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This paper aims to determine the production conflicts in “ООО«БМК””, the manufacturing company producing furniture, identify problems connected with conflicts, and develop certain measures to overcome problems. In the research such methods as analysis of the work papers, non-structured interview, and questionnaires were applied.

Ключевые слова: production conflicts, work efficiency.

In the 21st century relations between employees inside the company are becoming pivotal. Even in the 20th century already there were many theories about management based on relations. Those theories put the theory of technical and mechanical management aside as it became no longer relevant in terms of today's market. Today relations between employees often cause a production conflict, which can, in its turn, trigger the low work efficiency in a certain company. The problem of low work efficiency caused by production conflicts is crucial; however, production conflict today is not just impersonal contradictions based on technical questions; those conflicts are closely connected with human relations and their business interests. The purpose of this work is to study, analyze, and suggest the possible solution of the problem by the example of «ООО«БМК»», the company which produces and sells furniture in the Irkutsk region. The main methods were analyzing work papers and questioning employees. These methods allowed examining the problem more precisely.

Literature review

The problem of managing production conflicts, which can cause either a low labor productivity or a high work efficiency, is becoming more current, controversial, and crucial today. Scientists and businessmen have been exploring and trying to solve this problem for decades in order to increase the efficiency and productivity of modern manufacturing companies.

Various authors and scientists described and classified production conflicts. According to Richard L. Daft, the world famous professor of management, “conflict refers to antagonistic interaction in which one party attempts to block the intentions or goals of another” [1]. The author remarks that a conflict generates a positive competition. Richard L. Daft states that this competition between the members of a team “can have a healthy im-

pact” because employees usually become more inspired and motivated to achieve the set goals [2]. Remarkably, V. Yatsenko, a human resource manager, gives a similar definition of the production conflict. In the article “Поведение человека в производственных конфликтах”, the author claims that «Производственный конфликт — это скрытое или открытое столкновение индивидуальных и / или групповых интересов в сфере деловых и профессиональных отношений, складывающихся в процессе совместной производственной деятельности» [3]. As we can see, in spite of having a common goal concerning the success and prosperity of the company and executing definite projects, participants of the team always pursue their own aims. Sometimes these purposes contradict to each other; therefore, this is the time and point where the conflict starts. Judging by these definition, we see that scientists and employees are unanimous in their views. For example, Lewis A. Coser, the founder of the conflict theories, in his paper “Social conflict and the theory of social change” introduces the similar idea, «Conflict prevents the ossification of the social system by exerting pressure for innovation and creativity...Conflict within and between groups in a society can prevent accommodations and habitual relations from progressively impoverishing creativity» [4]. Lewis A. Coser, as well as other authors given above, tells that conflicts contribute to the evolution of the society encouraging the different kinds of interaction between people. It can be concluded that conflicts play the same role in the development of the company supporting the selection of the best decisions and getting rid of useless or even harmful ones.

Conflicts in the manufacturing company appear very often; however, we should not forget about one important factor, which can either increase the probability of arising conflicts or minimize them as much as possible. This factor is a type of a corporate culture. In compliance with Charles Handy [5], there are four types of

corporate culture. They are the following: “power”, “task culture”, “person culture”, and “role” culture. Each type of organizational culture implies a specific approach in solving current problems and executing orders. The author describes a “power” culture as the culture, in which employees literary do not have freedom in expressing their ideas and propositions. In other words, “the power remains in the hands of only few people and only they are authorized to take decisions” in companies having this type of corporate culture. “Task” culture is the culture “where teams are formed to achieve the targets or solve critical problems.” “Task” culture is based on the team, for instance, employees are aimed at result; they are allowed to be independent in some of their decisions. The whole organizational culture focuses on interaction between employees, constant and productive work in a team. Charles Handy characterizes “person” culture as a culture “where the employees feel that they are more important than their organization.” Employees in such organizations are attracted mostly to money; they are not focused on solving the exact problem. “Role” culture relies on distinct formalization, fixed rules, organizational structure, and delegation of authorities. Responsibility and accuracy are the main points pursued by employees.

