

## THE IMPORTANCE OF IMPLEMENTATION CONFLICT MANAGEMENT AT WORK – CASE STUDY ILIANA SRL

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### **Abstract**

Labour disputes are disagreements, incompatibilities between employees and employers regarding the interests of economic, professional, social, and rights arising in the course of employment. Conflict management at work brings together activities to harmonize labour relations between employees, between employees and employers in order to realize with maximum efficiency targets of SMEs to ensure their sustainable development. The paper presents theoretical aspects of labour disputes, ways of their solution, but also a case study: From conflict to harmony - a labour dispute and the solution that was implemented in a Romanian SME: SC Iliana SRL.

**Keywords:** conflict management, sustainable development, labour relations, labour disputes, conflict

**Clasificare JEL:** M40, M41

## 1. INTRODUCTION

The conflict is a misunderstanding, a clash of interests, a disagreement, a fight, a violent discussion. It is generated from a contradiction between ideas, interests or feelings of various people involved [8].

Conflict can be generated of competition where the parties are, they are aware of possible incompatibilities, each party wishing to occupy a position that is incompatible with the wishes of others. For a situation to become confrontational, parts should be aware of their positions, desires to be inconsistent and exchanges between the parties to be some physical, emotional, virtual etc. Conflict can cause unpredictable events in an organization [6].

Labor disputes are disputes between employees and employers regarding the interests of economic, professional or social or rights arising from their employment relationship [9].

Conflict management at work is the art and science to prevent conflicts and if they can not be avoided, to reduce the impact on employees and the company in general. For sustainable development of an enterprise, conflict management at work is as important as resource management of any kind, existing in the enterprise.

The conflict is sometimes inevitable and negotiation is an essential management activity [3].

## 2. CONFLICT MANAGEMENT AT WORK

There are several types of conflict levels with impact on any business [10]:

1. the level of intrapersonal conflict (or internal) is the internal conflict that occurs inside the individual, usually not obvious to other people (unless it is outlined by the individual) and does not depend on his relationship with others;
2. the level of interpersonal conflict always involves the problem of the relationship between individuals. The difference in difficulty of conflicts is also associated with the number of types of sources that generate causes.
3. level of intragroup conflict, conflicts occurring within a group;

4. level of intra-organizational conflict, conflicts occurring within an organization;
5. level of inter-organizational conflict, conflicts between organizations.

Communication plays an essential role in conflict resolution, helping to prevent, reduce or resolve conflicts. There are several forms of communication [10]:

- verbal communication, where verbal language is used;
- paraverbal communication, which includes the speed we are talking about, the tone picking up or down, the use of pauses and the quality of speech;
- non-verbal communication (body language), including: mimics, gestures, even silence.

Depending on the hierarchical levels between which communication occurs, we distinguish [10]:

- vertical, top-down, or bottom-up communication;
- horizontal communication, between compartments or even individuals.

Once the labor conflict has arisen, it must be resolved. Several personal styles of solving interpersonal conflicts are identified [10]:

- avoidance, which is characteristic of avoiding, withdrawing, the behavior being the person absent, silent;
- accommodation, to which acceptance, consent is characteristic;
- the competition, characteristic of being aggressive, the behavior being an argumentative, even selfish one;
- compromise, characterized by negotiation, exchange, the behavior being the negotiator;
- the collaboration, characterized by mutual satisfaction, the behavior being the supporter of one's own interests but also of the interests of the other party.

Solving conflicts at work by avoiding them requires:

- tendency not to address and accept the existence of conflicts;
- are not interested in maintaining the relationship;
- invoking compliance with rules or procedures to avoid conflicting situations;
- the style includes withdrawals, avoiding critical issues, silence.

Accommodation as a way of solving conflicts at work presupposes:

- there is a tendency to mitigate conflicts;
- great interest for the other and less for the debated issues;
- preference for maintaining the illusion of harmony between the parties.

To solve conflicts in work through competition, confrontation implies:

- the tendency to force yourself into the other;
- greater importance is given to own interests;
- behavior is selfish, argumentative.

Compromise used as a way of resolving conflicts means:

- practical solutions are sought to deliver results and not optimal solutions;
- are gains and losses for each party;

Solving conflicts in work through collaboration involves:

- is a preferred way of solving problems and obtaining satisfactory understandings for both parties;
- all stakeholders gain, because it is based on respect for one's interests but also for each other's interests;
- involves a problem-oriented attitude and encouraging disclosure by both sides.

Collaboration is the conflict-resolving style with favorable outcomes on both sides. Adopting collaboration involves changing attitudes towards conflict, underlining the importance of the relationship, the problems of the other.

Labor conflicts are caused by the existence of the different objectives for different categories of staff, on the one hand and for enterprise on the other.

