



Conflict Management in Innovative Enterprise Teams

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Abstract.In the context of the digital economy, innovative enterprises are constantly emerging like mushrooms after rain.At present, there are still shortcomings in the research on team conflicts. The team conflict in innovative enterprises is a topic worthy of research and exploration. Therefore, this article aims to study how to manage team conflicts in innovative enterprises, how to resolve conflicts, and maximize benefits. Through research, this article found that different types of conflicts require different management methods. Conflict management needs to be tailored to local conditions and combined with the situation.

Keywords: conflict management, innovative enterprises, digital economy

1 Introduction

With the development of the digital economy, innovative enterprises are constantly emerging like mushrooms after rain.Existing research on this form of enterprise has followed the trajectory of innovation theory, expanding on the research foundation of technological innovation process,innovation and enterprise scale,factors affecting technological innovation,entrepreneurial spirit, technology cycle,and so on.No scholars have conducted in-depth research on conflict management in innovative enterprises yet.

Conflict is a common phenomenon in organizations. The academic research on conflicts has a history of over 90 years. An increasing number of studies indicate that effective management of conflicts within an organization plays a crucial role in its growth and development.Most existing research focuses on conflict management

methods in traditional enterprises, which cannot fully meet and adapt to the needs of innovative enterprises for conflict management. Therefore, this article takes innovative enterprises as samples to study the characteristics and methods of conflict management in innovative enterprises.

2 Definition of Innovative Enterprises

2.1 Concept of Innovative Enterprises

Innovative enterprises are a new form of business that emerged with the entry of the West into post industrial society and the global economy into the "new economy" era. Scholars' definition of innovative enterprises mainly starts from two perspectives: emphasizing the economic value created and emphasizing the process of innovation.

From the perspective of creating economic value, Zhang Liang defines innovative enterprises as those that emphasize the use of new technologies to develop new products, form new markets, evolve new industries, and achieve new growth on the basis of technological change. Innovative enterprises are the process of transforming valuable technological changes into commercial products[1]. Promote the formation of new products, new markets, new industries, and new growth enterprises. Cai Qixiang et al. mainly discussed the technology innovation survey manual written by OECD (Organization for Economic Cooperation and Development) and OCDE (European Statistical Office), combined with recent research, and proposed that innovative enterprises refer to enterprises that have achieved economic growth and development mainly through innovation during a certain period of time, or those enterprises that have achieved sustained economic growth and development mainly through innovation. Chen Yongxing and others believe that innovative enterprises are guided by innovative ideas, based on innovative systems, with intellectual property technology and brands as the core, using comprehensive and sustainable independent innovation as a means, and aiming to obtain more profits and achieve continuous development[2]. Ma Yonghong and others believe that innovative enterprises are characterized by having independent intellectual property rights and independent brands, with enterprises as the main body, technology as the core, market-oriented, innovation driven, constantly achieving new economic growth and strong sustained innovation capabilities.

Starting from emphasizing the innovation process, Xia Dong and Cheng Jiaming proposed that innovative enterprises are enterprises that take continuous innovation as the leading ideology, and the continuous development of new products, the continuous improvement of existing product functions and quality, or the continuous improvement of process equipment as the leading strategy. Qin Peijin quotes the definition of innovative enterprises from Manchester Business School[3]. The so-called innovative enterprises refer to those who have the ability of continuous innovation and are able to carry out a series of innovative behaviors such as continuous technology, management, marketing and execution. Enterprises that successfully respond to the opportunities and challenges of the market economy and achieve sustainable survival and development.

Based on the above discussion, this article believes that innovative enterprises refer to those enterprises that have independent intellectual property rights and well-known brands, have strong international competitiveness, and rely on technological innovation to gain market competitive advantages and sustainable development.

2.2 Characteristics of Innovative Enterprises

Famous British economist Christopher Freeman believes that innovative enterprises have ten characteristics, which are mainly reflected in two aspects: research and development capabilities and corporate traits.

In terms of research and development capabilities, innovative enterprises have strong internal research and development capabilities, and most of them engage in basic research or similar research. The development cycle of enterprises is shorter than that of competitors, and they are good at using patents to protect themselves. Moreover, generally innovative enterprises have sufficient funds to provide long-term and high funding for R&D (research and development)[4].

