Communicative Technologies in Anti-Crisis Management of Corporate Structures

Mishurova I.V.

Department of Anticrisis and Corporate Management
Rostov State University of Economics, RSUE
Rostov-on-Don, Russia
irina.mishurova@gmail.com

Nikolaev D.V.

Department of Taxation and Accounting
South-Russian Institute of Management - branch of the
Russian Academy of National Economy and Public Service
under the President of the Russian Federation
Rostov-on-Don, Russia
danil_niko@mail.ru

Nikolaeva N.V.

Department of Taxation and Accounting
South-Russian Institute of Management - branch of the
Russian Academy of National Economy and Public Service
under the President of the Russian Federation
Rostov-on-Don, Russia
Natalinikolaewa@yandex.ru

Sinyuk T.Y.

Department of Anticrisis and Corporate Management
Rostov State University of Economics, RSUE
Rostov-on-Don, Russia
t_sinyuk@mail.ru

Nesterova O.S.

Department of Anticrisis and Corporate Management
Rostov State University of Economics, RSUE
Rostov-on-Don, Russia
khoruzhaya@list.ru

Abstract — **The article deals with the role of conflicts in the development of the organization's crises. It suggests a classification of conflicts, a scheme for responding to a conflict situation depending on its type and the possibility of applying a conflict map in the company's activities is substantiated.**

Keywords — management crisis, typology of production conflicts, constructive conflict role, conflict map

I. INTRODUCTION

Every human-made system, within its basic functional rules, follows the same principles as a man does. If a crisis for the evolving personality is the main condition for the new integrity level, so it can keep similar function for any system. This fact approves by great amount of economic and political theories. This research refers to the authority classical growth phases model worked out by L. Greiner. According to the concept, during organization's development it can pass 5 crisis phases: business creativity, direction, delegation, coordination and collaboration. Transition from one phase to the other goes through overcoming of systematic crisis: leadership, autonomy, control, bureaucracy, synergy [1]. As per L. Greiner theory, if during organization's development the leadership style and management instruments are not changed, apparently the company's operating can lose control, therefore the bankruptcy can occur [2].

II. ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

Consequently, the crisis is the mark of organization's viability and says about company's transitional state. Intervals between the primary phases can be different lasting, but the period of risks' and signals'' accumulation is always happening first, which helps to recognize not only the crisis approach but its nature and to work out the methods of reacting it. The most peculiar signal of crisis is a conflict [2,6,8]. If a complex of same-nature conflicts arise, this problem signals about disbalance in organization and management sphere and needs the fastest reaction. If the company has the complex of same-type conflicts, it says about systematic management crisis [9-12].

III. ALLOCATION OF PREVIOUSLY UNSOLVED PARTS OF A COMMON PROBLEM

The relevance of the research is the systematic crisis and conflict appearance giving a chance to identify the important company's lifetime period in time, and by means of high-quality management - raising the organization on a new level of competitiveness. Otherwise, the company faces the decline of commercial activity, untimely resolving of operate problems, as a result the strategic objectives are hard to achieve and the company doesn't have any potential to exist

IV. OBJECTIVES OF THE ARTICLE

The objectives of this research are to study production conflicts as external manifestations of the management crisis, the development of a system for responding to the emergence of unusual situations in the activities of corporation structures. In this regard, the following problems will be considered:

• to investigate the relationship between conflict situations and crises;

• to develop a typology of management conflicts;

• to give recommendations on how to respond to the conflict.

The following concepts are used as the methodology of the investigation: synergetic approach to the analysis of social life processes, empiric methods, such as questioning, interviewing.

V. BASIC MATERIAL PRESENTATION

Conflict is a universal term which takes place both: the private life and commercial activity. Conflict is mostly understood as a destructive phenomenon, therefore negative. Consequently, conflict needs to be neutralized in order to make the system stabilized. The other concept – the functional approach to conflict – was worked out by sociologist Georg Zimmel (1858-1918) who calls conflict the "dispute" and considers it a psychologically caused phenomenon and one of the way of socialization [3].

Complementing this theory, American sociologist Lewis Kozer proves a positive role of conflicts making the social system more stable in his research "Social conflict's functions" [4].

