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Designing an Interpretive Structural Model of Optimal Conflict Management in the National Banking Network

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ABSTRACT

Within the national banking network, given the existence of divergent interests and competing benefits, the design of an optimal model for conflict management plays a fundamental role in enhancing the performance of the financial system. The objective of the present study is to design an interpretive structural model of optimal conflict management in the national banking network. In terms of orientation, the study is applied; in terms of purpose, it is descriptive; in terms of approach, it follows a deductive–inductive logic; and with respect to research philosophy, it is categorized as a mixed-methods (qualitative–quantitative) study. In the qualitative phase, the factors influencing conflict management were identified through thematic analysis. The statistical population consisted of university faculty members, branch managers, headquarters deputies, experts, inspectors, and auditors. Purposeful sampling using the snowball technique was employed. In total, 14 in-depth and semi-structured interviews were conducted, and the data were analyzed using MaxQDA software with a thematic analysis approach. In this process, 68 initial codes, 38 basic themes, and 11 organizing themes were extracted. In the quantitative phase, an interpretive structural questionnaire was designed based on the qualitative findings, and the Structural Self-Interaction Matrix (SSIM) was completed using the symbols V, A, X, and O. Subsequently, through the Interpretive Structural Modeling (ISM) method and the use of ISM and MicMac software, the hierarchy as well as the driving and dependence power of the components were analyzed. The results indicated that the components were positioned across four levels: financial management and ethical leadership; organizational cohesion and positive interaction; participatory and transparent management along with cultural and ethical commitment; and finally, organizational justice, human resource development, and performance-based reward systems.

Keywords: Thematic analysis; Interpretive Structural Modeling; Conflict management; Banking network.

Introduction

Conflict is an inherent and unavoidable phenomenon within organizational systems, particularly in complex and highly regulated sectors such as the banking industry, where diverse stakeholder interests, hierarchical structures, financial pressures, and customer expectations interact continuously. Banking organizations operate in environments characterized by uncertainty, rapid technological transformation, and intense competition, all of which increase the likelihood of interpersonal, structural, and strategic conflicts. Contemporary management literature increasingly recognizes that conflict is not merely a dysfunctional occurrence but can serve as a catalyst for organizational learning, innovation, and performance improvement when managed appropriately. Effective conflict management therefore constitutes a strategic capability that directly influences organizational stability, employee

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well-being, service quality, and financial performance (1, 2). In financial institutions, unresolved conflicts may manifest through reduced employee motivation, communication breakdowns, operational inefficiencies, and declining customer trust, whereas structured conflict management mechanisms can transform disagreement into constructive dialogue and collaborative problem-solving processes (3, 4).

The banking sector presents a particularly fertile context for examining conflict management due to the coexistence of multiple professional roles, strict regulatory oversight, and ongoing digital transformation initiatives. The emergence of digital banking platforms, online financial services, and automated decision systems has expanded both the scale and complexity of organizational interactions, simultaneously generating new forms of conflict among employees, management, and customers. Studies on digital banking disputes demonstrate that technological innovation introduces not only operational efficiency but also new challenges related to accountability, transparency, and service expectations, thereby increasing the need for systematic conflict resolution frameworks (5, 6). Regulatory and institutional mechanisms such as mediation bodies and alternative dispute resolution institutions have therefore gained prominence as complementary approaches to traditional hierarchical decision-making structures in financial organizations (7, 8). These developments highlight that modern banking institutions must adopt integrated and proactive conflict management models capable of addressing both internal organizational conflicts and external stakeholder disputes.

From a human resource perspective, organizational conflicts are closely linked to individual characteristics, leadership styles, communication patterns, and organizational culture. Research has demonstrated that employee personality traits and professional competencies significantly influence how conflicts emerge and how individuals respond to them within banking environments (9). Likewise, managerial decision-making patterns and perceptions of future organizational consequences shape conflict responses and determine whether disagreements escalate or evolve into collaborative problem-solving processes (10). Employees who perceive fairness, transparency, and participatory leadership within their organization are more likely to engage constructively during conflicts, thereby enhancing organizational cohesion and performance outcomes (11). Furthermore, conflict management styles directly affect employee motivation, organizational commitment, and productivity, emphasizing that conflict handling is fundamentally intertwined with human resource development and organizational performance management systems (2, 12).

Beyond internal organizational dynamics, the financial services industry also faces increasing expectations regarding ethical governance, customer rights protection, and dispute management accountability. Islamic financial institutions and ethical banking frameworks, for example, emphasize fairness, transparency, and justice as essential principles guiding conflict resolution practices. A maqāṣid-based approach to dispute management highlights that financial conflicts must be resolved in ways that preserve social welfare, stakeholder trust, and institutional legitimacy (13). Similarly, empirical legal analyses on online dispute resolution frameworks demonstrate that technology-enabled conflict management mechanisms can strengthen compliance, accessibility, and efficiency in banking dispute settlements (14). These perspectives illustrate that conflict management in banking institutions is not solely an operational issue but also a normative and ethical responsibility embedded within broader governance systems.

Recent organizational behavior research further expands the conceptualization of conflict management by linking it to employee engagement, well-being, and productivity outcomes. Evidence suggests that effective conflict management practices enhance psychological safety, work-life balance, and employee satisfaction, which in turn contribute to organizational performance and innovation capacity (15). Additionally, creativity has been identified as possessing both constructive and destructive potential in conflict situations, depending on organizational climate and competitive pressures. When supported by cooperative environments, creativity fosters adaptive conflict solutions; however, under excessive competition it may intensify interpersonal tensions (16). Complementary research grounded in socio-cultural and relational perspectives emphasizes that resilience factors, ethical values, and interpersonal understanding strengthen individuals' abilities to manage disagreements constructively, reinforcing the importance of cultural and ethical dimensions in conflict management systems (17).