In terms of corporate traits, innovative enterprises typically maintain close connections with customers and the scientific community. In general, innovative enterprises are willing and willing to take risks. Innovative enterprises are more imaginative, which helps them discover customer needs earlier and identify a potential market. In addition, innovative enterprises generally have efficient coordination capabilities and can effectively collaborate on the relationship between research and development, production, and sales[5].

Enterprises that meet the above three or more characteristics can be considered innovative enterprises. Innovative enterprises are mainly distributed in high-tech industries, consumer goods industries, and knowledge intensive service industries. Innovative enterprises are the most dynamic enterprises in a country and are also the most favored investment targets by venture capital institutions.

3 Definition of Conflict

In existing research, different scholars study conflict from different perspectives, so the definition of conflict is also not the same. Through a review of research literature, this article found that in the field of conflict management, researchers often define conflict from three aspects: disagreement, negative emotion, and malicious interference[6]. By combining different opinions, negative emotions, and malicious obstruction, seven definitions of conflict can be formed.

From the perspective of different opinions, the most common are task conflicts and cognitive conflicts. This type of conflict arises from different opinions among organizational members regarding their understanding of organizational tasks and the search for optimal strategies, with work content as the trigger point.

Negative emotions are an important element in conflict, and from the perspective of negative emotions, this definition of conflict emphasizes the emotional incompatibility between the conflicting parties[7]. Often manifested as anger, unease, tension, resentment, etc. The emergence of negative emotions is often due to obstacles in the goals or expectations of organizational members. This obstacle often becomes a trigger point for negative emotional conflicts, and events that cause emotional changes are often the ones that trigger conflicts.

Malicious obstruction is an extreme behavior intentionally taken by parties to a conflict, with the aim of putting the other party at a disadvantage in the conflict. From this perspective, scholars define conflict as an incompatible behavior, manifested as one party in the conflict using obstacles, hindrances, and other means to reduce the effectiveness of the other party in the conflict.

Different opinions and negative emotions can have completely opposite effects on organizational effectiveness. The conflict of different opinions can improve organizational effectiveness, while the conflict of negative emotions can reduce organizational effectiveness. Therefore, few scholars have integrated these two aspects

and defined conflict. In existing research, scholars mostly define conflicts from these two aspects separately.

Some scholars define conflict by focusing on two stages: the initial stage of conflict, the existence of different opinions among conflicting parties, and the malicious obstructive behavior of conflicting parties after the conflict worsens. They believe that conflict is the different opinions among organizational members when there are differences in goals, as well as the actions taken to prevent the other party from achieving their own goals.

By combining negative emotions and malicious obstruction to define conflict, scholars believe that conflict is the phenomenon of disharmony and the behavior of mutual struggle among members of an organization. In terms of the generation of such conflicts, extensive research has shown that task conflicts in traditional concepts can easily trigger negative emotions and malicious obstructive behavior among organizational members[8].

Some scholars define conflict based on three aspects: different opinions, negative emotions, and malicious obstruction, and believe that the definition of conflict includes three levels of content: attitude, behavior, and opposition. Attitude refers to the inner concepts and emotions. Behavior refers to demonstrated and potential aggressive or hostile actions. Opposition refers to the incompatibility of values and interests among members of an organization, as well as the inability of individuals to unify their values and interests.

4 Conflict Management

4.1 Definition of Conflict Management

Conflict management refers to the use of certain intervention methods to change the level and form of conflicts, in order to maximize their benefits and suppress their harm. In organizational contexts, conflict management is usually carried out or strengthened from three aspects: determining appropriate conflict management styles, selecting appropriate conflict management strategies, and taking necessary conflict management measures[9].

According to the ways in which organizational members intervene in conflicts, conflict management styles can be divided into five categories. The intervention methods of organizational members can be measured from two dimensions, namely

arbitrariness and cooperation. Arbitrariness represents the motivation of members to attempt to satisfy their own interests; Collaboration represents the motivation of members to try to satisfy the interests of others. From two dimensions, conflict management styles can be divided into five types: collaboration, avoidance, struggle, accommodation, and compromise.