Ancupov A. and Shipilov A. mark an ambiguous nature of conflict. They believe that the conflict can be constructive or destructive according to its results. If they are positive, the conflict is constructive and vice versa [5].

Among constructive functions of the conflict, the authors mark [8-10]:

• conflict detecting the most important and problematic fields of organization structure on the current step of company's evolution;

• conflict helping to estimate partners' individual psychological features, to test their values, motivation, stress resistance;

• conflict preventing stagnation, making a base for innovations and development, discovering collectivity mood, social aims.

In order to resist and operate the conflict, an objective view on a problem is needed. Australian sociologists Cornelius H. and Fair S. worked out the method of forming the map of conflict, which helps to transform the perception of conflict from acutely emotional to intellectual [7].

The problems caused by conflicts and the ways of managing them are proposed to be classified as follows.

TABLE I. THE TYPOLOGY OF MANAGEMENT CONFLICTS AND THE WAYS OF REACTING TO THEM (WORKED OUT BY THE AUTHORS ACCORDING TO THE RESULTS OF THE STUDY)

Apprehension	Requirement	The nature of contradiction	The way of reacting
Loss of an important structural unit manageability	Transparency and controllability of procedures, Manageability of a structural unit	Functionally-organizational	Business processes standardization, improvement of the reporting system and instructions
Failure of the deal or its complication (because of untimely given documents, information and other recourses by other structural units)	Established procedure in cooperation with other structural units, coordinated work of structural units	Functionally-organizational	Establishment of official links, development of regulations concerning cooperation between structural units
Making not usual duties by a unit or a specialist	Making a personal plan/high salary	Structural and organizational	Modification of organization's structure
Resistance to carry out the orders	Carrying out the orders	Situational management	Involvement the staff members into the process of making decisions and the ways of reaching them
Leader's inability of changing the management scheme	Self-sufficiency in making nonstandard decisions, constructive and prompt decisions of current problems (inside the unit)	personal-functional	Staff modifications/development of management staff

Developed table in fact is a standard of making correct decisions in conflict situations. Using it, it is possible to make a map of conflict.

We show the model of making such map for a sales department of company selling software products taken as an example for the research.

The head of department is followed by heads of groups (HG) in a quantity of 5-7 persons; leading sales managers (LSM) and administrator. Each head of the group forms a team from 4-6 managers (SM). Schematically the structure of sales department looks the following way.
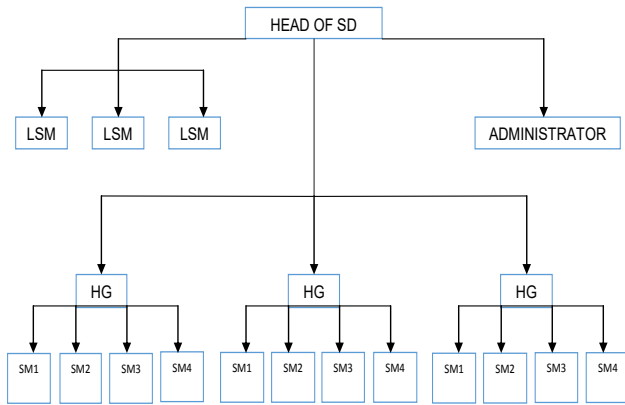
Fig. 1. The structure of sales department

The department was the leader in the company for many years: showed high sales results, represented the team of bright and smart staff. But during two last years the situation had sharply changed to the worse. Except sales decrease, the department was immersed into the permanent conflicts with external and internal communicators. The conflict of interests was revealed brightly between the company's owner and the head of department and appeared between contiguous departments and inside the staff.

