iJRASET
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# INTERNATIONAL JOURNAL FOR RESEARCH

IN APPLIED SCIENCE & ENGINEERING TECHNOLOGY

**Volume:** 9 **Issue:** XI **Month of publication:** November 2021

**DOI:** https://doi.org/10.22214/ijraset.2021.38551

www.ijraset.com

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International Journal for Research in Applied Science & Engineering Technology (IJRASET)
*ISSN: 2321-9653; IC Value: 45.98; SJ Impact Factor: 7.429*
*Volume 9 Issue XI Nov 2021- Available at www.ijraset.com*

# Role of a Strategic Management Team in Conflict Resolution: A Case Study of IKEA

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***Abstract:*** ***The thesis looked into and investigated the topic at hand as a case study of IKEA's strategic management team in dispute resolution. Organizational operations changes have a cascade effect on marketing and human resource management, undermining efforts at standardization and localization. Workplace disagreement can jeopardise organizational goals, leading to dysfunction and excessive competition. Workplace conflict must be addressed before it has a detrimental impact on team productivity and leads businesses to lose money. However, workplace disagreements can lead to the formation of positive relationships, peer learning, enhanced communication, new ideas, and increased motivation. We used transformational leadership theory to look at how senior account managers deal with conflict at work for this study. The thesis looked at IKEA's marketing techniques for forming a strategic management team to handle conflicts, and it was based on extensive research and accurate data.***

## I. INTRODUCTION

Internal crisis communication occurs when employees interpret and make sense of management's crisis communication. As a result, workers have gotten less attention in crisis communication research so far. Many contend, however, that employees should be viewed as a distinct audience that requires customized communication (Kang and Sung, 2017; Park et al., 2014). Its valuable characteristics include boundary-spanning duties including gathering, selecting, and conveying information from their surroundings to decision makers or other internal members of the company[2]. Organizational acts that cross boundaries are vital for every organisation, whether employees serve as positive or bad ambassadors (Frandsen and Johansen, 2016). Employees can become the most effective advocates for a firm when its reputation and communication methods (internal and external) improve (Kim and Rhee, 2011; Mazzei et al., 2012). Employees who don't communicate well can harm the company's reputation and turn them into harmful triggers (Kim et al., 2013). The merits and cons of information-seeking and -transmission practises are emphasised by ECBs (Kang and Sung, 2017; Kim and Rhee, 2011). As a result, successful crisis communication requires an awareness of employees and their communication styles (Mazzei et al., 2012).