Strategic conflict management has therefore evolved into a multidimensional concept encompassing structural, behavioral, technological, and cultural components. In banking organizations, conflict management must integrate leadership practices, organizational justice mechanisms, performance-based compensation systems, participatory decision-making processes, and transparent communication structures. Empirical investigations within banking industries confirm that structured conflict management strategies positively influence customer complaint resolution, service quality, and institutional reputation (3). Similarly, studies examining conflict management strategies within banking brands demonstrate that effective handling of internal disagreements strengthens brand promise fulfillment and customer confidence (18). The accumulation of such findings indicates that conflict management is increasingly recognized as a strategic organizational capability rather than a reactive administrative function.

Despite the growing body of research, many banking organizations still lack an integrated structural framework capable of explaining the interrelationships among the diverse factors influencing conflict management effectiveness. Previous studies have often examined isolated variables—such as leadership, personality traits, or dispute resolution mechanisms—without clarifying their hierarchical interactions within a comprehensive organizational system (4). The complexity of banking institutions requires analytical approaches capable of modeling causal relationships among multiple dimensions simultaneously. Interpretive Structural Modeling (ISM) has emerged as an effective methodological tool for analyzing complex organizational systems by identifying key driving factors, dependency relationships, and hierarchical structures among variables (1). Applying such systemic modeling approaches to conflict management allows researchers and practitioners to understand how foundational organizational drivers influence higher-level outcomes and strategic behaviors.

Moreover, contemporary banking environments increasingly demand adaptive governance models that combine organizational ethics, human resource development, digital dispute resolution mechanisms, and strategic leadership capacities. The shift toward knowledge-based management, collaborative decision-making, and ethical leadership frameworks reflects the recognition that sustainable conflict management cannot rely solely on formal procedures but must be embedded within organizational culture and institutional values. Research on banking organizations indicates that employees' perceptions of fairness, transparency, and shared responsibility significantly reduce destructive conflict patterns while enhancing cooperative organizational climates (19). Consequently, developing a structured interpretive model that captures these interconnected dimensions becomes essential for designing effective conflict management systems tailored to modern banking networks.

Given the strategic importance of conflict management for organizational effectiveness, employee well-being, customer satisfaction, and institutional sustainability, there is a clear need for an integrative framework that systematically identifies and organizes the determinants of optimal conflict management within banking networks. Such a framework must incorporate organizational justice, ethical leadership, participatory management, human resource development, structured compensation systems, and systematic conflict management strategies within a coherent hierarchical structure capable of guiding managerial decision-making and policy development. Therefore, the aim of this study is to design an interpretive structural model of optimal conflict management in the national banking network.

Methods and Materials

The present study is applied in terms of orientation and descriptive in terms of objective, as it seeks to identify the factors influencing optimal conflict management in the national banking network and to explain the interactions among these factors through the development of an interpretive structural model. In terms of approach, the study follows a deductive–inductive logic, and from a philosophical perspective, it is categorized as a mixed-methods (qualitative–quantitative) investigation. In the first stage, influential factors were identified through a qualitative approach using thematic analysis, and in the subsequent stage, the relationships among these factors were analyzed using Interpretive Structural Modeling (ISM).

In the qualitative phase, the objective was to achieve an in-depth identification of factors affecting optimal conflict management in the banking network. The statistical population included university faculty members, bank branch managers, headquarters deputies, experts, inspectors, auditors, and branch managers and deputy managers. These individuals were selected due to their managerial experience and familiarity with conflict processes within banking units. Samples were selected using purposive snowball sampling, whereby eligible participants were introduced by previous interviewees. A total of 14 in-depth semi-structured interviews were conducted until theoretical saturation was achieved. All participants were aged 35 years or older and possessed practical experience in conflict management and banking hierarchy structures. The collected data were analyzed using MaxQDA software based on the thematic analysis approach. As a result of this process, 68 initial codes, 38 basic themes, and 11 organizing themes were extracted. These themes constituted the conceptual structure of the qualitative phase and served as the basis for designing the quantitative research instrument. To ensure validity of the extracted codes, credibility, transferability, and confirmability criteria were applied (Table 1).

Table 1. Validity and Reliability of the Qualitative Phase

Dimension	Method	Result
Validity	Credibility: confirmation of research process by seven experts	Confirmed
	Use of two coders for coding several interview samples	Confirmed
	Transferability: evaluation by three non-participant experts	Confirmed
	Confirmability: recording and documentation of all interviews	Confirmed
Reliability	Process audit study: provision of research materials to supervisors and advisors	Confirmed
	Inter-coder agreement analysis	Total codes: 68
		Total agreements: 30
		Total disagreements: 7
		Inter-coder reliability: 89.5% (>60%, reliability confirmed)

In the quantitative phase of the research, the objective was to explain the interaction patterns, influence, and hierarchical relationships among the factors identified during the qualitative phase. Based on themes extracted from thematic analysis, an interpretive structural questionnaire was developed. The statistical population consisted of experts, managers, and specialists within the national banking network, selected similarly to the qualitative phase using the same sampling logic. To analyze relationships among subcategories, the Structural Self-Interaction Matrix

(SIM) was first constructed. Respondents were asked to determine pairwise relationships among factors using four symbols:

V = Variable *i* influences variable *j*

A = Variable *j* influences variable *i*

X = Variables *i* and *j* influence each other

O = No relationship exists between variables *i* and *j*

After collecting expert opinions, the final self-interaction matrix was formed based on the frequency of identified relationships. Subsequently, hierarchical structuring and level determination of factors were conducted using the Interpretive Structural Modeling (ISM) method through Warfield's ISM software. Furthermore, dependency and driving power analyses were completed using MicMac software. This process enabled the development of a valid interpretive model explaining the relationships among factors influencing optimal conflict management within the banking network.

