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УПРАВЛІННЯ КОНФЛІКТАМИ В ПІДПРИЄМНИЦТВІ: СТРАТЕГІЇ, КОМУНІКАЦІЯ ТА ЛІДЕРСТВО CONFLICT MANAGEMENT IN ENTREPRENEURSHIP: STRATEGIES, COMMUNICATION, AND LEADERSHIP

This paper delves into the critical importance of conflict management in the entrepreneurial landscape, particularly in the face of war and heightened uncertainty. It offers a comprehensive analysis of the distinct stages of a conflict's lifecycle, categorized based on the intensity of the conflict. A comparative analysis of these stages is presented, considering the essence of the conflict at each stage, its visibility, and potential outcomes. This analysis reveals the context-specific nature of conflict resolution dynamics, emphasizing the significant influence of the context, individuals involved, and available resources.

The paper identifies the prerequisites for effective conflict management in entrepreneurial ventures and outlines the primary barriers that hinder such management, including the perception of mutually exclusive interests, differing interpretations of the conflict's essence, and the institutionalization of the conflict.

The paper defines distinct patterns in how participants behave during conflicts. By recognizing the direction of each party's actions, a more tailored approach to conflict resolution can be developed.

Conflict resolution strategies guide individuals towards a solution, extending beyond mere actions. These strategies encompass two key aspects of conflict management: overall strategy and its effectiveness factors

The paper discusses five core conflict management strategies based on the Thomas-Kilmann Conflict Management Model. It concludes that the most suitable approach depends on the specific situation, the individuals involved, and the issue at hand.

Additionally, the paper explores conflict management strategies based on Glasl's model, assigning specific conflict resolution strategies to the stages in Friedrich Glasl's model of conflict escalation.

Apart from various strategies, the paper categorizes tactics as "soft" or "hard" based on their impact on the opponent. The application of tactics ranges from gentle persuasion to heavy coercion. Some tactics are direct, clearly stating the desired outcome, while others are indirect, subtly influencing the other party.

In conclusion, the paper underscores the instrumental role of successful conflict management in guiding confrontations towards positive outcomes. This is achieved by addressing immediate behaviors, underlying issues, and fostering an environment conducive to constructive dialogue.

Keywords: Conflict management, entrepreneurship, conflict resolution, Thomas-Kilmann model, Friedrich Glasl model

У статті розглядається критична важливість управління конфліктами в підприємницькому середовищі, особливо в умовах війни та підвищеної невизначеності. Проаналізовані окремі етапи життєвого циклу конфлікту, класифікованих на основі його інтенсивності. Подано порівняльний аналіз цих етапів, враховуючи суть конфлікту на кожному етапі, його видимість і можливі наслідки. Цей аналіз розкриває контекстно-специфічний характер динаміки вирішення конфлікту, підкреслюючи значний вплив контексту, залучених осіб та наявних ресурсів.

У статті визначено передумови для ефективного управління конфліктами у підприємницькій діяльності та окреслено основні бар'єри, які перешкоджають такому управлінню, включаючи сприйняття взаємовиключних інтересів, різне тлумачення суті конфлікту та його інституціоналізацію.

Стаття визначає чіткі моделі поведінки учасників під час конфліктів. Визнаючи напрямок дій кожної зі сторін, можна розробити більш індивідуальний підхід до вирішення конфлікту.

Стратегії вирішення конфлікту спрямовують людей до вирішення, виходячи за межі простих дій. Ці стратегії охоплюють два ключові аспекти управління конфліктами: загальну стратегію та фактори її ефективності.

У статті обговорюються п'ять основних стратегій управління конфліктами на основі моделі управління конфліктами Томаса-Кілмана. Робиться висновок, що найбільш підходящий підхід залежить від конкретної ситуації, залучених осіб і проблеми, що розглядається.

Крім того, у статті досліджуються стратегії управління конфліктами на основі моделі Гласля, призначаючи конкретні стратегії вирішення конфлікту до етапів у моделі ескалації конфлікту Фрідріха Гласля.

Окрім різноманітних стратегій, у статті класифікуються тактики на «м'які» та «жорсткі» залежно від їх впливу на опонента. Застосування тактик варіюється від м'якого переконання до сильного примусу. Деякі тактики є прямими, чітко вказуючи на бажаний результат, тоді як інші є непрямими, які непомітно впливають на іншу сторону.