In order to solve this problem constructively, a personal position should be showed with regard to the ambiguous phenomenon "conflict" using the map of conflict. This method helps: to limit the situation with certain bounds, to concretize each member's point of view and to choose the best way of conflict's resolution.
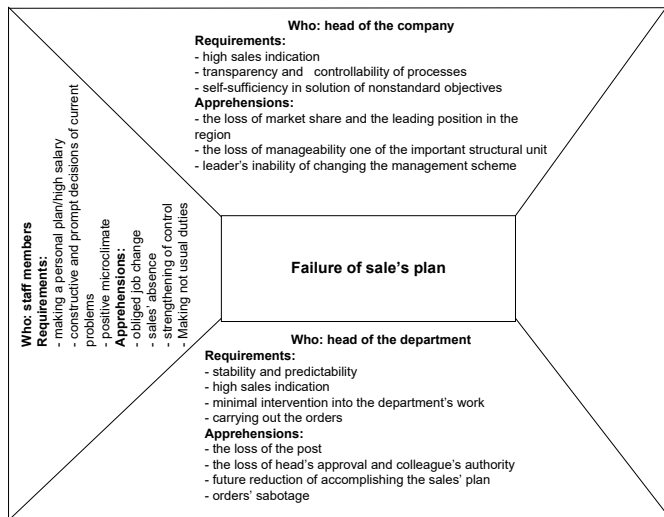

Fig. 2. Conflict map (worked out by the authors according to the results of the study)

According to the members' of conflict apprehensions, we select those which can help to reach strategic objectives of the company, relate them with the requirements, identify the nature of dispute and determine the way of conflict's solution.

Since the main members' positions are specified, it is necessary to set the nature of confrontation and to find the right approach of eliminating it. In order to make the work, we use table 1 and figure 3. On that basis, the priority methods of

conflict solution are structural modifications, in particular introduction of mentor post and business processes' regulation. That will help to change the conflict into a constructive direction and will cause the organization's evolution. Inside analyzed company those modifications provided the improvement of production quality and the raise of sales.

In order to achieve transparency of business processes of accompany and to improve their manageability, it is proposed to work on describing each of them, to reasonably formalize the requirements for the order and quality of work, to correlate its current activities with the activities of other departments to achieve the company's strategic plans.

To accomplish the objectives, it is advisable to use the methodology of the "process approach", which has already proved its effectiveness in that it has essentially become a normative model for business conducting developed by the business community taking into account international experience and enshrined in international standards for management systems. Very often, measures taken to improve the performance of a particular department do not lead to significant improvements in terms of the overall benefits of the enterprise due to the non-application of the process approach.

Reducing the total costs in the production of a certain result is the main task that the process approach solves. This is achieved by optimizing the process, its transparency, as well as reducing management costs. Referring to the needs of the participants of the conflict, it is necessary to highlight only those whose implementation contributes to the achievement of the company's strategic goals. It is necessary to correlate them with polar fears, identify the nature of the contradiction, and determine the way of working with each of them.

Development of measures to optimize the processes in the enterprise must begin with a description of the existing situation. For this, a process map is created "as it is", the "bottlenecks" - problems and losses - are identified in it.

The main types of losses:

- information excess (request for information exceeds the volume necessary for the performance of work; there are duplications, etc.);

- lack of necessary information (lack of access to the database or problems with access to it);

- lack of standards in information transfer;

- excessive agreements and approval;

- loss of time;

- lack of communication channels;

- lack of priorities or clear orders;

- repeated inspection procedures;

- fuzzy division of responsibility between the participants of the process;

- lack of performance indicators.

After the analysis, an "as needed" map is created, and after that the model is introduced into the production process, which makes enables to achieve an increase in the effectiveness and efficiency of the company's activity as a whole, as well as the implementation of reducing conflict situations.

We believe that the establishment of formal links between structural units of an organization, the creation of regulations for their interaction are possible with the help of implementation of the system of "principle of instructions". The set of rules that define the area of responsibility, lists and describes all the steps and actions of the participants in each business process introduces the principles of interaction between them, should come to change the management method, which use only orders and instructions. This method is a natural continuation of the process approach and a necessary addition to it, since it is implemented on the basis of the identified "bottlenecks" and deliberately releases the company's activities from the main types of losses and reduces production conflicts.

As an example, let us designate which documents should be prepared first of all for the sales department: "Regulations for the interaction of the Sales Department with the Department of Information technologies and Informatization" and "Regulations for interaction between the Sales Department and the Support Department". This work will enable to solve one important question: to streamline the process of communication between closely interacting departments, namely:

- replace interpersonal communications (potentially conflict-prone) with formal ones (allowing one to streamline and limit information flows);

- improve the technical parameters of communication (software update);

- establish requirements for the quality of communications (the form, perhaps, the timing of information submission, time for its processing).