Findings and Results

Based on data analysis, among the 14 respondents, 8 participants (57%) were male and 6 participants (43%) were female. Regarding educational level, 8 respondents (57%) held master's degrees and 6 respondents (43%) held doctoral degrees. Concerning work experience, 11 participants (79%) had between 10 and 15 years of professional experience, while 3 participants (21%) had more than 15 years of experience. This distribution indicates gender, educational, and experiential diversity among respondents.

According to Table 2, the main themes derived from the thematic analysis process led to the development of the optimal conflict management model in the national banking network.

Table 2. Main Themes for Designing the Optimal Conflict Management Model in the National Banking Network

Row	Initial Codes	Basic Themes	Organizing Themes	Overarching Theme
1	Sharing organizational information with employees	Transparency	Transparent, responsible, and knowledge-based management	Designing the Optimal Conflict Management Model in the National Banking Network
2	Employee access to information			
3	Adequate knowledge	Knowledge orientation		
4	Appropriate awareness and insight			
5	Organizational transparency	Clarification of responsibilities		
6	Task division among employees			
7	Use of advisory groups	Group decision-making	Participatory and collective decision-making management	
8	Consultative meetings			
9	Delegation to competent individuals	Participatory management	Effective and efficient management	
10	Delegation of authority and employee participation systems			
11	Efficient management	Effective management		
12	Strong and capable leadership			

13	Creating organizational commitment	Employee participation	
14	Strengthening organizational commitment		
15	Preventing discrimination	Organizational justice	Organizational justice and employee welfare improvement
16	Organizational justice		
17	Fair compensation practices	Pay equity	
18	Fair allocation of organizational resources		
19	Increasing employee satisfaction	Employee welfare enhancement	
20	Creating job satisfaction		
21	Appropriate employment contracts	Job security	
22	Establishing job security		
23	Valuing employees' social contribution	Recognition of employee value	
24	Maintaining employee motivation		
25	Comprehensive human resource planning	Human resource development	Sustainable human resource development
26	Attention to HR domain		
27	Organizational support	Organizational support	
28	Supporting employee achievements		
29	Developing integrative organizational guidelines	Policies and strategies	Systematic conflict management strategies
30	Goal-oriented programs		
31	Conflict resolution expertise	Conflict resolution strategies	
32	Acceptance of organizational conflict		
33	Collaboration with senior leaders	Senior leadership cooperation	Responsible and ethical leadership
34	Interaction across management levels		
35	External professional consultation	Behavioral science consulting	
36	Group consultation		
37	Acceptance of managerial mistakes	Accountability	
38	Manager acknowledgment of errors		
39	Ethical interaction between managers and staff	Ethical leadership	
40	Manager–employee interaction		
41	Targeted compensation	Performance evaluation systems	Performance-based compensation and reward systems
42	Reward system design		
43	Structured performance-based payments	Performance-based compensation	
44	Compensation aligned with performance		
45	Organizational compensation systems	Compensation management	
46	Structured payment processes		
47	Attention to religious beliefs	Cultural and religious observance	Cultural and ethical commitment training
48	Spiritual values in organization		

49	Respect for social values	Cultural beliefs	
50	Respect for employee beliefs		
51	Continuous professional training	Professional ethics training	
52	Job-related training		
53	Conflict-oriented communication	Positive communication	Organizational cohesion and positive interaction
54	Dialogue and strong employee bonds		
55	Identifying employee capabilities	Organizational belonging	
56	Sense of organizational attachment		
57	Employee socialization programs	Organizational integration	
58	Communication and perceptual skill training		
59	Strengthening faith and ethics	Organizational spirituality	Spiritual and ethical leadership
60	Ethical governance		
61	Managerial altruism	Managerial sacrifice	
62	Managerial dedication		
63	Respect for ethnic and linguistic diversity	Peaceful coexistence	
64	Attention to ethnic diversity		
65	Employee recognition letters	Recognition systems	
66	Appreciation of committed personnel		
67	Adequate budget allocation	Budgeting	Financial management and budgeting
68	Financial planning		

After conducting the qualitative analysis and extracting the subcategories—based on 11 principal categories—the study proceeded to apply the Interpretive Structural Modeling (ISM) method. Through this structured–interpretive methodology, the interaction patterns and influence mechanisms among these factors were analyzed, and ultimately, the optimal conflict management model for the national banking network was developed. It should be noted that Table 3 presents the abbreviations assigned to the identified subcategories.

Table 3. Subcategories Extracted from the Qualitative Phase

Identified Subcategory	Abbreviation	Identified Subcategory	Abbreviation
Organizational justice and employee welfare improvement	A	Cultural and ethical commitment in the workplace	G
Sustainable human resource development	B	Financial management and budgeting	H
Participatory and collective decision-making management	C	Organizational cohesion and positive interaction among employees	I
Transparent, responsible, and knowledge-based management	D	Responsible and ethical leadership in the organization	J
Performance-based compensation and reward systems	E	Spiritual and ethical leadership in the organization	K
Systematic conflict management strategies	F		

Table 4 presents the Structural Self-Interaction Matrix (SSIM), constructed based on expert opinions. To examine the relationships among subcategories, respondents were asked to determine pairwise relationships between factors using the predefined symbols (V, A, X, O).