На завершення в роботі підкреслюється інструментальна роль успішного управління конфліктом у спрямуванні конфронтації до позитивних результатів. Це досягається шляхом вирішення безпосередніх форм поведінки, основних проблем і сприяння сприятливому середовищу для конструктивного діалогу.

Ключові слова: управління конфліктами, підприємництво, вирішення конфліктів, модель Томаса-Кілмана, модель Фрідріха Гласля.

Introduction

The imperative for reducing conflict in entrepreneurship transcends superficial notions of workplace harmony. Extensive research across disciplines underlines the detrimental impact of conflict on various facets of an enterprise. From diminished productivity and increased turnover to eroded employee morale and damaged brand reputation, the consequences are demonstrably tangible.

Unresolved conflict fosters a toxic environment hindering collaboration, innovation, and ultimately, an enterprise's capacity to thrive. Therefore, justifying measures to reduce conflict extends beyond fostering a pleasant work environment; it is demonstrably essential for sustainable organizational success and optimal economic performance.

In the backdrop of war and heightened uncertainty, enterprises face a dual challenge: navigating external turmoil while fostering internal harmony. This underscores the critical importance of mitigating workplace conflict, a topic with farreaching ramifications extending beyond workplace well-being to the very strategic resilience of organizations.

Therefore, justifying measures to reduce conflict isn't simply about creating a cheerful atmosphere; it's about unlocking an organization's potential for success by fostering collaboration, innovation, and ultimately, sustainable prosperity. Investing in conflict reduction isn't a positive expense; it's a strategic investment with demonstrably encouraging returns.

The purpose

This article is dedicated to the study of existing strategies and tactics for conflict resolution in entrepreneurship.

Main body

A conflict is identified as a dynamic process characterized by incompatibility, disagreement, or dissonance, often arising from perceived scarcity of resources, threat to goals, or negative impact on concerns. It can manifest in various forms, including social conflicts between individuals or groups, and intra-personal conflicts within individuals.

Every conflict passes through a series of stages in its development. Different scholars describe these stages differently, however most include the following (fig. 1).

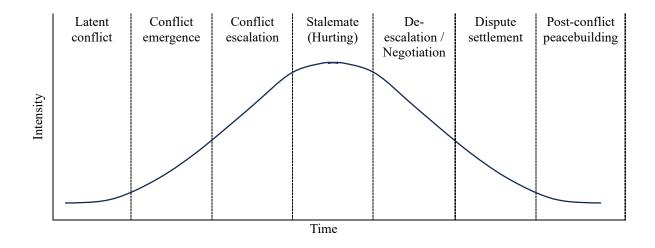


Fig. 1. Stages of a conflict [3]

The description of the given stages is provided in tab. 1.

Table 1
Comparison of main stages of a conflict

Stage	Description	Visibility	Outcomes
Latent Conflict	Underlying tensions or potential disagreements exist but haven't surfaced.	Hidden, not openly acknowledged.	Unexpressed resentment, potential for future conflict.
Conflict Emergence	Triggers bring the underlying conflict to the forefront. Parties become aware and form positions.	Emerges into open awareness, but might not be openly addressed yet.	Increased tension, potential for escalation.
Conflict Increased intensity, negativity, and hostility. Communication breaks down, accusations are made, and power dynamics come into play.		Openly expressed through arguments, criticism, power tactics, or aggressive behavior.	Hurt feelings, damaged relationships, negative consequences.

Stalemate (Hurting)	Deadlock, no progress is made. Harmful behavior and negativity prevail.	Open but unproductive, characterized by negativity and lack of communication.	Reduced productivity, strained work environment, potential for further escalation.
De-escalation / Negotiation	Willingness to move away from hostility and engage in constructive dialogue.	Open communication resumes, focusing on finding solutions.	Hope for resolution, potential for positive change.
Dispute Settlement	A solution is reached through negotiation or mediation. Addresses core issues and finds common ground.	Open communication and mutual understanding, agreed-upon solution.	Improved relationships, reduced tension, addressed concerns.
Post-conflict Peacebuilding	Focuses on rebuilding trust, repairing relationships, and preventing future conflicts.	Continued open communication, collaborative efforts, and willingness to address issues constructively.	Stronger relationships, improved communication skills, reduced likelihood of future conflict.