Collaboration refers to both parties seeking mutual benefit and win-win by actively solving problems. Its characteristic is that both parties are willing to share information and are good at discovering commonalities and finding the best solution based on this. Usually, collaboration is the preferred conflict management approach. But only when both parties do not have completely opposing interests and have sufficient trust and openness to share information, can synergy effectively play a role.

Avoidance refers to attempting to resolve conflicts by avoiding the problem situation. This relatively negative conflict management approach is more effective in dealing with issues that are not too urgent. In addition, avoidance can also be used as a temporary measure when issues require cold handling to prevent further escalation of conflicts. However, avoidance cannot fundamentally solve the problem and can easily lead to feelings of frustration for both oneself and the other party.

Struggle refers to the attempt to gain the upper hand in a conflict at the expense of others' interests. This extremely uncooperative conflict management approach is often not the best solution. However, when one is convinced that they are correct and disagreements need to be resolved in a shorter period of time, struggle is necessary.

Migration refers to completely submitting to the wishes of others while neglecting one's own interests. When the other party has significant power or the issue is not too important to oneself, compromise is a more effective way. But it can easily give the other party an advantage, and in the long run, compromise is not conducive to resolving conflicts.

Compromise refers to attempting to find a middle ground that balances one's own interests and gains. The compromise method is more suitable for situations where it is difficult to achieve a win-win situation. When both parties are evenly matched and the deadline for resolving differences is tight, compromise is more effective. However, due to neglecting the common interests of both parties, compromise often fails to produce very satisfactory solutions to problems. Overall, there is no one style that can be used in all contexts. Therefore, the essence of conflict management lies in adopting different conflict management styles for different situations.

Overall, there is no style that can be applied to all situations. Therefore, the essence of conflict management lies in adopting different conflict management styles for different situations.

4.2 Conflict Management for Innovative Enterprises

From the perspective of different opinions, conflicts can be divided into task conflicts and cognitive conflicts. This type of conflict arises from different opinions among organizational members regarding the understanding of organizational tasks and the search for optimal strategies, and is triggered by work content. In addition, negative emotions are an important element in conflict, and without emotions, all conflicts would not occur. This type of conflict emphasizes the emotional incompatibility between the conflicting parties, often manifested as anger, unease, tension, resentment, etc. The emergence of negative emotions is often due to obstacles to the goals or expectations of organizational members, which often become the trigger point for negative emotional conflicts. The events that cause emotional changes are often the ones that trigger conflicts.

In innovative enterprises, task conflicts, cognitive conflicts, and conflicts arising from negative emotions are common types of conflicts. This article will take the "Eastern Selection" incident as an example to illustrate the conflict management methods in innovative enterprises.

In the context of the digital economy, emerging live streaming companies are very typical innovative enterprises. After the release of the double reduction policy, New Oriental's existing education business suffered setbacks and began to seek new development paths. At that time, the live streaming sales industry was booming, so Yu Minhong decided to try live streaming sales. The live streaming room was named "Oriental Selection", and Dong Yuhui, a former star lecturer of New Oriental, was the anchor. At first, the sales effect was not good, with only a few thousand live streaming views per day. With Dong Yuhui starting to promote his products in a "New Oriental style" teaching style, citing classics, explaining English grammar, and interspersing various content in "short essays", he attracted a large number of fans, and the Oriental Selection live broadcast room became popular overnight. However, on December 5, 2023, Dongfang Zhenxuan posted a teaser video on its account about Dongfang Zhenxuan's Jilin trip, with a comment in the video comment section titled "Who wrote the promotional copy?" It claimed that most of the classic essays were created by the

copywriting team, not all by anchor Dong Yuhui, which caused dissatisfaction among Dong Yuhui's fans. As soon as the comment was made, many netizens questioned, "Why deny Dong Yuhui's contributions to Dongfang Zhenxuan?"

