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# Management of Labor Conflicts in Conditions of Organizational Changes (for Example, Creative Organization)

Aigul Airatovna Gimadeeva<sup>1</sup> and Rustem Ilhamovich Zalyaev<sup>2</sup>

 <sup>1</sup>Kazan Federal University, Institute of Social and Philosophical Sciences and Mass Communications, Department of Socio-Political Sciences/Department of Conflictology, Russia.
 <sup>2</sup>Kazan Federal University, Institute of Social and Philosophical Sciences and Mass Communications, Department of Socio-Political Sciences/Department of Conflictology, Russia.

> (Corresponding author : Aigul Airatovna Gimadeeva) (Received 05 May 2019, Revised 16 July 2019 Accepted 25 July 2019) (Published by Research Trend, Website: www.researchtrend.net)

ABSTRACT: The article discusses the features of labor conflict management in organizations during organizational changes on the example of creative organization. The changing nature of the market, business processes in general, give rise to situations in which business structures are in a constant process of organizational changes, adapting to changing market conditions. The structural changes in organizations affect not only the activities of the companies, but also the activities of employees, labor and interpersonal relationships in a team and can generate conflict situations under certain conditions. The management of labor disputes in organizations within the context of organizational change may have its own specific specifics. Based on the abovementioned, there is a need to determine the specifics, as well as the development of methods and technologies to manage labor conflicts in organizations during organizational changes in order to manage a company better.

The conclusions and recommendations obtained after the research can be used in the practice of organization management within the context of organizational changes, as well as during organizational change planning in companies to minimize costs and improve the efficiency of organizational changes.

Keywords: organization, organizational change, organizational change management, conflict, labor conflict, labor conflict management

# I. INTRODUCTION

Economic changes in the global market system, as well as economic changes in the Russian market affect business structure directly and require their organizational changes. Existing changes affect not only the activities of the organizations themselves, but also the activities of employees, labor and interpersonal relations in a team and can cause conflict situations under certain conditions. The employees of an organization are one of the main resources, without whom the activity of any organization is impossible. The effectiveness of team management determines the effectiveness of an organization. There may be various conflicts in a workplace. For example, conflicts in a team can arise when different opinions and interests of employees collide, as the result of interaction disagreement between employees during various labor function performance, between a manager and a subordinate. Also, an external factor that can cause internal contradictions in the work collective is the introduction of various organizational changes by a Team stress may appear during company. organizational change. If there is no discussion in a company team about the main parameters of changes, its phases, timely informing of employees about upcoming organizational changes, this can adversely affect the general atmosphere in a team, increase the tension in the company during the transitional phase, and also cause labor disputes. In its turn, labor disputes may destabilize the work of the company and reduce the effectiveness of its activities.

In this regard, the task arises for timely identification of labor conflicts in the context of organizational changes, their effective management and direction in a constructive way. In the absence of conflict prevention attempts, its escalation reduction, with the late intervention in its process, the conflict can get out of control and lead to negative results in the company activities.

When they choose the tools for labor dispute management in an organization during organizational changes, it is necessary to take into account the type of organization activities. This requirement stems from the fact that the manifestation and the course of conflicts in different types of organizations has its own characteristics. Company management should be aware of this and should be able to apply different methods of conflict management depending organization type.

Thus, the relevance of the research topic arises from the need to determine the specifics, as well as to identify and develop the methods and technologies for labor conflict management in organizations during organizational changes in order to manage a company better.

# **II. METHODS**

The main theoretical research methods are the system and dynamics as a holistic phenomenon.

Structural and functional approach makes it possible to identify stable relationships of the conflict structure elements, its role and functions in relation to each other. structural-functional approaches.

The system approach allows to consider a labor conflict in an organization during organizational change as a certain system, to analyze its causes, functions and its development.

Observation, expert interview, and testing is among the empirical methods used in the study.

One of the authors was included in the activities of the creative organization during organizational changes. The obtained data of the included observation were compared with the results of expert interviews and testing.

K. Levin's Analysis of the Force Field became the analytical tool for the determination of the driving and constraining forces of change. The driving and deterrent forces were identified using the methods of expert interviews and the included observation [1].

The testing method made it possible to determine the attitude of the work collective to the structural changes occurring in the organization.

