

# INTERDISCIPLINARY VIEW ON THE PROBLEM OF LABOR CONFLICTS MANAGEMENT IN A MODERN ORGANIZATION

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## **Abstract**

The problem of labor conflicts management in the modern organization becomes urgent in terms of economic instability of the Russian economy.

This article describes a system model of conflict of innovative development. The model became the basis for innovative conflicts management. The article reveals constructive and destructive functions of an innovative conflict. Besides two methods of modeling of conflicts, "dialectical search" and "devil's lawyers", are characterized.

The paper presents various methodological and methodical approaches of Russian researchers to the problem of labor conflicts management.

The view of labor economists to this problem is related to the evolution of social and labor relations, change of place and role of labor conflicts in the Russian model of labor relations and their ratio with an institute of social partnership in the modern world.

The destruction of the authoritarian-paternalistic model of labor relations exacerbated the antagonistic contradictions between workers and employers that led to the inevitable interpersonal conflicts, implicit conflicts caused by the resistance of employees, and conflicts of interests.

The specificity of Russian labor conflicts is that these conflicts as a crisis form of relationships carry out the mission of forced rebalancing of subjects' - employees and employers - interests.

**Key words:** labor conflicts management, methods of conflict modeling, institute of social partnership, "conflict fields" in an organization, labor dispute

**JEL Code:** D74, J51, J52, J53

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## **Introduction**

In terms of innovative development of the Russian economy a problem of management of labor conflicts in an innovative organization becomes urgent.

Changes in the institutional environment caused by the formation of an innovative economy, by the emergence of innovative organizations had a significant impact on their organizational culture, update of values system. It, in its turn, has had an impact on the change in the relationship in a labor collective, has created “fertile ground” for the emergence of new innovative conflicts, has generated a conflict interaction between the “innovators” and “conservatives” in the organization and so on. It has actualized a search for new mechanisms of regulation, has caused the need for a systemic analysis of labor conflicts management in the innovative organization and elaboration of recommendations to give a constructive nature for this process.

## **Research**

The system model of innovative development conflict presented by Tarabaeva V. (Tarabaeva, V., 2010, p. 72-94). This system became the basis for the innovative conflicts management. Constructive functions of innovative development conflict are: elimination of the imperfections of organizational activity and management mistakes; study of the psychological characteristics of people involved in the conflict; improvement of relationships in the team; personal development of employees; improvement of efficiency of personnel and leaders; revitalization of activity of an organization, preventing stagnation; detection of unresolved problems, dissatisfaction of employees; improvement of the corporate culture of the organization, creation of working conditions for employees to adapt. Destructive functions of innovative development conflict include: disturbance of the relationships in the team, a hostility and hatred towards opponents; fall in efficiency of conflict parties during the conflict interaction, the cost of time and efforts; increase in turnover, the deterioration of the personnel management system; inability to further innovative development subject to the victory of conservatives; the destruction of the organization with the extreme circumstances. The result of constructive resolution of the innovative development conflict is the formation of new qualities in each of its three levels: socio-cultural – a new content of innovative values; organizational - the creation of innovative companies; personal - the development of an innovation-oriented individual employee of an organization (Tarabaeva, V., 2010, p. 93).

The identification of a constructive side of a conflict and the intensification of innovative activity of a company are possible only by using two methods of conflicts modeling: “Dialectical Search”, meaning

that for a proper understanding and effective resolution it is necessary to identify its prepositions, so the focus is on the development of assumptions about sources of a conflict and their joint discussion; and “Devil's Advocate”, involving the elaboration of a single solution that can be modify in the future. The main objective of these methods is the constant monitoring of the situation, lack of winners and losers (Muravyov, A., & Platonov, V., 2002).

The scientific literature presents various methodological and methodical approaches to the problem of researchers control labor disputes.

Labor economists' view to this problem is related to the evolution of social and labor relations; change the place and the role of labor conflicts in the Russian model of labor relations and their correspondence with the institution of social partnership in modern conditions.

According to Sobolev E. and Soboleva I. (Sobolev, E., & Soboleva, I., 2012), one of the main reasons for actualization of issues of social and labor conflict was the destruction of the authoritarian and paternalistic model of social and labor relations exacerbated the antagonistic contradictions between workers and employers, which led to the inevitable interpersonal conflicts, implicit conflicts caused by the resistance of employees, and conflicts of interest.