Richard L. Daft presents another classification of business cultures. The professor reckons that there are four types of business culture as “adaptability culture”, “achievement culture”, “involvement culture”, and “consistency culture.” “The adaptability culture emerges in an environment that requires fast response and high-risk decision making” [6]. Employees in this type of the culture have enough freedom in decision-making process. Creativity, strong inter-personal skills are encouraged. The next type of the organizational culture is “achievement culture”. “This results-oriented culture values competitiveness, aggressiveness, personal initiative, and willingness to work long and hard to achieve results” [7]. We can see that employees pursue their goals in order to achieve the goal and get the best result. They can even sacrifice their personal time. The “involvement culture” is really benevolent to employees; the organization provides a favorable working environment for workers and makes efforts to satisfy them [8]. “Consistency” culture’s main focuses are following certain rules and economy [9]. However, sometimes the companies of this type can be very slow. Hence, the type of the organizational culture strongly influences the production conflicts appearing in the company.

To sum up, we should always consider the organizational structure, we also should take into account the type of corporate culture and bear in mind relations between employees. The things such as a corporate culture presented above can trigger production conflicts, which can have a strong influence on the development of the company. Influences and different consequences and opportunities, which are possible in any company, are considered in the next part of the paper.

Methodology

To ensure objectivity, a variety of methods was used to identify, study, and solve the problem of low work

efficiency caused by production conflicts. Each method has its advantages and drawbacks. In the paper I used three methods; they are the analysis of the operating documentation (work papers), interviews with heads of the departments in order to identify the roots of the conflict (where the problem starts), and questionnaires among clerks.

The first method applied in the research is analysis of the work papers. This method eliminates the interaction with the employees of the company, yet it helps to understand and present the structure of the company, to understand how the work is organized, which is very helpful in solving future problems. These documents are plans, schemes, and contracts.

The subject of the research is ООО “BMK”, the company which produces furniture: staircases, kitchens, doors, arches, etc. The company has been successful in business for more than 11 years. The manufacturing department is fitted with the most modern and innovative equipment from Italy, Germany, and Spain. The clients of the company are the municipal administration, major banks, health care institutions, commercial and non-profit organizations, and individuals.

The mission of the company is stated on the web-site of “ООО “BMK”:

Архитектура производственных мощностей такова, что позволяет выполнять крупносерийные заказы в короткие сроки и отличного качества, равно как и индивидуальные изделия в эксклюзивном исполнении.

«Залог успешности любого бизнеса — стремление к развитию, воплощение в жизнь новых идей, безупречность в обслуживании клиента. Эту аксиому современного маркетинга мы используем в качестве кредо Компании» [10].

In order to clarify the problem, we should first describe the structure of the company. It has four departments. The first is production department, the main purpose of which is to yield superior in quality furniture. This process implies long or unlimited time and sufficient raw materials. Another office is sales department, which is aimed to meet or even exceed the sales target. The motivation is the salary monthly defined by the amount of sold goods. Numerous sales require the shortest possible time of the production of the furniture in order to satisfy the needs of many clients at the same time. The third significant part of the company is accounting division, which fulfils the funds management. The main interest of the bookkeeping department is maximal current assets, which cover the salary and other expenditures. However, this department discourages the purchasing of extra raw materials for the storage department. The storage department is responsible for supplying production department with raw materials. As we can see from the working papers and from the corporate charter, production conflicts mostly appear during the interaction between departments.

The second method was a non-structured interview. This approach has a number of attractive features. The advantage of the non-structured interview is that it avoids extra formalization. This type of communication

provides for the interviewed persons the opportunity to express all their thoughts, emotions, expectations, suggestions, etc. I decided to conduct this interview among the heads of the departments only in order to define main problems concerning the situation of low productivity. Organizing a non-structured interview for all employees would be time and money-consuming and not efficient. The main strategy was to ask heads of the departments three questions: "What causes the problem of low productivity and low work efficiency in your department?", "Do the production conflicts influence efficiency of your department?", and "Is it important to consider relationship between employees in a process of solving current conflicts?" All respondents mentioned that production conflicts have a strong influence on the efficiency of the department; however, the role of those conflicts is positive; contradictions appearing during the interactions between departments help to establish the optimal manufacturing plan. The interviewee also focused the attention on human relationship. All interviewees pointed out that in the 21st century the relations between employees play the key role in the success of the company. Favorable working environment provides constant motivation for efficient work. All in all I interviewed 4 people for this study, and one of them, the head of the sales department, stated that the working atmosphere was not favorable. There was no authority delegation in the sales department; thus, employees were extremely competitive. They had the same assignments; as a result, some clients had two or even three managers to deal with.