Subsequently, the question of who wrote the "short essay" sparked a heated discussion among netizens and fans of Dong Yuhui. In order to support Dong Yuhui, his fans have turned to Dongfang Zhenxuan one after another. In just a few days, nearly 100,000 fans have been lost from the live broadcast room, and the stock price of Dongfang has also plummeted. On the early morning of December 13, 2023, Dong Yuhui sent a thousand word response, stating his opposition to stigmatizing anyone under the name of "fan circle". On the afternoon of the 14th, Yu Minhong once again responded to the incident, stating that there were significant loopholes in the company's management. "As the chairman, I bear leadership responsibility and apologize to Yuhui." On the evening of December 14th, Sun Dongxu, CEO of Dongfang Zhenxuan, publicly released an apology video on his personal account, which sparked ridicule from netizens for the content of his apology. On December 16th, Dongfang Zhenxuan announced the dismissal of Sun Dongxu from his CEO position, with Yu Minhong taking on the additional role. On the same day, Yu Minhong issued an apology letter, and all the netizens who blocked the Dongfang Zhenxuan live broadcast room have been removed. On December 18th, New Oriental Education Technology (Group) Co., Ltd. appointed Dong Yuhui as the Cultural Assistant to the Chairman of New Oriental Education Technology Group and concurrently as the Vice President of New Oriental Culture and Tourism Group. On the evening of December 22, 2023, Dongfang Zhenxuan announced that Sun Dongxu had resigned as a non-executive director of the company, effective immediately. However, several months after the incident, Dong Yuhui still left Dongfang Zhenxuan and chose to establish his own "Walking with Hui" live streaming room to start his own business. After Dong Yuhui left, the sales of various items selected by Dongfang Zhenxuan were much lower than before.

As the chairman of New Oriental Education Technology (Group) Co., Ltd., Yu Minhong's management of this conflict was a failure. Instead of resolving the conflict, it exacerbated the conflict and led to the departure of the celebrity anchor. The root cause of this conflict is the unequal distribution of interests. Dong Yuhui, as a star anchor selected by Dongfang, has accumulated sales of over 100 million yuan, but his salary is only a few hundred thousand yuan per year. Yu Minhong has been avoiding Dong Yuhui's contribution to the Oriental Selection live broadcast room. Avoidance

refers to a negative conflict management approach. This relatively negative conflict management approach is more effective in dealing with less urgent issues. In addition, when a problem requires cold handling, avoidance can also be used as a temporary measure to prevent further escalation of the conflict. However, avoiding this negative conflict resolution approach is not suitable for resolving the 'short essay' incident. Avoiding the root cause of unfair distribution of benefits has actually intensified the conflicts between each other. Moreover, given the urgency of the situation at the time, this method of avoiding conflict was clearly not advisable, as evidenced by the outcome of Dong Yuhui's departure from Dongfang Zhenxuan.

5 Conclusions

With the development of the digital economy, innovative enterprises are constantly emerging like mushrooms after rain. How to effectively manage conflicts within an organization plays a crucial role in the growth and development of innovative enterprises. Therefore, this article investigates how innovative enterprises can manage team conflicts.

Through research, this article found that there is no specific conflict resolution method that can meet all scenarios. To effectively resolve conflicts, targeted solutions are needed. Firstly, to resolve team conflicts, it is necessary to identify the root cause of the conflict, which is the main contradiction between the conflicting parties. If one blindly avoids the root cause of conflict, not only will it fail to solve the problem, but it will also exacerbate the conflict. In the case of Dongfang Selection, the root cause of the failure in conflict resolution lies in the management's blind avoidance of the unequal distribution of benefits, which ultimately led to Dong Yuhui's departure.

For innovative enterprises, facing team conflicts, it is even more important to adopt a proactive conflict management style and approach. Because both in terms of corporate culture and organizational form, innovative enterprises tend to lean towards a proactive management model. Therefore, innovative enterprises are more suitable for active management methods such as coordination and cooperation when managing team conflicts.

The research in this article still has the following shortcomings. Firstly, the sample size of the case analysis in this article is limited, and only the case of Dongfang Zhenxuan was selected for research and analysis. Secondly, the research perspective

of this article is limited, only studying the conflicts that exist in innovative enterprises from a team perspective. Finally, this article only used qualitative analysis methods for analysis and research, and the research methods are relatively single.

In the future, various conflict issues and corresponding conflict resolution methods in innovative enterprises can be studied from more research perspectives. You can also search for more typical cases, increase the number of research samples, and enrich the types of research samples. In addition, quantitative analysis can be introduced to find more practical and effective conflict management models through data model analysis.

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