Corporate Culture and Personnel Allocation as a Conflict Management System in an Organization

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Abstract

In the study, the conflict management system is considered by the authors using the example of the limited liability company RBR16. The purpose of the study is to identify ways to improve the effectiveness of conflict management in an organization. The goal set in the study identified the following tasks: (a) consider the concept, structure and types of conflicts; (b) study the functions of conflicts; (c) familiarize with the causes of conflicts and their forms of resolution; (d) give a general description of the activities of LLC "RBR16"; (e) to analyse the management system of LLC "RBR16"; (f) evaluate the effectiveness of conflict management in LLC RBR16; (g) propose a change in corporate culture as a method of resolving conflicts in RBR16 LLC; (h) to develop a change in the organizational and labour order to prevent conflicts; and (i) consider the selection and allocation of personnel as a method of resolving conflicts in LLC RBR16. According to the results of the analysis, it was revealed that LLC RBR16 has a high level of proneness to the conflict in the team. It was also revealed that the small size of the company does not allow motivating the staff’s need to satisfy ambitions (growth through the ranks), leaving only material incentives for the growth of labour productivity. Thus, Implementation of the developed recommendations will reduce the level of conflict in the team of LLC RBR16 as a whole. The annual economic impact from the implementation of conflict management measures at RBR16 LLC will be 118 532 thousand roubles.

Keywords: Organizational conflicts, Corporate culture, Allocation of personnel, Management, Effective communication

1 Introduction

Conflicts and contradictions are inevitable, as long as there are society and people, as well as regularly changing patterns of behaviour. However, in one way or another, each employee of an organization has the opportunity to anticipate their appearance, to resolve the resulting disagreement, or to smooth out the results of the discrepancies.

It can be noted with full confidence that it is impossible to abandon contradictions in people's relationships. In particular, the risk of a conflict in a working position increases, since labour activity usually means having contacts with a large number of people, and overcoming many difficulties. Conflicts, as a rule, are negatively reflected in the internal atmosphere of the team's relations, and certain conflicts have all chances to bring significant threats to both the well-being of employees and the state of a company (1, 3).

In order not to get such results, it is necessary to be able to correctly resolve the developing discrepancies, to select the right strategies and behaviour patterns. This can help not only to reduce the negative impact of conflicts but also, in certain cases, achieve positive results. Conflicts show the existing problems in an organisation and can also help to find other methods to solve these difficulties.

The structure of a conflict in a company has a traditional pattern. The reason is the confrontation between individual and organizational interests. The relevance and focus of these interests may be different. If this is not realized in any way, then this leads to a decrease in working capacity, and understanding of the conflicting reason leads to the source of existing conflicting actions. However, this is only one area; the second is the competition of workers among themselves. The number of people related to conflict is rarely equal to only two. As a rule, there are a few followers of the parties to the conflict, creating support groups. Other team members are mediators or contemplators, they are neutral. In order to equalize the corporate culture, companies take measures to unite various teams. In addition, this is facilitated by an accurate algorithm of official obligations (everyone understands what they are responsible for) and motivational techniques (understanding of potential forms of receiving rewards and discounts).

The concept of conflict and its composition in the company are carefully studied from the perspective of various sciences: conflict management, psychology, management, sociology, and in addition, the causes of its occurrence in the team are regularly monitored. Resolution of
conflict situations is one of the most frequent topics when conducting business training (2, 5, 6).

2 Methods

The general research methodology is based on the most important philosophical principles of the systemic (V. A. Slastenin, E. G. Yudin) and behaviouristic approaches (E. Thorndike, D. Watson, D. Skinner) (4, 8, 9).

To solve the tasks, we used the following research methods:

1. Theoretical: analysis, synthesis, induction, deduction, logical method, comparison of special philosophical, sociological, psychological literature on the research problem;
2. Empirical: observation, questionnaire, quantitative and qualitative analysis of the material, SWOT-analysis.

Within the framework of the work, regulatory documentation was studied, documents and statistical data were analysed, data from monographic, journalistic, and other scientific sources and periodicals were generalized, data available in the public domain on the Internet and containing the necessary information on the issues under study were applied.

3 Results

According to the results of the analysis, it was revealed that LLC RBR16 has a high level of proneness to the conflict in the team. This is evidenced by data from a survey among employees of the organization. So, 12% of the company's employees indicate that conflicts at RBR16 LLC are permanent. A periodic occurrence of conflicts is noted by 47% of employees of RBR16 LLC.

Among the positive aspects, it should be noted that 16% of the company's employees never had conflicts in their workplace. 25% of workers rarely have conflicts. This fact indicates an underdeveloped corporate culture in LLC RBR16.

It was also revealed that the small size of the company does not allow motivating the staff’s need to satisfy ambitions (growth through the ranks), leaving only material incentives for the growth of labour productivity. The most effective motivator for RBR16 LLC employees is material stimulation of labour productivity growth - this is what 59% of the company's employees answered. 28% of employees are motivated by the social package provided by the company. Only 5% of the company’s personnel indicated that their productivity growth motivates career opportunities. These are mainly young promising specialists with a good level of education.

The management asked a question for employees of various levels about their readiness for making managerial decisions and taking responsibility for them. Only 24% of mid-level managers in a company are ready to make managerial decisions and take responsibility. This is an extremely negative factor in the management system of RBR16 LLC. The lower management is also not ready to make independent management decisions (15, 16, 17).