V (or 1): Variable *i* influences variable *j*.

A (or –1): Variable *j* influences variable *i*.

X (or 2): Variables *i* and *j* mutually influence each other.

O (or 0): No relationship exists between variables *i* and *j*.

Table 4. Structural Self-Interaction Matrix (SSIM)

Category	A	B	C	D	E	F	G	H	I	J	K
A		X	A	A	V	A	O	O	A	A	O
B			A	A	A	X	O	O	A	A	O
C				A	V	V	O	O	O	A	O
D					V	X	O	O	A	O	O
E						X	V	O	A	V	O
F							O	V	O	X	O
G								V	A	O	O
H									O	V	O
I										X	X
J											O
K											

Following the SSIM construction, the symbolic relationships were converted into binary values (0 and 1) according to the rules proposed by Gorani and Kant (2013). If the entry (*j,i*) in the SSIM was V, then in the reachability matrix the entry (*i,j*) was assigned 1 and (*j,i*) was assigned 0. If the entry was A, then (*i,j*) was assigned 0 and (*j,i*) was assigned 1. If the entry was X, both (*i,j*) and (*j,i*) were assigned 1. If the entry was O, both (*i,j*) and (*j,i*) were assigned 0.

Table 5. Reachability Matrix

Category	A	B	C	D	E	F	G	H	I	J	K
A	1	2	1	1	1	-1	0	0	1	0	0
B	2	1	1	1	1	2	0	0	1	0	0
C	-1	-1	1	1	-1	-1	0	0	0	0	1
D	-1	-1	-1	1	-1	2	0	0	1	0	1
E	-1	-1	-1	1	1	2	1	0	1	0	1
F	1	0	1	2	2	1	0	1	0	2	0
G	0	0	0	0	-1	0	1	0	0	0	0
H	0	0	0	0	0	-1	0	1	0	-1	0
I	-1	-1	0	-1	-1	0	0	0	1	0	0
J	0	0	0	0	0	2	0	1	0	1	0
K	0	0	-1	-1	-1	0	0	0	0	0	1

By replacing 1 and 2 with 1, and –1 and 0 with 0, the initial binary reachability matrix was obtained.

Table 6. Initial Reachability Matrix

Category	A	B	C	D	E	F	G	H	I	J	K
A	1	1	1	1	0	1	0	0	1	1	0
B	1	1	1	1	1	1	0	0	1	1	0
C	0	0	1	1	0	0	0	0	0	1	0
D	0	0	0	1	0	1	0	0	1	0	0
E	1	0	1	1	1	1	1	0	1	0	0
F	0	1	1	1	1	1	0	1	0	1	0
G	0	0	0	0	0	0	1	1	1	0	0
H	0	0	0	0	0	0	0	1	0	0	0
I	0	0	0	0	0	0	0	0	1	1	1
J	0	0	0	0	1	1	0	1	1	1	0
K	0	0	0	0	0	0	0	0	1	0	1

After applying transitivity (i.e., if *i* leads to *j* and *j* leads to *k*, then *i* leads to *k*), the final reachability matrix was obtained. Driving power was calculated by summing each row, and dependence power by summing each column.

The results indicate that among the organizing themes, *Cultural and Ethical Commitment in the Workplace* demonstrates the highest driving power (11), meaning it exerts the strongest influence on other components. Conversely, *Financial Management and Budgeting* exhibits the lowest driving power (1).

Table 7 .Final Reachability Matrix

Category	A	B	C	D	E	F	G	H	I	J	K	Driving Power
A	1	1	1	1	1*	1	0	1*	1	1	1*	10
B	1	1	1	1	1	1	1*	1*	1	1	1	11
C	0	0	1	1	1*	1*	0	1*	1*	1	0	7
D	0	1*	1*	1	1*	1	0	1*	1	1*	1*	9
E	1	1*	1	1	1	1	1	1*	1	1*	1*	11
F	1*	1	1	1	1	1	1*	1	1*	1	0	10
G	0	0	0	0	0	0	1	1*	1*	1	1	5
H	0	0	0	0	0	0	0	1	0	0	0	1
I	0	0	0	0	1*	1*	0	1*	1	1	1	6
J	1*	1*	1*	1*	1	1	1*	1	1	1	1*	11
K	0	0	0	0	0	0	0	0	1	1*	1	3
Dependence Power	5	6	7	7	8	8	5	10	10	10	8	

Table 8. Determination of Component Levels (First Iteration)