The specific dynamics of conflict resolution can vary significantly depending on the context, individuals involved, and available resources.

Conflict management is a systematic approach to identifying, analyzing, and addressing conflicts within interpersonal, group, and organizational settings. It emphasizes constructive strategies to mitigate the negative impacts of conflict while maximizing potential benefits [2]. Conflict management actively influences both the conflict's trajectory and participants' behavior. It aims to resolve significant social issues and redirect interactions towards constructive dialogue, minimizing hostility.

Effective management hinges on several conditions. First, an objective understanding of conflict as a natural phenomenon is crucial. Second, the belief that positive change towards self-regulation and improvement is possible is essential. Additionally, the availability of physical, psychological, and social resources, as well as a legal framework allowing intervention and coordination, is necessary.

The conflict management system encompasses diagnosis and prediction, prevention and prophylaxis, and regulation and resolution. For manageability, both parties need to acknowledge differences and focus on regulating outward conflict expressions instead of solely eliminating underlying causes, which may not be immediate [8].

However, conflict management faces challenges. If one party desires to prolong the conflict, emotions hinder communication, or deep-rooted antagonism exists, management becomes difficult. Additionally, L. Kriesberg identifies three barriers to resolution: perceiving interests as mutually exclusive, differing perceptions of the conflict's essence, and institutionalization of the conflict [1].

Conflict termination involves various forms:

- 1) extinction (temporary cessation of conflict behavior while underlying tensions remain);
- 2) elimination (removing one or more key elements of the conflict, effectively ending it);
- 3) transformation (the conflict changes into a different form due to new developments);
- 4) resolution (an agreement is reached through joint efforts, addressing both the conflict behavior and the underlying issues) [8].

Successful resolution involves several key aspects: joint effort by both parties to find solutions and change behavior, elimination of root causes, and a sense of satisfaction for both sides. The process involves analysis, forecasting, implementation, and evaluation.

Factors like ceasing conflict behavior, reducing emotional intensity, objectively assessing the problem, respecting differences, and choosing appropriate strategies contribute to successful resolution. Additionally, time pressure, third-party involvement, timeliness of intervention, balance of power, experience, and existing positive relationships can all play a role.

Real-world conflicts often reveal distinct patterns in how participants behave. These patterns describe the direction of each party's actions:

- 1. Approach-avoidance. This situation occurs when one party actively tries to engage in the conflict to resolve it, while the other party avoids confrontation and prefers to withdraw.
- 2. Approach-approach. In this scenario, both parties actively engage and move towards a potential clash.
- 3. Avoidance-avoidance. This dynamic describes a situation where both parties strive to minimize contact and avoid confrontation altogether [10].

Understanding these tendencies can be crucial for navigating conflict effectively. By recognizing the direction of each party's actions, the approach towards a solution may be better tailored.

Conflict resolution strategies guide individuals towards a solution, going beyond mere actions. These strategies encompass two key aspects in conflict management.

Firstly, a strategy encompasses the most general attitudes and guidelines regarding the conflict's outcome. Broadly speaking, four guiding principles define potential outcomes:

- unilateral strengthening when one party aims to gain at the expense of the other;
 - unilateral loss when one side is willing to sacrifice to benefit the other;
 - mutual loss when both parties experience negative consequences;
- mutual gain when both sides strive for a solution that benefits everyone involved [11].

These principles translate into practical options for resolving the conflict: winlose; lose-win; lose-lose; and win-win scenarios.

The second aspect considers factors impacting the effectiveness of a chosen strategy. Internal factors relate to the individuals involved in the conflict. This includes aspects like thinking styles, experience, character traits, and temperament, all of which influence how individuals approach conflict resolution.

External factors pertain to the broader context surrounding the conflict like information available, the presence and influence of third parties, and conflict characteristics. By considering both the desired outcome and the influencing factors, individuals can choose and adapt conflict resolution strategies for the most favorable and mutually beneficial outcome. Ideally, aiming for a "win-win" scenario where everyone feels their needs are met is the ultimate goal.

The Thomas-Kilmann Conflict Management Model [4] offers a framework for understanding how individuals typically respond to conflict situations. It focuses on two dimensions:

- assertiveness (the degree to which one seek to satisfy own concerns);

- cooperativeness (the degree to which one seek to satisfy the other person's concerns).