An important direction in the effective management of conflicts in an organization is an understanding by all levels of management of the strategic vector of the company’s development. To identify this factor, all levels of managers at RBR16 LLC were asked about their understanding and knowledge of the company's development strategy. The top managers at RBR16 LLC have little understanding of the strategic vector of the company’s development. This is evidenced by the fact that only 17% of them replied that they understood and knew in detail the company's development strategy.

Conflict management at RBR16 LLC is not sufficiently effective. There are many problems that contribute to increasing the level of proneness to conflict in the company team.

The mutual relations of the warring parties in RBR16 LLC comprise such stages as an informative confrontation (determination of one’s capabilities in comparison with a competitor’s capabilities) and energy confrontation (specific actions). With the most absolute and complete understanding of a conflict, its main goal is achieved with the least energy costs. The more correct and accurate the information about the conflict is, the smallest proportion of energy is focused on resistance and the greater part is for solving the main problem. Hence, the task of a conflicting part in informational confrontation at RBR16 LLC is to understand and analyse their position and condition, as well as the opponent’s state, and in this regard, select appropriate adequate methods of influence.

Labour conflicts arising in LLC RBR16 are formed by a large number of interrelated conditions. The values and tasks in the organization are being replaced, the elements of employee’s behaviour and the algorithms of managerial actions are changing, as a result of which the external images of the course of conflicts in the organization and the mechanisms for resolving them are changing. But several etiological circumstances of the emergence of the conflict remain constant over time: disagreement in the absence of resources, lack of accurate and correct information, and interpersonal disagreement (18, 19, 20).

Conflicts in LLC RBR16, would they to be solved, have every chance to serve as a reason for improving the functioning of the company in full (its departments in particular), as well as to be a cause of the collapse of the organizational system, and the shutdown of the company (in accordance with its goals and current issues), if they would remain unsolved.

Creating in a team of high corporate culture as a system of values, traditions, rules shared by all members of the organization, provides for the following:
- creating a fair system of staff motivation;
- making activity in the organization prestigious is also a significant psychological factor for solving a conflict;
- the favourable psychological climate is also an important factor reducing the level of conflict.

Effective work in many respects depends not only on its proper organization, good equipment, favourable conditions but on the nature of the emotional atmosphere in the team, which can also be formed with the help of a psychologist.

As noted by V.T. Remezov, Russian enterprises show growth as a result of improving corporate culture in the implementation of measures to resolve conflicts (7, 10, 11, 12).
Thus, changing the corporate culture and collaboration with an invited professional consultant will help to resolve conflicts in the RBR16 LLC team. Measures to change the corporate culture as a method of resolving conflicts in RBR16 LLC have social efficiency, which is reflected in the establishment of a favourable climate in the team, a friendly atmosphere and harmonious work of the company team (13, 14).

4 Summary

RBR16 LLC is a contractor for road construction performing complex construction, reconstruction and repair. The professional success of RBR16 LLC lies in the competence of management which closely monitors the logistics, quality and timely fulfilment of their obligations.

If effective methods of conflict management would not be found in RBR16 LLC, the following dysfunctional consequences may occur, that is, conditions that impede the achievement of goals:

- Increasing emotional and psychological tension in the team;
- Dissatisfaction in work, the poor state of mind and, as a result, increased staff turnover and reduced productivity;
- Barriers to the implementation of changes and the introduction of innovations;
- Cutting of interaction and communication between conflicting parties;
- An increase in hostility between conflicting parties as they decrease interaction and communication;
- Excessive enthusiasm for the conflicting process to the detriment of work, the difficult restoration of business relations.

Emotional and material costs of participating in a conflict, a decrease in discipline, and worsening of the socio-psychological climate in the team, the idea of defeated groups as enemies are extremely dysfunctional.

Conflict management is one of the specific managerial functions. According to experts, managers spend about 20% of their time on conflict resolution. Therefore, an important task for RBR16 LLC management is to constructively use conflicts and prevent their negative consequences. To reduce the level of conflict in the team of LLC RBR16 and increase staff motivation, it is necessary not only to ensure the level of wages that meets the expectations of employees but also to create the necessary favourable working conditions and opportunities for both career and professional growth.

5 Conclusions

Based on the results of the analysis, the following main problems in conflict management were identified at RBR16 LLC:
1. The unpreparedness of the middle management to make managerial decisions.
2. The unpreparedness of materially responsible persons to be responsible for material values.
3. Weak understanding of the strategic vector of enterprise development by lower-level managers.
4. The majority of the organization’s employees misunderstand the relationship between the result of their own work and the material well-being of the organization and its employees.
5. The small size of the organization does not allow for engaging in motivation a person’s need to satisfy ambitions (growth in the ranks), leaving only material incentives for the growth of labour productivity.

To increase the effectiveness of conflict management, LLC RBR16 proposes to perform the following activities:
- Change and improvement of organizational culture by creating a fair system of motivation and the formation of a favourable psychological climate in the team;
- Invitation of a professional consultant to resolve conflicts;
- Change of the organizational and labour schedule by developing job descriptions with the elimination of duplication of functions;
- Expansion of mechanisms of social protection of the organization’s personnel;
- Organization of effective selection and allocation of staff by position together with a psychologist;
- Introduction of a personnel reserve formation system.

Implementation of the developed recommendations will reduce the level of conflict in the team of LLC RBR16 as a whole. The annual economic effect from the implementation of conflict management measures at RBR16 LLC will be 118 532 thousand roubles.

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References