Category	Reachability Set	Antecedent Set	Intersection Set	Level
Organizational justice and employee welfare improvement	1-2-3-4-5-6-8-9-11	1-2-5-6-10	1-2-5-6	–
Sustainable human resource development	1-2-3-4-5-6-7-8-9-10-11	1-2-4-5-6-10	1-2-4-5-6-10	–
Participatory and collective decision-making management	3-4-5-6-8-9-10	1-2-3-4-5-6-10	3-4-5-10	–
Transparent, responsible, and knowledge-based management	2-3-4-5-6-8-9-10-11	1-2-3-4-5-6-10	2-3-4-5-6-10	–
Performance-based compensation and reward systems	1-2-3-4-5-6-7-8-9-10-11	1-2-3-4-5-6-9-10	1-2-3-4-5-6-9-10	–
Systematic conflict management strategies	1-2-3-4-5-6-7-8-9-10	1-2-3-4-5-6-9-10	1-2-3-4-5-6-9-10	–
Cultural and ethical commitment in the workplace	7-8-9-10-11	2-5-6-7-10	7-10	–
Financial management and budgeting	8	1-2-3-4-5-6-7-8-9-10	8	First
Organizational cohesion and positive interaction	5-6-8-9-10-11	1-2-3-4-5-6-7-9-10-11	5-6-9-10-11	–
Responsible and ethical leadership	1-2-3-4-5-6-7-8-9-10-11	1-2-3-4-5-6-7-9-10-11	1-2-3-4-5-6-7-9-10-11	–
Spiritual and ethical leadership	9-10-11	1-2-4-5-7-9-10-11	9-10-11	First

Table 8 shows that the reachability set and the intersection set for the components Financial Management and Budgeting and Spiritual and Ethical Leadership in the Organization are identical. Therefore, these components are placed at Level 1 among the indicators affecting the design of the optimal conflict management model in the national banking network. In other words, these components do not exert a substantial influence on other components. By removing these components and deleting their corresponding numbers from the sets, the Level 2 components can be identified.

Table 9. Determination of Component Levels (Second Iteration)

Category	Reachability Set	Antecedent Set	Intersection Set	Level
Organizational justice and employee welfare improvement	1-2-3-4-5-6-9	1-2-5-6-10	1-2-5-6	–
Sustainable human resource development	1-2-3-4-5-6-7-9-10	1-2-4-5-6-10	1-2-4-5-6-10	–
Participatory and collective decision-making management	3-4-5-6-9-10	1-2-3-4-5-6-10	3-4-5-10	–

Transparent, responsible, and knowledge-based management	2-3-4-5-6-9-10	1-2-3-4-5-6-10	2-3-4-5-6-10	–
Performance-based compensation and reward systems	1-2-3-4-5-6-7-9-10	1-2-3-4-5-6-9-10	1-2-3-4-5-6-9-10	–
Systematic conflict management strategies	1-2-3-4-5-6-7-9-10	1-2-3-4-5-6-9-10	1-2-3-4-5-6-9-10	–
Cultural and ethical commitment in the workplace	7-9-10	2-5-6-7-10	7-10	–
Organizational cohesion and positive interaction among employees	5-6-9-10	1-2-3-4-5-6-7-9-10-11	5-6-9-10	Second
Responsible and ethical leadership in the organization	1-2-3-4-5-6-7-9-10	1-2-3-4-5-6-7-9-10	1-2-3-4-5-6-7-9-10	Second

Table 9 shows that the reachability set and the intersection set for the components Organizational Cohesion and Positive Interaction among Employees and Responsible and Ethical Leadership in the Organization are identical. Hence, these components are placed at Level 2 among the indicators affecting the design of the optimal conflict management model in the national banking network. In other words, these components do not have a substantial influence on other components. By removing these components and deleting their corresponding numbers from the sets, the Level 3 components can be identified.

Table 10. Determination of Component Levels (Third Iteration)

Category	Reachability Set	Antecedent Set	Intersection Set	Level
Organizational justice and employee welfare improvement	1-2-3-4-5-6	1-2-5-6	1-2-5-6	–
Sustainable human resource development	1-2-3-4-5-6-7	1-2-4-5-6	1-2-4-5-6	–
Participatory and collective decision-making management	3-4-5-6	1-2-3-4-5-6	3-4-5-6	Third
Transparent, responsible, and knowledge-based management	2-3-4-5-6	1-2-3-4-5-6-10	2-3-4-5-6	Third
Performance-based compensation and reward systems	1-2-3-4-5-6-7	1-2-3-4-5-6	1-2-3-4-5-6	–
Systematic conflict management strategies	1-2-3-4-5-6-7	1-2-3-4-5-6	1-2-3-4-5-6	–
Cultural and ethical commitment in the workplace	7	2-5-6-7	7	Third

Table 10 indicates that the reachability set and the intersection set for the components Participatory and Collective Decision-Making Management, Transparent, Responsible, and Knowledge-Based Management, and Cultural and Ethical Commitment in the Workplace are identical. Therefore, these components are placed at Level 3 among the indicators affecting the design of the optimal conflict management model in the national banking network. In other words, these components do not exert a substantial influence on other components. After removing the Level 3 components and deleting their corresponding numbers from the sets, the Level 4 factors can be determined.

Table 11. Determination of Component Levels (Fourth Iteration)

Category	Reachability Set	Antecedent Set	Intersection Set	Level
Organizational justice and employee welfare improvement	1-2-5-6	1-2-5-6	1-2-5-6	Fourth
Sustainable human resource development	1-2-5-6	1-2-5-6	1-2-5-6	Fourth
Performance-based compensation and reward systems	1-2-5-6	1-2-5-6	1-2-5-6	Fourth
Systematic conflict management strategies	1-2-5-6	1-2-5-6	1-2-5-6	Fourth

Table 11 shows that the reachability set and the intersection set for the Level 4 components—Organizational Justice and Employee Welfare Improvement, Sustainable Human Resource Development, Performance-Based Compensation and Reward Systems, and Systematic Conflict Management Strategies—are identical. Therefore, these components are positioned at the final level (Level 4) of the optimal conflict management model in the national banking network.