Collective labor conflicts, strikes, protests in the post-Soviet period with aggressive massive nature replace individual labor, sometimes latent, conflicts of the Soviet period. A characteristic feature of the labor movement in modern Russia began increasing politicization of conflicts, close interlacement of political, economic and social requirements. In these circumstances, it is necessary to find new effective mechanisms of regulation of social and labor relations.

The specificity of domestic labor conflicts is presented by Sobolev E. and Tode N. (Sobolev, E., & Tode, N., 2006, p. 267). “In Russia there are widespread uncivilized development and resolution of labor conflicts. It manifested in the following: - a large share of conflicts involving disturbance of labor legislation and contractual obligations; - a widespread spontaneous, unorganized conflicts, including illegal strikes; - an absence of legal mechanisms of conflict management or their inefficiency”. According to the authors, “a feature of conflicts as a mechanism for coordination of interests is that they - as a form of crisis relationship - perform the mission of forcible rebalancing interests of the parties, in this case - workers and employers. Despite the fact that conflicts are usually quite costly to the economy, they perform at least two positive functions: 1) the protest function of protecting workers against disturbance by employers of their labor rights (in Russia this function plays a dominant role); 2) the function of forced formation of more favorable conditions for the sale of labor (to improve conditions of employment contracts), for example, wages, duration and intensity of work, additional social guarantees, etc. Under certain conditions, this method of forced, strong pressure is the

only possible way to improve the conditions of employment” (Sobolev, E., & Tode, N., 2006, p. 251-252).

In our opinion, identification of “conflict fields” in the company allows to study the socio-economic predictors of potential conflicts, diagnose their appearance (Kolossova, R., Vasylyuk, T., Artamonova, M., & Ludanik, M., 2009, p. 334-350).

Kosykh A. analyzed the impact of the economic crisis on the development and results of labor conflicts in a company, showed the failure of the existing models of labor conflicts management in economic crisis. The author described the method used for diagnostics of the company. It is called the management survey. This method is based on a comprehensive study of the various functional areas of a company. For the purposes of strategic planning in the survey, the author recommended to include five functional areas: marketing, finance (accounting), production, personnel, organizational culture (Kosykh, A., 2010, p. 110-111).

Kulkova I. investigated the influence of social and labor conflicts on the sustainable development of the region's economy (Kulkova, I., 2012). Based on the practice of labor legislation she justified the conclusion that the social and labor conflicts in the existing protest forms have a negative impact on the sustainable development of the region.

Approach of sociologists to solving the problem of labor conflicts management is very interesting. For example, Shalenko V. notes that effective labor conflicts management is achieved by formation of a new theoretical paradigm - a paradigm of labor conflictology, involving the establishment of social control over forms and level of intensity of the conflict labor relations in companies (Shalenko, V., 2009, p. 76). It allows ensuring stability and optimization of labor and social relations and at the same time - their dynamism and flexibility through better development of innovative resources and identify hidden reserves of a company. Proposed by the author resource-expensive model helps reveal the specifics of labor conflicts. Due to the chronic lack of adaptive, reproductive, innovative, institutional and socio-psychological resources of workers destructive contradictions arise between them, leading to the accumulation of protest capacity among employees in labor relations in the workplace, potentially dangerous because of irreversible degradation of human capital in the domestic economy. To solve the complex of problems associated with labor conflicts management effectively, it is necessary to use the subject-activity approach. It considers labor conflicts as dialectically contradictory process of subject-object and subject-subject relations contributing to understand specific types, kinds and forms of occurrence of conflicts in the economic sphere; having specific characteristics which are relevant in the implementation of specific management technologies (determinants and mechanisms, values and motivations of subjects confrontation, strategies and tactics of conflict interaction, etc.);

acting as a kind of social struggle of opponents for resources, missing them for the normal subsistence purposes (Shalenko, V., 2009, p. 77).

According to Soboleva A. (Soboleva, A., 2013), labor conflicts are a factor affecting the deviant behavior of employees. She considers some aspects of labor conflicts, including their causal relationship with the genesis of deviant behavior of participants both within organizations and enterprises, as well as outside these structures. She analyzes a general direction of sociological support of solution of management tasks to minimize deviant manifestations within Russian organizations and enterprises as well as outside their borders, that is, in the social environment. As a theoretical conclusions and generalizations author notes the following:

- labor conflicts were, are and will be an attribute of labor relations, and comparative analysis should implement constantly to identify new trends and developments and to determine the most effective ways and methods of management;
- labor conflicts, acting as a strong social and organizational factors to all its members, and in particular to those who lost the conflict, determine development of their behaviors under the scheme: labor conflict - frustration - stress - deviant behavior;
- it is need to implement continuously a system of measures for prevention and combating of deviant behavior of participants of a labor conflict from sociological studies of this phenomenon and to various forms of exclusion of transition from deviant to delinquent behavior;
- subjects of deviant and delinquent behavior are recruited constantly at risk groups destabilizing not only organizations and enterprises, but also society as a whole (Soboleva, A., 2013, p. 92-93).