Eliminating communication barriers at macro and micro levels by creating rules for the interaction of structural units, standardizing business processes, introducing the "principle of instructions" should promote to preventive conflict management, consolidation of functional structures activity, which will have a beneficial effect on both the image side of the organization's activities and its financial indicators.

As already noted, the maximum compliance of the team structure with the tasks before it ensures their successful realization. The implementation of structural changes serves the goal of reducing the destructive role of organizational and managerial conflicts in corporate governance, for instance, direct submission of a part of the sales staff to the head will allow one to introduce the principle of "internal competition" in the department and thus will increase sales.

A good way to inform and remove the resistance of employees to the changes to be made is the following forms of collective decision making:

- "Mrainstorm" - a method of expert assessment, in which the solution of the problem occurs by stimulating the creative energy of the team;

- work in specialized groups that are organized from representatives of the team to develop projects for actions, documents, etc.;

- use of the "all-channel" network is a modern way of developing collective solutions, which is used when all employees need to be involved in solving complex problems. An absolute plus of this method is equal access to all information.

The participation of team members in matters that are directly related to their activities, allows the manager to avoid the "captivity" of his own competencies, expand the boundaries of perception of the task and, thus, make the most balanced decision. Especially joint work in a team is important during periods of active change, when it is necessary to eliminate resistance to changes and to ensure that the new state of affairs is accepted by team members and becomes a reality. This is achieved by means of information, timely provided to employees, about the need for changes with the subsequent involvement of people in their implementation.

The changes, which occur in employees under the influence of new activities, are almost the main goal of management, namely: increasing the level of fidelity of employees to the company, increasing professionalism, as well as improving the corporate culture of communication.

VI. Conclusions

Among numerous positions on the conflict, we follow, in our opinion, the one that determines the most constructive approach to the problem – conflict situation inside any company – the absolutely regular fact. Moreover it plays a significant and positive role because it reveals current troubles. Conflict's solution helps to improve production processes, to remove barriers in staff cooperation and, as a result, to increase company's efficiency. Consequently, the constructive or destructive conflict effect depends only on the way it is managed.

Precisely a constructive side of conflict has been analyzed during the research and its potential opportunities. Besides the typology of conflict situations, based on its nature, and means of reacting on every discovered type were suggested.

References

[1] L. Greiner, «Evolution and Revolution as Organizations Grow», H. Business Review, July-August 1972.

[2] L. Greiner, "Stages of company's development by". http://powerbranding.ru/biznes-analiz/olc-models/greiner-theory.

[3] L.A. Kozer, "Realistic and unrealistic conflict", Psychology of conflict: Chrestomathy, Saint Petersburg: PITER, 2001.

[4] A. Ancupov, A. Shipilov, "Realistic and unrealistic conflict", Psychology of conflict: Chrestomathy, Saint Petersburg: PITER, 2001.

[5] I.V. Mishurova, "Methodical approaches to diagnostics of customer resistance in consulting services", Economic problems in Russia and regions: scientific notes, Edition 21, Rostov-na-Donu, Rostov State University of Economics, 2016.

[6] I.V. Mishurova, D.V. Nikolaev, "Crisis management: motivation and control of the company's administration", Innovative strategies and mechanisms of economic management: collection of the XYI annual international scientific-practical conference of teaching staff, young scientists and students, Rostov State University of Economics, 2016.

[7] H. Cornelius, S. Faire, Everybody could Win. Moscow, STRINGER, 1992.

[8] W. Mastenbrook, "Management of conflict situations and organisation development: Translated from English", M.: INFRA-M, 1996.

[9] G. I. Kozyrev, Conflictology, "Social conflicts in public life", Socially-humanitarian knowledge, 2003, No. 1.

[10] G.P. "Fomin Models of conflict", Management in Russia and abroad, No. 6, 2005.

[11] V.A. Barinov, "An institutional approach to conflict management in crisis situations", Management in Russia and abroad, No. 5, 2004.

[12] V. Rozanova, "Future shock" or psychological foundations of organizational conflict with the change of priorities of the company", personnel Management, 2004, No. 7.