At this stage, based on the various component levels, the final stratification matrix of the themes for designing the optimal conflict management model in the national banking network is established through the structural–interpretive methodology.

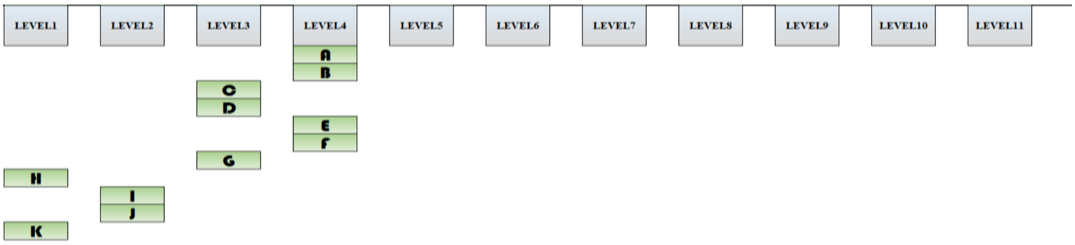

Figure 1.

Stratification of the Sub-Themes for the Process Model of Designing the Optimal Conflict Management Model in the National Banking Network Using the Structural–Interpretive Methodology

Next, the Interpretive Structural Model (ISM) of the optimal conflict management model in the national banking network—developed through the structural–interpretive methodology—is presented in the form of Figure 2.

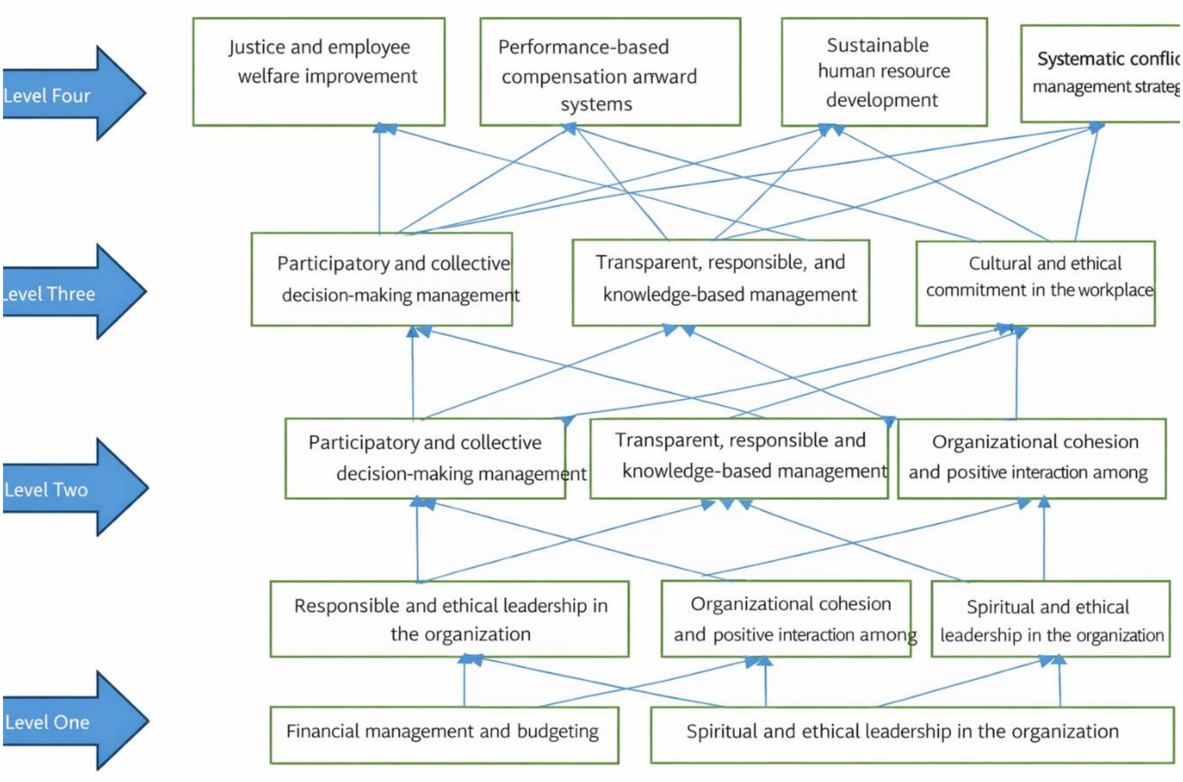

Figure 3. Final Research Model

MICMAC analysis, or the cross-impact matrix multiplication applied to classification, is one of the core procedures in interpretive structural modeling. Based on the **driving power** and **dependence power** of variables, a coordinate system can be defined and divided into four equal quadrants. MICMAC analysis is built upon each variable's driving power (influence) and dependence power (being influenced), and it enables a more detailed examination of the position and scope of each variable within the system.

Driving power: the number of elements influenced by element *i*.

Dependence power: the number of elements that influence element *i*.

In this analysis, variables are classified into four groups: autonomous, dependent, linkage, and independent.

Autonomous: this group includes variables with weak to moderate driving power and weak to moderate dependence. These variables are relatively disconnected from the system and maintain few and weak linkages to the system.

Dependent: these variables have low driving power but relatively high dependence. They are typically outcome- or goal-oriented variables.

Linkage: the third group consists of variables with high driving power and high dependence. These variables are unstable, because any change in them can affect the system, and system feedback can in turn alter these variables again.

Independent: variables with high driving power but low dependence are considered driving (influential) variables, or in other words, key stimulators.

