

Universal methods for resolving intra-organizational conflicts

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Abstract. The article argues for the analysis of the advantage of the measure for the implementation of the system of remuneration of employees within the framework of prevention of intra-organizational conflicts, which consists not only in the fact that the efforts of each employee will be directed simultaneously to achieve the goals of the enterprise and to meet their own needs, but also in the ability of employees to determine at what level (grade) it will work more effectively. In its turn, training for the management of the organization will contribute to the prevention of vertical conflicts and, accordingly, to the improvement of the efficiency of the entire organization.

1 Introduction

It is recommended that the Key Performance Indicator (KPI) system be used to address conflicts arising within different organizations due to unequal or inequitable pay distribution.

Key Performance Indicators (KPI) - are performance indicators, indicators of the degree of achievement of the goal, as for each of them are defined several planned and consistently achieved KPI values. This method is quite common in the world, but has not yet found wide application in the country.

The essence of forming a system of remuneration based on the use of KPI is that the company sets goals and objectives, the achievement of which the manager and employees determine the size of the bonus. Thus, employees who strive for and achieve results receive a higher reward than the rest of the team. If an employee's results are reduced, the bonus portion of his or her reward will also be reduced. The achievement of results by staff members at the minimum threshold will mean that they receive only a fixed salary.

The formation of a remuneration system in this way allows employees to be encouraged to achieve their goals, reduces the turnover of valuable staff, concentrates the staff's attention on important tasks, increases responsibility, and makes it possible to assess the performance of employees. In addition, an employee's remuneration is determined not only

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by his or her qualifications or position, but also by the interest in the performance of the entire enterprise, which is especially important in teamwork.

2 Materials and methods

The main advantage of KPI is its focus on ensuring that employees are interested in the company's performance. The decision-making process is reduced to the analysis of data that is available at any time and presented in a pre-approved format, as well as the development of corrective actions if necessary. In addition, the benefits of implementing KPI in the organization can be attributed:

- transparency, as the achievement of organizational goals directly determines the motivation of employees;
- certainty due to the fact that each employee, in accordance with the goals and objectives of the organization as a whole, clearly understands their goals and objectives;
- quantitative financial indicators can be used to determine the effectiveness of measures to implement a KPI-based remuneration system;
- incentives for employees taking into account different types of their needs.

Along with the advantages of using the KPI system in the organization, a number of drawbacks can be identified: the lack of universality, which is associated with the inability to develop a procedure for assessing the work of certain categories of personnel or non-standardized processes. Besides, the indicators to be used may be incorrectly formulated. For example, such an option could include the use of indicators that would create a certain dependence of the remuneration of a particular employee on the work of his or her colleagues.

When developing a compensation system based on KPI, a very important point is to determine the quantitative values of KPI of specific business processes, which should correspond to the strategic goals of the company's business development. In this case, we can say that KPIs will serve as indicators of achievement of long-term, medium-term and short-term goals of the company, at the same time, they can be used to evaluate the activities of departments and a specific employee.

When introducing a new system of remuneration of employees in a company, it is necessary to take into account the motivational moment, namely, what can motivate to achieve the target values of KPI. At the same time, it should be remembered that financial incentives are not always sufficient, many employees may be very important to realize their personal ambitions, have access to training, teamwork, etc. This approach to working with employees helps to ensure personnel stability. Therefore, a number of experts pay great attention to the motivational profile of employees and the internal situation in the company when formulating KPI target values. In this case, the lack of attention to the motivational profiles of employees may lead to the opposite result from the expected slowdown in the development of the company when implementing KPI. If all necessary nuances are taken into account when implementing KPI, the company will be able to achieve strategic goals and employees will receive material and moral satisfaction. In addition, an important point is the organization of control over the achievement of planned KPI values and making adjustments if necessary.

Formally, it is desirable for companies to implement a remuneration system based on the system of key performance indicators (KPI) at the same time with the use of grading technology.

This system has been successfully applied in the West since the 60s of the last century and since then it has been successfully implemented in the West.

"Grading is the grouping of jobs on certain grounds (weighting, classification, etc.) with the aim of standardizing remuneration in an organization". Positions within grading, i.e.

certain intervals of "weights" or ranks, "are considered equal for the organization and have one pay range (tariff)". [1] In this way, a clear and transparent hierarchy of positions can be constructed, taking into account their real contribution to the success of the enterprise and their value to the business. Graduation makes it possible to develop an optimal remuneration system, based on the principle of basic remuneration for performing clearly defined job duties. This system allows effective management of human resources potential, since all employees receive an objective and fair assessment of their work, it is easier for the company to identify the most valuable personnel, motivate them for growth and retain the best specialists.

In this case, the company will have not just a system of performance indicators and a new system of remuneration of employees, but a new system of functional and job levels, where positions will be arranged in a hierarchy in accordance with the level of responsibility, qualification requirements, the impact on financial performance, value for the business. Payments and social guarantees and benefits will be linked to a certain grade.

3 Results

Let us present an algorithmic approach to the implementation of employee compensation system in the organization based on key performance indicators (KPI) using grading technology.

1. Development (refinement) of goals and objectives of the enterprise (and / or individual units) of their performance indicators. The main requirements for key performance indicators applicable to any organization are: a limited number, measurability, the possibility of quantitative expression of indicators, a direct relationship with the most important success factors, the ability to influence various factors, the incentive for the employee. For performance indicators, its significance (weight) in the process of achieving goals can also be determined.

