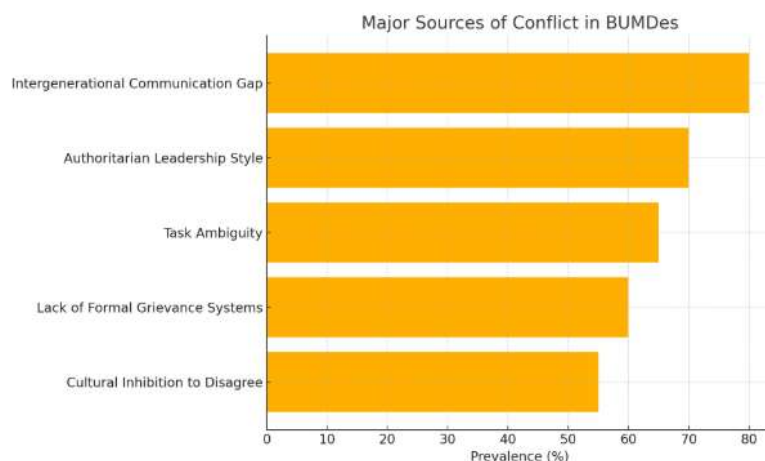
Village-level conflict mediation traditionally relies on informal mechanisms, often led by the village head or respected elders. While culturally resonant and community-approved, these mechanisms are often inconsistent, opaque, and heavily reliant on personal charisma or relationships.

Developing a hybrid model that integrates formal grievance protocols, such as written procedures and timelines, with the wisdom of community leaders can provide legitimacy and procedural fairness. This integration must be community-designed to avoid rejection and emphasize confidentiality, impartiality, and follow-up.

5. Toward a Conflict-Responsive Organizational Framework

Conflict is not merely an obstacle but an asset if managed proactively. To this end, BUMDes should institutionalize a conflict-responsive framework that includes early detection tools, risk indicators, routine team evaluations, and professional development opportunities focused on conflict resolution.

Embedding this framework into daily operations can convert tensions into learning moments, making BUMDes conflict-tolerant and conflict-literate. This prepares them to survive internal issues and thrive through adaptive learning and collaborative growth.



The interplay of informal village culture and modern organizational expectations generates friction that conventional conflict frameworks fail to address. Our findings illustrate that while deliberation mechanisms are praised, they are often symbolic and dominated by elder elites. A shift toward facilitated co-creation spaces involving women, youth, and marginalized groups is essential for meaningful inclusion. Additionally, integrating digital communication tools can bridge generational gaps, provided training is culturally tailored. The need to formalize conflict protocols without compromising community values remains urgent.

CONCLUSION

Conflict in BUMDes arises not merely from managerial lapses but from deeper cultural asymmetries, unresolved generational gaps, and weak institutional structures. Sustainable solutions must balance formal governance tools, such as SOPs, structured feedback loops, and conflict audits, with local traditions of communal deliberation. Investing in communication capacity building, leadership renewal, and participatory frameworks can transform conflict into a driver of innovation and resilience in village economic ecosystems. This study concludes that work conflicts in village economic units such as BUMDes are triggered by differences in communication styles between generations, role ambiguity, and authoritarian leadership styles, which, if not handled effectively, can negatively impact work motivation and productivity. Successful resolution strategies tend to involve a collaborative approach and the active role of HRD as a mediator, although many cases are still handled informally. Therefore, it is recommended that companies develop a formal conflict management system, such as the development of grievance procedures, assertive communication training for managers and employees, and the creation of an organizational culture that supports openness and psychological safety, so that conflict is not only suppressed but also managed as a means of improving performance and healthy working relationships.

REFERENCES

- Ayoko, O. B., Callan, V. J., & Härtel, C. E. J. (2014). Workplace conflict, bullying, and counterproductive behaviors. *International Journal of Organizational Analysis*, 22(3), 309-326.
- BPS. (2023). *Indonesia Gross Domestic Product 2023*. Central Bureau of Statistics.
- Cloke, K., & Goldsmith, J. (2011). *Resolving conflicts at work: Ten strategies for everyone on the job*. Jossey-Bass.
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative inquiry and research design: Choosing among five approaches* (4th ed.). SAGE.
- Danaeefard, H., Kazemi, B., & Khosravi, S. (2019). Conflict management in public organizations: A qualitative study. *International Journal of Public Sector Management*, 32(5), 457-472.

- Deutsch, M., Coleman, P. T., & Marcus, E. C. (2014). *The handbook of conflict resolution: Theory and practice*. Jossey-Bass.
- Harzing, A. W., & Pinnington, A. H. (2011). *International Human Resource Management*. SAGE.
- Jordan, P. J., & Troth, A. C. (2004). Managing emotions during team problem solving: Emotional intelligence and conflict resolution. *Human Performance*, 17(2), 195-218.
- Kreitner, R., & Kinicki, A. (2010). *Organizational behavior* (9th ed.). McGraw-Hill.
- Kumar, R., & Mishra, M. (2020). Conflict resolution and employee retention in manufacturing units: An empirical study. *Journal of Organizational Behavior Research*, 5(1), 32-44.
- Patton, M. Q. (2015). *Qualitative research & evaluation methods* (4th ed.). SAGE.
- Rahim, M. A. (2017). *Managing conflict in organizations* (4th ed.). Routledge.
- Thomas, K. W. (1992). Conflict and conflict management. In J. W. Newstrom & K. Davis (Eds.), *Organizational Behavior: Human Behavior at Work* (pp. 395-412). McGraw-Hill.
- Tjosvold, D. (2008). The conflict-positive organization: It depends on us. *Journal of Organizational Behavior*, 29(1), 19-28.
- World Economic Forum. (2022). *The Future of Jobs Report 2022*. Retrieved from <https://www.weforum.org/reports/the-future-of-jobs-report-2022>