The MICMAC results showed that the 11 organizing themes affecting the optimal conflict management model—based on driving power and dependence power—are classified into four categories: driving (independent), linkage, dependent, and autonomous factors. Each initial code, depending on its driving and dependence characteristics, is also positioned within one of these four categories in relation to the research topic (Table 12).

Table 12. MICMAC Decision Matrix for Optimal Conflict Management in the National Banking Network

Category	1	2	3	4	5	6	7	8	9	10	11	Driving Power
1. Organizational justice and employee welfare improvement	1	1	1	1	1	1	0	1	1	1	1	10
2. Sustainable human resource development	1	1	1	1	1	1	1	1	1	1	1	11
3. Participatory and collective decision-making management	0	0	1	1	1	1	0	1	1	1	0	7
4. Transparent, responsible, and knowledge-based management	0	1	1	1	1	1	0	1	1	1	1	9
5. Performance-based compensation and reward systems	1	1	1	1	1	1	1	1	1	1	1	11
6. Systematic conflict management strategies	1	1	1	1	1	1	1	1	1	1	0	10
7. Cultural and ethical commitment in the workplace	0	0	0	0	0	0	1	1	1	1	1	5
8. Financial management and budgeting	0	0	0	0	0	0	0	1	0	0	0	1
9. Organizational cohesion and positive interaction among employees	0	0	0	0	1	1	0	1	1	1	1	6
10. Responsible and ethical leadership in the organization	1	1	1	1	1	1	1	1	1	1	1	11
11. Spiritual and ethical leadership in the organization	0	0	0	0	0	0	0	0	1	1	1	3
Dependence Power	5	6	7	7	8	8	5	10	10	10	8	

Table 13. MICMAC Analytical Model for the Optimal Conflict Management Model

	11	10	9	8	7	6	5	4	3	2	1
Linkage	8					Driving					1
											2
		3									3
											4
				7							5
	9										6
		3									7
											8
		4									9
		6		1							10
Dependent	10		5		2	Autonomous					11

1. Organizational justice and employee welfare improvement
2. Sustainable human resource development
3. Participatory and collective decision-making management
4. Transparent, responsible, and knowledge-based management
5. Performance-based compensation and reward systems
6. Systematic conflict management strategies

7. Cultural and ethical commitment in the workplace
8. Financial management and budgeting
9. Organizational cohesion and positive interaction among employees
10. Responsible and ethical leadership in the organization
11. Spiritual and ethical leadership in the organization

Discussion and Conclusion

The present study aimed to design an interpretive structural model of optimal conflict management in the national banking network and to clarify the hierarchical relationships among the underlying organizational components. The findings revealed that conflict management within the banking system is not determined by a single managerial action but emerges from an interconnected structure of organizational, cultural, ethical, leadership, and human resource factors operating across multiple levels. The ISM results demonstrated a four-level hierarchy in which foundational drivers such as financial management and budgeting and spiritual–ethical leadership formed the base level, followed by responsible and ethical leadership together with organizational cohesion, then participatory and transparent management dimensions, and finally outcome-oriented components including organizational justice, human resource development, performance-based compensation systems, and systematic conflict management strategies. This layered structure confirms that effective conflict management is a systemic phenomenon shaped by deep organizational drivers rather than isolated managerial techniques.

The placement of financial management and budgeting at the foundational level suggests that structural stability and resource allocation constitute primary enabling conditions for managing organizational conflicts. Banking institutions operate within highly regulated financial environments where uncertainty in budgeting, resource distribution, or financial transparency can trigger organizational tensions and interpersonal disagreements. Previous studies have similarly emphasized that organizational conflicts frequently originate from structural pressures such as resource scarcity, unclear financial priorities, or inequitable distribution of organizational benefits (4). Strategic organizational management models also highlight that foundational operational systems act as driving variables influencing higher managerial and behavioral outcomes (1). Therefore, the identification of financial management as a base-level factor aligns with evidence showing that sustainable conflict management requires structural coherence before behavioral interventions can be effective.

Another key finding of the study is the critical role of spiritual and ethical leadership as a foundational driver. Ethical orientation and value-based leadership were positioned alongside financial management as primary determinants influencing higher-level organizational interactions. This result indicates that ethical norms function as invisible governance mechanisms shaping employee perceptions of fairness, trust, and legitimacy. Research in financial services grounded in ethical and maqāṣid-based dispute management similarly emphasizes that justice-oriented leadership frameworks strengthen organizational harmony and prevent escalation of conflicts (13). Moreover, ethical leadership has been shown to increase organizational commitment and reduce destructive conflict behaviors by promoting accountability, empathy, and respect among employees (12). The findings therefore reinforce the argument that conflict management effectiveness is rooted not only in procedures but also in organizational moral climate.

At the second hierarchical level, responsible and ethical leadership together with organizational cohesion and positive interaction among employees emerged as influential mediating factors. These components act as transmission mechanisms through which foundational drivers influence operational management practices.

Organizational cohesion facilitates communication, trust, and collaboration, which are essential for transforming conflict into constructive engagement. Empirical research demonstrates that employee engagement and well-being improve when organizations foster cooperative environments characterized by supportive leadership and strong interpersonal relationships (15). Similarly, studies on conflict management styles within banking institutions confirm that leadership behaviors significantly affect employee motivation and organizational performance outcomes (2). The current results extend these findings by demonstrating structurally how leadership and cohesion operate as intermediary mechanisms linking organizational values to conflict management outcomes.