With the help of performance indicators, we will calculate the efficiency of department employees through the KPI index and performance factor. KPI is the ratio of the actual value of the indicator to its target value. The performance coefficient will be defined as the sum of KPI works and their weights.

2. Formation of the grading matrix. All employees should be divided by certain criteria. For large and medium enterprises, the most suitable option would be to consider the staff within the already existing divisions, unless the objective is to fundamentally change the organizational structure of the enterprise. At this stage, mandatory requirements are formulated for the employees of each subdivision that determine the professional and qualification level (education, length of service, retraining programs, etc.). Depending on the set of suitable criteria for each grade, positions are distributed in a hierarchy matrix. It is important to build the system in such a way that positions do not overlap and employees can move up the career ladder within the enterprise not only vertically, but also by moving between grads. KPI thresholds are defined for each of the selected gradients.

3. Determining the salary grid for employees in different gradients. The stage of salary grid construction should, firstly, determine the salary amount depending on the grading occupied by the employee. Secondly, it is necessary to correlate the performance factor of each employee and the payroll by results - the maximum pay for the result of the work for a particular grade.

4. Development of a reporting structure and regulations. This stage aims to streamline existing business and organizational processes in the company. Basic documents:

- Job description - the document regulating the work of an employee on a specific position;
- Regulations for a department - the document regulating the work of a particular department;

- Corporate sales book - the document containing the generalized experience of both the company's employees and specialists-consultants in the field of work with clients.

Clearly structured reporting and regulatory documents allow solving existing problems in the distribution of powers and areas of responsibility between departments or individual specialists. It also helps to competently compare strategic management goals and human resources potential of the company, provides an opportunity to really participate in improving its economic efficiency. HR specialists will be able to develop and implement an effective personnel management strategy based on a comprehensive analysis of all available information, control the process of its implementation and make timely adjustments to the strategy, evaluating with the help of modeling tools various scenarios for the management of valuable "human capital".

5. Introduction of a remuneration system based on KPI and grading technology.

As it was noted above, grading system shows a direct connection between business processes and remuneration, and also solves problems related to staff motivation, as it allows to build a career not only vertically, but also horizontally, within the divisions of your grade. The remuneration system based on KPI and grading technology "allows to build a flexible scheme of job levels, taking into account not only qualifications and experience, but also other equally important factors, such as the level of managerial and financial responsibility, complexity of decisions, etc.". [2] In the level system, each position corresponds to a "fork" of salary. Professionals with the same profile but different levels of qualification and responsibility for the business process may have different grades and their work will be paid more fairly. At the same time, the difference in payment will be obvious and objective, according to a transparent system of indicators.

6. Control over the results of the remuneration system implementation. Refinement of performance indicators to keep them relevant. This stage is especially important for the personnel of LLC "Personnel holding ANCOR" (Russia), as the diagnosis of conflicts at this enterprise is not specifically conducted, and any innovations, especially those related to changes in wages, can become a source of conflicts. [3]

Control over the results of implementation of the remuneration system for KPI and grading should be a continuous process, especially at the stage of implementation of the new system. In modern conditions, the company is constantly experiencing changes associated with changes in market conditions and other environmental factors, so performance indicators should always be relevant and consistent with current business goals and objectives.

To maintain the actuality and efficiency of incentive mechanisms, it is very important to periodically monitor the performance of the incentive system and to make changes in the planned mode. As practitioners recommend, "at creation of incentive system control, planning and execution functions should be distributed between different structural divisions". [4-6]

4 Discussion

Evaluation of the effectiveness of the incentive system requires quality feedback between each employee and management. The staff should be given an opportunity to express their critical comments on the adopted motivation approaches. It would be advisable to periodically conduct anonymous surveys to identify the level of satisfaction of employees with remuneration conditions.

In the process of analyzing the main causes of conflicts in the organization, it was determined that a significant percentage of employees are not satisfied with the relationship with management. For this purpose it is proposed to conduct training to improve managerial competence.

5 Conclusions

The main task of training for improvement of managerial competence should be actualization of three groups of potential: personal; theoretical, methodological and practical (Table 1.)

Table 1. Updating of potentials in training participants.

Updating of potentials in training participants		
individual capacity	theoristic-methodological	practical capacity
adequate orientation and stylistic peculiarities of conducting negotiations at the expense of development of appropriate value-sense orientations and motivation, cognitive and prognostic abilities of the manager. communicative and organizational abilities, which allow to realize such main tasks as control, cognitive-evaluation; communicative and regulatory in the management	optimal "repertoire-role" diversity of behavior in the process of management, use of in-depth knowledge of regularities, mechanisms and difficulties of professional communication	use of "instrumental" opportunities for successful implementation of management activities through flexible application of knowledge, skills and competencies in management activities

The training programme may be based on principles specific to such forms of training:

- 1) short duration of existence (3-5 days, as an optimal variant of improving managerial competence);
- 2) climate of mutual trust, which stimulates participants to establish interpersonal relations that help them understand the processes taking place in the group. Creating a climate of trust ensures successful development and improvement of managerial competence among training participants and optimizes group work forms.

The main attitude ensuring the success of a manager's management activity should be the readiness to be oriented towards functional and operational tasks and executives, using all necessary knowledge and skills in the field of management, including management decision making. In the course of the training, group discussions and role-playing games should always be held, in which situations adequate to the content of management activities of the participants of the training should be used.

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