Labor conflicts are even more serious, since one of the parties trying to gain advantages at the expense of the other party. Employees and the company in which they work should not be opposed, but a constructive competition for a sustainable development of the enterprise [5].

Not every disagreement between the parties is a labor dispute. Conflict arises when one party uses a means of pressure on the other. Conflict is maintained mostly by authoritarian management of the company [5].

For business, conflicts can generate destructive results or may be beneficial. In terms of effects on the company, conflicts can be [5]:

- functional, contributing to the development of the enterprise and consist of: the confrontation of ideas and attitudes;
- dysfunctional, the parties to the conflict may harm them or the company they work for.

They are considered labor disputes between employees and the company they work conflicts on the professional, social or economic rights arising from employment relationships. Labor disputes can be solved through "understanding" or procedures established by law [7].

Labor disputes concerning the exercise of rights or fulfillment of obligations arising from laws or other regulations, collective agreements or individual of labor are disputes relating to employee rights, and these are conflicts of rights [7].

There are multiple causes of labor disputes. Among the most important reasons may include [5]:

- a. lack of honest communication;
- b. dissemination of rumors and false information;
- c. authoritative management;
- d. improvised, ambiguous management, implying lack of clarity in transmission of decisions, the existence of parallels between the posts and groups, etc.);
- e. failure to achieve objectives set by the company, due to limited resources and / or poorly planned;
- f. lack of human resources development policies;
- g. the climate of distrust that exists in întrepindere;
- h. the existence of a false professional competitions;
- i. the ambiguity of responsibilities.

Implementation of conflict management at work involves especially prevention of labor disputes, and resolving them. Solving labor disputes involving several stages, which have the following sequence:

- recognizes the existence of the conflict;
- identify the causes of the conflict;
- adopt decision of confrontation between conflicting parties;
- confrontation;
- evaluating results;
- adopted a decision after the confrontation;
- evaluating results from implementing the decision [5].

Conflicts existed and will always exist because wherever there are people who have ideas, values, circumstances, etc., which may conflict [4].

### **3. CONFLICT MANAGEMENT AT WORK - CASE STUDY SC ILIANA SRL**

SC Iliana SRL is a Roamnian SME. It has as main activity, manufacturing of wood products. The company is a medium-sized enterprise with a total of 120 employees. Headquarters is

located in the town of Targu Jiu, Gorj County. Qualified personnel are 70%, with the following qualifications: economist, engineer, carpenter, electrician, fireman, locksmith and mechanic. The staff worker is 98% of total company staff [1].

SC Iliana SRL is equipped with high performance machines (CNC machining centers, grinding machines, multiple circular etc.). The products manufactured are of the highest quality and unique design. Most customers (90%) are external customers (Germany, Austria and Italy) [1].

SC Iliana LLC is not a perfect organization, relations between employees and the employer does not take place without difficulties. As solid as the relationship between employees and employers is the possibility, the risk of making mistakes, and misunderstandings on both sides.

Some employees may be first kind, intelligent, agreeable. Gradually they can be difficult, sometimes unbearable [2].

Promoting enterprise of a culture of understanding and amicable settlement of disputes is essential for its sustainable development. It created such harmony necessary to carry out business activities to achieve its objectives.

An essential role in the successful implementation of conflict management at work will have professionals of human resources, because they must be able to provide relevant opinions, efficient service, thus increasing prestige, the good reputation of their profession.

There was a time for the SC ILIANA SRL orders declined, the number of customers was reduced and turnover decreases with each passing month revenues were reduced. In this crisis, the company took the decision to reduce the number of employees. Employees wondered who will be on the list with the employees who leave the company. Initially, was set to leave the company who comes in enterprise in the last six months. The revolts did not cease among employees unsatisfied that they leave the company. In this conflict situation, human resources manager proposed dismissal initially only employees who were close to retirement age and those who really wanted to leave (leave town for another job, continuing their studies, etc.). Thus, although the conflict was not out long-term (risk that the company will continue to have fewer orders, revenues dwindling etc.) on short term conflict situation has been resolved.

It has applied such a strategy of conflict resolution, compromise-oriented, finding a mutually satisfactory solution that would satisfy partially both parties to the conflict.

## CONCLUSIONS

Conflict is a state of affairs present in the whole society, where competition has always existed and modern society creating an environment of excellence in competition. To survive, in order to grow, both individuals and organizations have to enter into conflict, in competition, to win.

There are constructive conflicts that benefit both the organization and employees, and destructive conflicts, most of them, the resolution of which cost time, destroy health, emotional affect and costs money. The company engaged in a conflict wasting time necessary to create, to realise productive work.

Implementation in enterprise of the Conflict management at work reduce time spent resolving conflict already triggered, time and company resources being directed towards sustainable development of the organization.

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