### **III. RESULTS**

As they mentioned above, one of the main empirical research methods is the method of included observation, which allowed us to obtain primary information about the problem under study. This method contributed to a deeper understanding of the processes occurring within the team, the relationships between employees, and the identification of employees' motives. The employees of the organization were notified of the research being conducted, and the issue of conducted research ethics was discussed before starting work. The researcher did not intrude on the personal life of the organization employees and did not go beyond the limits of working questions. Also, the researcher was in the organization from time to time, for a short time and could not influence the natural process of relationships in the team. At the same time, the researcher was able to establish trusting relationships with the organization employees. The presence of such a tool as the included observation allowed to compare the observed facts and the data obtained after testing and expert interviews.

Further, according to the expert survey data, they analyzed the survey results. The study showed that the average level of conflict resistance during a stable period makes 33.94% in a creative studio. And during the period of organizational change introduction, this indicator decreased by 4.31% and amounted to 29.68%. The results indicate that organizational changes make an impact on the workforce and reduce the level of employee conflict resistance. According to the obtained results, one can state about the high probability of destructive conflict consequences occurrence, which may affect the work of the collective itself, as well as the process of change introduction.

The study also revealed that the level of psychological atmosphere in a team during the period of change implementation has increased dramatically towards deterioration as compared with the stable period.

Based on the data obtained, it can be concluded that during the period of organizational changes, the indicators of conflict tolerance level, psychological atmosphere, business, creative and moral climate have decreased significantly in the organization. These indicators are closely related.

The expert survey conducted to determine the attitude of the organization management to labor disputes shows that respondents evaluate the concepts of "conflict" and "labor conflict" in a negative sense. A conflict is perceived as the phenomenon that naturally arises in a team, but which must be eliminated promptly. As for the issues related to the changes occurring in an organization, respondents expressed the unanimous opinion that this process is of a conflicting nature. This conclusion was made by the respondents based on the fact that the introduced organizational changes led to the change in some of the rules and requirements for employees, which increased the level of conflict in the team.

For example, the change in operation mode was one of the causes of a conflict situation. Employees' desires to work on a new schedule did not appear. Most of the employees reacted negatively to these changes. Also, the introduction of new changes required more time, which led to work volume increase. This problem was resolved by the management by explaining and arguing the need to introduce a new mode of operation, as well as by material incentives for employees working on weekends.

One of the external factors of organizational changes was the introduction of an online cash register. Significant financial resources were required to purchase special programs and necessary equipment. There were also some difficulties in the process of employee training to work with new programs. The new system has led to employee responsibility increase. Employees needed to increase their vigilance, concentration of attention, since the documents sent to the tax inspectorate cannot be amended.

Organizational changes also touched writing off material rules, according to which they increased the degree of material liability of masters for materials and equipment. This change has led to the need to learn a new and time-consuming method of writing off goods, master functions and working time increase.

Thus, on the basis of the obtained data, it can be said that the management of the organization decided to carry out organizational changes, but did not take into account that the process of innovation introduction may be difficult for the workforce.

The method of "Force field analysis" by K. Levin contributed to the identification of constraining and driving force of changes. The constraining forces of an organization include: the lack of a clear plan for a change, the issue of funding, and program errors. In turn, the driving forces of the organization include: the sense of the need for changes, the changes in legislation, motivation of employees in wage increase.

The analysis of constraints and driving force field of changes made it possible to identify the main forces that influence the process of change introduction in an organization, as well as determine the influence degree of each of them. During the introduction of changes, it is necessary to take into account both the driving forces of change, which direct the organization to change, and restraining forces, the level of which can be quite high. Particular attention should be paid to such a constraining change factor as the absence of a clear plan of change, which may be one of the causes of organization conflicts.

#### IV. DISCUSSION

The topic of organizational and labor conflicts is quite relevant in science.

As it is known, the research by F.V. Taylor is devoted to scientific management principles for organizations [2].

The works by E.V. Alexandrov, E. Gouldner, C. Gray, W. Mastenbruck, A.I. Prigogine, E. Regnet, K.V. Reshetnikova, V.N. Shalenko, G. Schwartz are devoted to the study of organization nature, organizational behavior, and the causes of labor conflicts.

K.V. Reshetnikova proposes the concept of "organizational conflict", reveals the conflict nature,

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studies the problems of conflict research and diagnosis, examines conflict mechanisms, types, sides, causes that arise in organizations [3].

A.I. Prigogine studies the nature of organizations, their teams, interpersonal relationships between employees, the organization goals and structures [4].

The work by C. Gray is devoted to the research of innovations in organizations and their influence on management [5].