Strebkov A. and Bondarev V. consider social and labor conflict as a criterion of maturity of consciousness Russian employees. “A labor conflict – as a way of existence of a modern Russian worker, as well as his awareness as the only way to defend their rights – is truly revolutionary jump in the worldview of modern Russian employees” (Strebkov, A., & Bondarev, V., 2012, p. 146).

Legal view on labor conflict management is associated primarily with the improvement of labor legislation, terminological apparatus, such concepts, for example, as a “labor conflict” and “labor dispute” and others. According to Alexandrov S. “social and labor conflict – a collision of entities that are involved in the field of social relations that is opposed to their interests, when one of the parties betakes to actions that go beyond the normal relations, to give publicity to meet its interests disturbance and involvement of attention of the society, to put pressure on the other side or some supervisory bodies” (Alexandrov, S., 2013, p. 26). Labor dispute is a dissonance having the legal character, occurring between the subjects of labor-legal relations and concerning existing or new

working conditions, which are a subject to solution or adjustment by the legal procedural form or another legal procedure and can be resolved in accordance with the valid legislation.

Politological approach to labor conflict management is specific. Nemykina T. examines the impact of political attitudes on ways to resolve social and labor conflicts (Nemykina, T., 2012). The author argues that political attitudes can have a significant impact on a designation of a situation as a conflict, which occurs on the latent phase of the conflict and determines further interaction, attitudes and strategies of the parties of the conflict, as well as ways of institutionalizing conflict and possible ways of its resolution. This mechanism is one of the possible ways to influence political attitudes on the course of social and labor conflicts (Nemykina, T., 2012, p. 167).

In the course of the survey the following hypothesis are confirmed:

- people who trust in political institutions and politicians, who are satisfied with their work, are less likely to participate in unsanctioned actions to resolve labor conflicts;
- citizens for whom politics is important more actively defend their interests in employment;
- active citizens who hold radical, left-wing or right-wing political views, as a rule, prefer not only to participate in labor conflicts, but also to use the power ways of resolution (Nemykina, T., 2012, p. 169).

Based on this analysis, it was noted that respondents, for whom politics is important, more often than others, tend to attempt to improve the workplace. Those, for whom the politics does not matter, are not inclined to try to improve working conditions. Between the other groups there are no significant differences on this feature.

The nature of political attitudes is associated with the form of resolution of social and labor conflict. Those who are satisfied with the activities of public authorities and trust them in general, tend to use the appeal to them. Those who are not satisfied with the actions of the authorities and do not trust them, tend to use the massive legal or illegal actions. At the same time there are links between rational attitudes (satisfaction with political institutions) and participation in the legal and illegal protests, as well as the relationship between emotional attitudes (confidence level) and such actions as appeal to the power structures and the signature on these appeals. There is also a link between the ideological identity and actions: those who take extreme positions on the “left” – “right” axis are more likely than others to participate in illegal protests (Nemykina, T., 2012, p. 176).

Philosophical views on the problem of labor conflict management are associated with philosophical approach to the “conflict theory” and the “theory of order”.

Modern interdisciplinary researches of conflict interaction of subjects of social and labor relations, according to Agafonova M. and Imbulaeva M. (Agafonova, M., & Imbulaeva, M. 2013, p. 135), did

not allow to distinguish definitions between “labor dispute” and “labor conflict”, to present a comprehensive scientific view on: implicit conflicts caused by hidden resistance of employees; open conflict, so called “a strike without rules”; “a hidden lockout” and “instrumental aggression”; the problem of the proper person in endogenous and exogenous conflict management; role of government in situations of real necessity of the interference of its bodies and institutions in some types of labor conflicts, as well as the problem of institutionalization of implicit and open conflicts, including those caused by collective protection of individual workers' rights.

## Conclusion

Measures of socio-economic nature, projected to influence the conflict, can give results only in cases where it is a conflict of interests (economic) by their characteristics. Management of conflict over rights should be at the government level, as it is impossible to end such conflict by “consensus and compromise” way.

Thus, an interdisciplinary approach will allow addressing the issue of labor conflict management in an innovative organization fully and comprehensively.

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