The model identifies five core conflict management strategies, each with its own strengths and weaknesses (fig. 2).

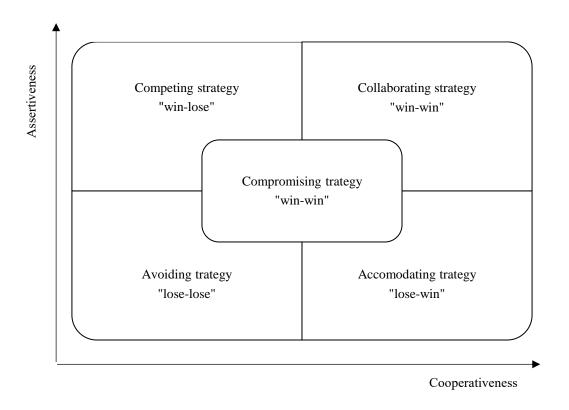


Fig. 2. The Thomas-Kilmann Conflict Management Model [7]

Competing strategy refers to an assertive and uncooperative style prioritizing own concerns over those of others. It's used when quick action is needed, and vital decisions must be made. However, overuse of this strategy can lead to a lack of cooperation and damaged relationships.

Collaborating strategy refers to both assertive and cooperative, involving working with the other party to find solutions that fully satisfy everyone's concerns. While ideal for complex problems and building strong relationships, it can be time-consuming and requires commitment from everyone involved.

Compromising strategy is a middle-ground approach, moderately assertive and cooperative. It involves finding mutually acceptable solutions that partially satisfy both

parties. This style is useful when time is limited or when a temporary solution is needed. However, it can lead to a sense of "settling" rather than finding the best solution.

Avoiding strategy is both unassertive and uncooperative, sidestepping the conflict. It can be appropriate when the issue is trivial, there's no chance of satisfying concerns, or when more important issues need attention. However, overuse can cause unresolved issues to fester and grow.

Accommodating strategy refers to is unassertive but cooperative, putting the other person's concerns above the own. It can be used to preserve relationships, demonstrate reasonableness, or when you realize the other side is right. However, it can lead to your own needs being neglected and feelings of resentment.

The best approach depends on the specific situation, the people involved, and the issue at hand.

The Thomas-Kilmann Conflict Mode Instrument [4] goes beyond just managing conflict in the workplace. Research has explored its application in various occupational settings and its connection to other organizational concepts.

Another useful approach to distinguish strategies in conflict management was offered by F. Glasl [55]. The model provides a framework for understanding how conflicts can progress from minor disagreements to destructive confrontations. It depicts a downward spiral, emphasizing the importance of early intervention to prevent escalation. The model is broken down into three main phases, each with three distinct stages. Also, it assigns specific strategies to the different stages of escalation (tab. 2).

Table 2
Conflict resolution strategies assigned to the stages in Friedrich Glasl's model of conflict escalation [5]

Level	Stage	Description	Strategies
1. Win-Win (Low Intensity)	1. Tension	Differences emerge, but optimism for resolution remains.	Mediation
	2. Debate	Positions solidify, arguments and persuasion dominate.	Mediation
		Communication breaks down, replaced by actions and suspicion.	Mediation; process guidance

Win-Lose (Increased Intensity)	4. Coalitions	Alliances form, "us vs. them" mentality emerges.	Process guidance; sociotherapeutic process guidance
	5. Loss of face	Attacks target reputation and image, damaging relationships.	Sociotherapeutic process guidance; intercession, intermediation
	6. Threat strategies	Ultimatums and coercion used to force concessions.	Sociotherapeutic process guidance; intercession, intermediation, arbitration, court action
Lose-Lose (High Intensity)	7. Limited distruction	Actions aimed at causing limited harm, but with high risk of escalation.	Intercession, intermediation, arbitration, court action, forcible intervention
	8. Total annihilation	Focus shifts to complete destruction of the opponent.	Arbitration, court action, forcible intervention
	9. Together into the abyss	Self-destruction accepted to eliminate the enemy (mutually assured destruction).	Forcible intervention

Here, organizations have various tools for navigating conflict. Some involve neutral third parties. Mediation/Intercession involves a neutral facilitator who guides communication and helps parties reach agreements. Intercession might involve suggesting solutions. Process guidance include a neutral party that ensures fair communication and adherence to established procedures during conflict resolution. Sociotherapeutic guidance adds elements of therapy to process guidance, addressing emotional aspects of conflict within the organization.