Also, much attention is paid to the study of labor conflicts. For example, A.A. Oseev believes that "labor conflict is a special kind of communication based on contradictions in the system of labor relations" [6].

A.V. Doreen understands the concept of "labor conflict" as "the contradiction of organizational and labor relations, taking the character of direct social collisions between individuals and groups of people" [7].

The problem of conflict management is considered in the works by T.I. Kopyakov, V.P. Sheinov, G. Schwartz and others.

For example, V.P. Sheinov considers conflicts in organizations and offers conflict management technology, which includes such elements as forecasting, prevention and resolution [8].

G. Schwartz studies the impact of change on a conflict. He believes that the contradictions caused by changes are important because they contribute to the adaptation of structures and requirement norms of new environmental conditions [9].

The work by L. Greiner is devoted to the study of organizational changes [10].

Conflict management is considered by L.G. Bryleva in the context of organizational change [11].

Organizational behavior in terms of organizational change is studied in the works of F. Roethlisberger, J.W. Newstrom, and C. Davis.

F. Roethlisberger focuses on the problem of resistance to change due to their "misunderstanding" and the importance of creating the measures which prevent resistance. The creation of measures which prevent resistance raises the question of change introduction through team stimulation. In this case, organizational changes can be viewed by employees not as a threat, but as a development [12].

The problem of resistance to change is also considered in the works by Yu.P. Aniskin, N.M. Abdikeev, G.V. Shirokov., T.Yu. Ivanov, and V.I. Prikhodko.

Yu.P. Aniskin considers organizational changes as a changing system process, striving for the desired organization state [13].

T.Yu. Ivanova and V.I. Prikhodko draw attention to the importance of organization adaptation issue to environmental changes [14].

According to the analysis of the scientific literature, it can be concluded that, despite the considerable development of organizational and labor conflict problem, as well as their management methods, there are the issues that require further research, in particular the question of studying the features of labor conflict management during organizational changes.

# **V. CONCLUSIONS**

Since the introduction of organizational changes in an organization can give rise to various labor conflicts, it is very important for the organization management to have the skills that regulate and resolve them, based on accumulated theoretical knowledge and experience in this area. It is also important to have the skills which prevent labor conflicts during organizational change introduction. Under these conditions, the organization conflicts will not be viewed in a negative sense, but as an incentive for an organization development.

The authors also proposed the concept of "of labor conflict management in the context of organizational changes" according to which it is an orderly process of adequate communication between a manager and the labor sector of an organization in the context of change introduction, the purpose of which is to minimize the destructive consequences of the conflict.

According to the research results, in order to reduce conflict in a work team during organizational changes, the organization management is encouraged to rely on the following recommendations:

1. Inform employees about upcoming organizational changes in a timely manner;

2. Clearly identify the duties of employees;

3. Determine the areas of responsibility of each employee during organizational changes;

4. To hold regular staff meetings to discuss key parameters and stages of organizational changes;

5. If disagreements arise, arrange negotiations;

6. To control the coordination of actions between employees;

7. Arrange informal meetings of the workforce;

8. Pay attention to the leisure time of employees. For example, allocate tickets to the theater, concerts, etc. (this practice is a good motivating factor to overcome contradictions between employees during organizational changes);

9. To conduct offsite corporate events.

The conclusions and recommendations proposed as the study result can be used in the practice of organization management, organizational and labor conflict management in the context of organizational changes, as well as during organizational change planning in companies to minimize costs and increase the efficiency of organizational change introduction.

# **VI. SUMMARY**

The changing nature of the market, business processes in general, give rise to the need for organizations to perform organizational changes, adapting to changing market conditions. However, there is a possibility that the introduction of changes may cause confusion on the part of employees and lead to labor conflicts. This situation can hold back the necessary changes in an organization and even lead to the failure of change implementation.

The conducted study of an organization in terms of organizational changes shows that the organization management does not pay enough attention to the issue of management features and conflict situation prevention in the process of organizational change introduction.

Due to the fact that the changes in the organization were carried out unplanned, unsystematic, the level of staff conflict increased, and the process of change introduction slowed down. The confirmation of psychological atmosphere deterioration in a team is also the decline of business, creative and moral climate in a work team.

In our opinion, the recommendations proposed in the study on organization management in the context of organizational changes can prevent possible negative situations during organizational change introduction, and

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thus minimize costs and increase the efficiency of organizational change introduction.

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