For more objectivity, it was considered that quantitative data would usefully supplement and extend the qualitative analysis. Therefore, the third method involved different surveys. The questionnaires concerned the working environment in each of the four departments. Twenty-six employees were surveyed for this study. I used two different tests in order to define and analyze the working atmosphere in the company. According to the "тест для изучения психологического климата коллектива" (note 1), three of four departments had a favorable working environment. To be concise, the average group score of the production department totaled 26; the accounting office had 25.3, and the storage department's score equaled 24.1. It is noteworthy that all parameters of these departments are within normal limits.

However, the situation in the sales department was completely different. The score of the office totaled 10.5 only, which indicates the problem. In order to identify the certain problem, I decided to organize another questionnaire and suggested employees another test called «Определение способов регулирования конфликтов» developed by К. Томас. (note 2). The results of the test showed that the main problem in the sales department is lack of delegation of authorities. The members of the office have the same assignments and sometimes even the same client. As a result, the level of competitiveness between employees in the same department is extremely high. Numerous mistakes appear frequently because of the controversial work papers sent to the production department from sales. The questionnaire showed that employees prefer solving problems by themselves instead

of presenting them to their colleagues. In other words, managers are not interested in the cooperation. Remarkably, the company has the task corporate culture; consequently, the cooperation and favorable working environment inside departments are strongly required in order to reduce possible mistakes and organize the working process properly.

We can conclude that production conflicts positively influence the work efficiency unless they "deal" with relationship between employees.

Solution

A possible decision is to establish the delegation of authorities. Managers should be responsible for their own part of the production and sales process. Having analyzed the structure of the company, I found out that production department makes four types of the products. They are individually designed furniture for offices, standard office furniture, the individually designed furniture for houses, and standard furniture for houses. The first solution is to assign each type of order to a definite, qualified manager. In that case, each manager is responsible only for his "own" type of order, and the interests of employees inside one department do not intersect. The second thing is to divide a working area, and reorganize the interior environment. Each manager should have his own working space in order to be at distance from his / her colleagues.

The second possible solution can have even more effective consequences for the productivity of the company. Having conducted additional interviews with the employees from the sales office, I discovered that along with the sales process, managers also create detail engineering design documentation. As we can conclude, managers combine the work of the designer and the work of the sales manager at the same time. They all have different qualification, and some of them mentioned that they prefer working with papers instead of communicating with clients. The findings presented above are the key to the solution of the problem. The possible way out is the delegation of authorities again. However, this delegation is based not on the type of produced goods but on the stages of the production. The company "ООО "БМК"" is a comparatively small manufacturing company, which definitely has the task culture. So, the main values of the company are a favorable working environment, team-oriented employees and strong "esprit de corps" (the main moral of the corporation according to Henri Fayol). The way to establish good relationship between employees is to organize team-building events, project work etc.

Conclusion

Nowadays the nature of labor immensely changes. Companies require more and more qualified employees; intellectual labor is very important. As a result, we can observe a complicated process of interaction between high-intellectual, determined, and ambitious employees. The design of the assignments given to employees is also changing. Today working assignment is a compound task, which employees should develop and solve togeth-

er with the application of all their analytical cooperative skills and ability to work under pressure.

In conclusion, the organizational culture of the company is on the high level; however, further deep research is recommended in order to define other possible triggers of the low work efficiency of the employees in the company. In addition, I would like to say that my research can give useful advice for the company management; this paper also allowed me to obtain great experience in doing research. ■

1. *Daft, R. L.* (2010), *Management*, 9th ed., Mason: South-Western Cengage Learning. p. 517.

2. *Ibid.*

3. URL: <http://www.hr-portal.ru/article/povedenie-cheloveka-v-proizvodstvennyh-konfliktah>.

4. *Coser, L. A.* (1957), *Social conflict and the theory of social change*, *The British Journal of Sociology*, № 8, pp. 197-207.

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6. *Daft, R. L.* (2010), *Management*, 9th ed., Mason: South-Western Cengage Learning. p. 79.

7. *Ibid.*, p. 80.

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9. *Ibid.*, p. 81.

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Производственные конфликты и эффективность работы: причины и решения

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В статье рассматриваются конфликты и способы их решения на примере мебельной компании ОАО «ВМК». Проанализированы факторы, провоцирующие конфликты, и предложены решения конфликтных кризисов. Для проведения исследования использовались анкеты и интервью.

Ключевые слова: конфликты в бизнесе, эффективность работы.