Other strategies involve a more definitive resolution. As so, arbitration involves a neutral third party, after considering evidence, issues a binding decision that both parties must follow. In extreme cases, the legal system can intervene and issue a binding decision to resolve the conflict.

Finally, in rare situations, organizations might resort to forcible intervention. This is a last resort where force or the threat of force is used to stop a conflict, such as physical altercations.

Conflict resolution strategies and tactics play different roles. Strategies are like "big picture" plans, outlining the overall goals for resolving a conflict. Tactics, on the other hand, are the specific tools used to achieve those goals. The same tactic can be used within different strategies depending on the situation. There are several commonly used conflict behavior tactics such as: rational persuasion, pressure; appealing to authority, friendliness and courtesy, coalition building, manipulation, irrevocable commitments, bargaining, etc. [9].

Also, researchers categorize tactics as "soft" or "hard" based on their impact on the opponent. Soft tactics aim for positive or neutral outcomes for the other party, like gratitude or respectful persuasion. Hard tactics exert pressure or create negative consequences for the opponent.

The application of tactics can range from gentle persuasion to heavy coercion. Additionally, some tactics are direct, clearly stating the desired outcome, while others are indirect, subtly influencing the other party [88].

The choice of a particular techniques depends on the type of a conflict. Constructive conflict, with its healthy debates and diverse perspectives, can spark innovation and better decisions. It's valuable and needs management to maximize its benefits. Destructive conflict, on the other hand, brings only negativity. It hurts productivity, relationships, and the work environment. This type should be minimized or eliminated. Therefore, based on the possible outcomes of the particular conflict, three possible strategies may be applied: conflict stimulation, prevention or resolution. Some techniques applicable at different strategies are described in fig. 3.

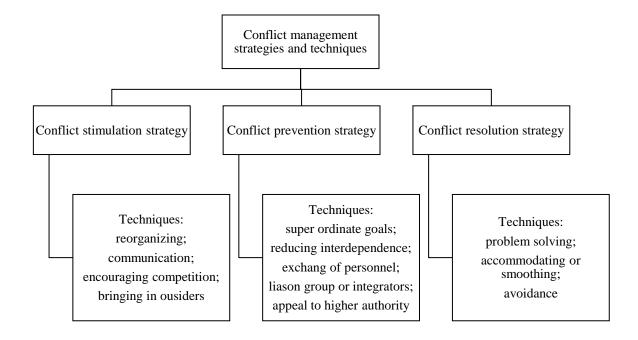


Fig. 3. Strategies and techniques applied in constrictive or destructive conflicts [6]

Conflict stimulation strategy aims to increase healthy levels of disagreement within a team or organization. Techniques listed include introducing superordinate goals (shared, overarching objectives), reorganizing (modifying workflows or structures to encourage interaction), encouraging competition, and using liaison groups or integrators (individuals who bridge communication gaps between teams).

Conflict prevention strategy focuses on creating an environment that minimizes conflict from arising. Techniques listed include communication (clear and open communication channels), exchanging personnel (rotating staff across departments to foster understanding), and appealing to higher authority (establishing clear lines of communication and escalation for addressing concerns).

Conflict resolution strategy deals with addressing conflict that has already emerged. The technique listed here is avoidance, where individuals choose to withdraw from the situation altogether.

While avoidance is included as a resolution technique, it's generally not considered the most productive approach for dealing with conflict. More effective strategies often involve addressing the underlying causes of the conflict.

Conclusions and prospects for further research

In conclusion, conflict management in entrepreneurship encompasses understanding the multifaceted nature of conflicts, recognizing their various stages, and employing appropriate resolution strategies and tactics. Effective conflict management involves acknowledging differences, regulating outward conflict expressions, and finding solutions that address both immediate behavior and underlying issues.

Ultimately, successful conflict management aims to guide conflicts towards positive outcomes by addressing both immediate behavior and underlying issues. By creating conditions for constructive dialogue, addressing all parties' needs, and finding mutually beneficial solutions, conflicts can be effectively managed within an enterprise, fostering productivity, collaboration, and positive relationships.

A deeper examination of how leadership styles and communication approaches influence conflict dynamics within entrepreneurial teams would be a valuable area of future research.

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