The third level of the model consisted of participatory management, collective decision-making, transparent management, and cultural–ethical commitment in the workplace. These findings highlight that inclusive governance and transparent communication play decisive roles in preventing destructive conflict escalation. Participatory decision-making allows employees to express perspectives and reduces perceptions of exclusion, which are often primary sources of organizational conflict. Previous investigations confirm that employee participation and collaborative decision-making enhance conflict resolution effectiveness and organizational productivity (11). Transparency and knowledge-based management also reduce ambiguity, thereby minimizing misunderstanding and interpersonal tensions. Strategic conflict management mechanisms linked to customer complaint resolution further demonstrate that transparent organizational systems strengthen trust and reduce dispute intensity within banking environments (3). Additionally, research on mediation and alternative dispute resolution emphasizes that open communication channels and institutional transparency are essential for sustainable dispute settlement practices (6, 7).

The highest level of the ISM hierarchy comprised organizational justice, employee welfare improvement, sustainable human resource development, performance-based compensation systems, and systematic conflict management strategies. These factors represent the observable outcomes of effective organizational governance and leadership practices. Organizational justice emerged as a central outcome, indicating that employees ultimately evaluate conflict management effectiveness through fairness in procedures, rewards, and interpersonal treatment. Studies examining banking employees have shown that perceptions of fairness strongly predict conflict management success and interpersonal cooperation (9). Similarly, compensation systems aligned with performance have been identified as key determinants of employee satisfaction and conflict reduction, as inequitable reward structures frequently generate workplace disputes (18). The inclusion of systematic conflict management strategies at this level suggests that formal procedures become effective only after supportive organizational and leadership conditions are established.

The findings also revealed strong interdependencies among organizational components, as indicated by MICMAC analysis results. Several variables demonstrated high driving power, particularly ethical leadership, human resource development, and performance-based compensation systems. These results support contemporary perspectives suggesting that conflict management effectiveness depends on integrated organizational ecosystems rather than isolated interventions. Research on dispute management in digital banking environments shows that institutional mechanisms alone cannot resolve conflicts unless supported by organizational culture and managerial commitment (5). Moreover, conflict management influenced by creativity and organizational climate demonstrates that contextual factors determine whether conflict becomes constructive or destructive (16). The present model therefore contributes by identifying how multiple dimensions collectively shape conflict outcomes within banking networks.

Another important implication concerns the strategic nature of conflict management within modern banking systems undergoing digital transformation. As financial services increasingly shift toward technology-driven platforms, new forms of organizational and customer conflicts emerge, requiring adaptive governance approaches. Online dispute resolution frameworks and mediation mechanisms have been proposed as effective solutions for managing technology-related disputes in banking environments (8, 14). The model developed in this study demonstrates that such mechanisms must operate within broader organizational structures emphasizing ethics, participation, and transparency. Conflict management cannot be reduced to technological solutions alone; instead, it requires alignment between organizational values, leadership behaviors, and structural management systems.

The study's findings also emphasize the socio-cultural dimension of conflict management. Cultural and ethical commitment within the workplace was identified as a crucial factor shaping participatory management and organizational interaction. This result resonates with research highlighting the importance of relational resilience, shared values, and cultural understanding in managing interpersonal disagreements effectively (17). In banking organizations characterized by diverse professional backgrounds and hierarchical complexity, shared ethical norms and cultural cohesion appear essential for sustaining collaborative conflict resolution processes.

Overall, the discussion indicates that optimal conflict management in banking networks should be conceptualized as a multi-layered organizational system. Foundational ethical and structural drivers enable leadership effectiveness; leadership fosters organizational cohesion; cohesive environments support participatory and transparent management; and these mechanisms ultimately produce outcomes such as organizational justice, employee welfare, and systematic conflict resolution. The alignment of the present findings with prior empirical and theoretical research confirms the robustness of the proposed interpretive structural model and highlights its potential as a strategic framework for banking governance and organizational development.

Despite its contributions, this study has several limitations. First, the research relied on expert perceptions and qualitative judgments, which may reflect subjective interpretations influenced by professional experience or organizational context. Second, the sample size, although appropriate for interpretive structural modeling, limits the generalizability of findings across all banking institutions or financial systems. Third, organizational culture and regulatory conditions specific to the national banking network may differ from those of other countries, restricting cross-context applicability. Additionally, the cross-sectional design does not capture dynamic changes in conflict management practices over time.

Future studies may expand this research by employing longitudinal designs to examine how conflict management structures evolve during organizational transformation or digitalization processes. Comparative research across different banking systems or financial institutions could validate the universality of the proposed hierarchical model. Researchers may also integrate quantitative structural equation modeling or artificial intelligence–based analytical techniques to test causal relationships among components identified in this study. Furthermore, examining the role of emerging variables such as remote work, digital collaboration platforms, and algorithmic decision-making may deepen understanding of conflict dynamics in modern banking environments.

Banking managers and policymakers should adopt a systemic approach to conflict management rather than relying solely on reactive dispute resolution procedures. Organizations should prioritize ethical leadership development, transparent communication systems, and participatory decision-making mechanisms to prevent conflict escalation. Human resource strategies must emphasize fairness, employee welfare, and performance-based reward systems to strengthen organizational justice perceptions. Establishing structured mediation units, continuous training programs, and organizational culture initiatives focused on cooperation and ethical commitment can significantly enhance conflict management effectiveness within banking networks.

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Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

The authors of this article declared no conflict of interest.

Ethical Considerations

All ethical principles were adheried in conducting and writing this article.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

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