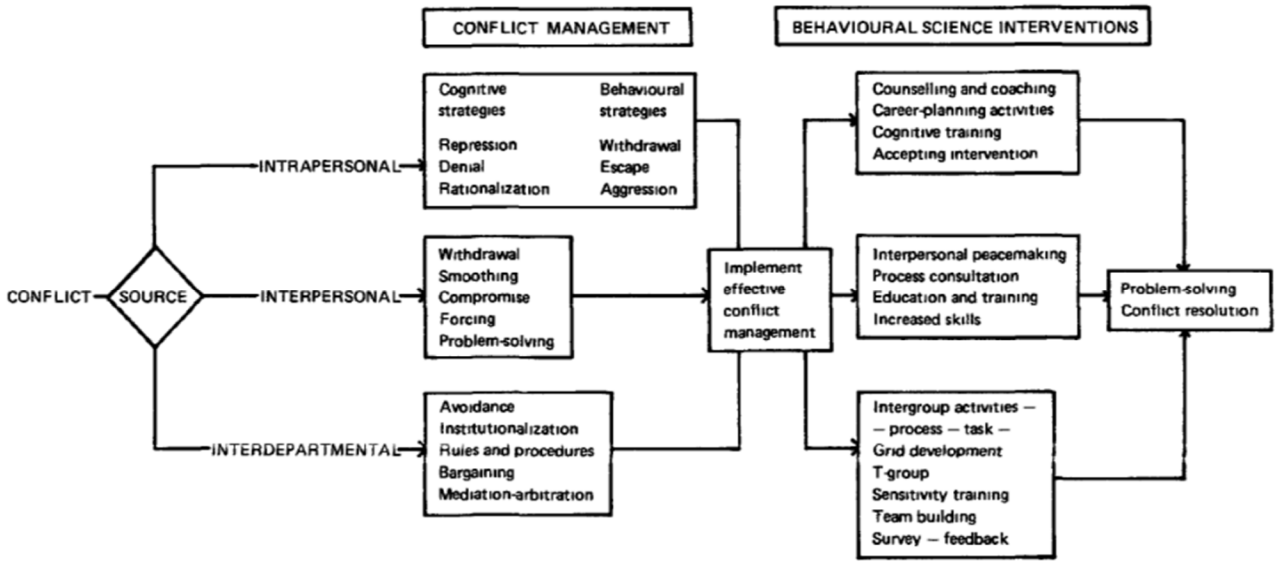


Figure 1 - Conflict Management

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## II. LITERATURE REVIEW

The influence of IKEA's debut into the Korean furniture market has been thoroughly researched. IKEA has yet to have a substantial impact on the Korean furniture market three years after launching its first local store. IKEA's future direction and strategy have also been limited in research. Globalisation and overseas expansion tactics used by IKEA, as well as design strategies and other domestic furniture industry-related studies, have all been studied. IKEA has been scrutinised in the United States since the turn of the millennium. Academic research looked at Ikea's growth history, product aims, and differentiated methods from the start in order for Ikea to be a domestic success, while the value opportunity (VO) analysis looked at the strategic contrasts between IKEA competitors in the great majority of European countries. Ikea's success as a domestic academic research institution is well documented. Park and Lee (2011) were able to better grasp IKEA's corporate ideology, as well as its design and marketing strategies, by studying the company's business plan. According to Kang, IKEA had multiple worldwide expansion instances and a corporate state in 2013 that included a study of Korean furniture market trends (2014).

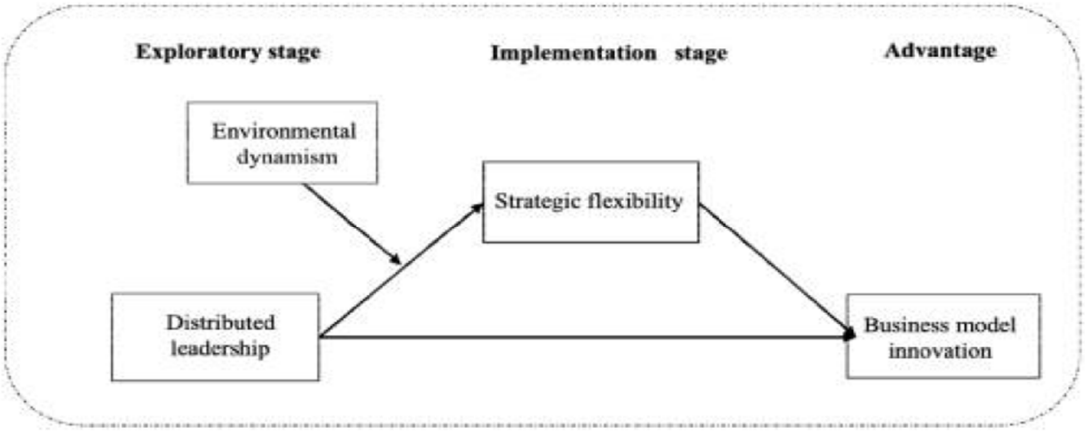


Figure 2 - Strategic Management Process

In addition to brand awareness, quality, affordability, and do-it-yourself and design, people were polled on five more factors. Kim (2014) initially looked at how IKEA differentiates itself in terms of design, production, and distribution for the purposes of this study. The distribution infrastructure of IKEA was found to be the weakest link in the chain. The product's design, materials, and hardware were all re-evaluated, as well as its overall quality and durability. Chae and Chung (2014) projected that IKEA would join the Korean market in a detailed assessment of the Korean furniture business and enterprises. Kim and Kim (2015) focused on the notions of standardisation and localization in their analysis of IKEA's entry strategy into the Korean market. IKEA has been unable to perform further research on how companies have actually responded because most studies offer a different explanation for the entire furniture industry.

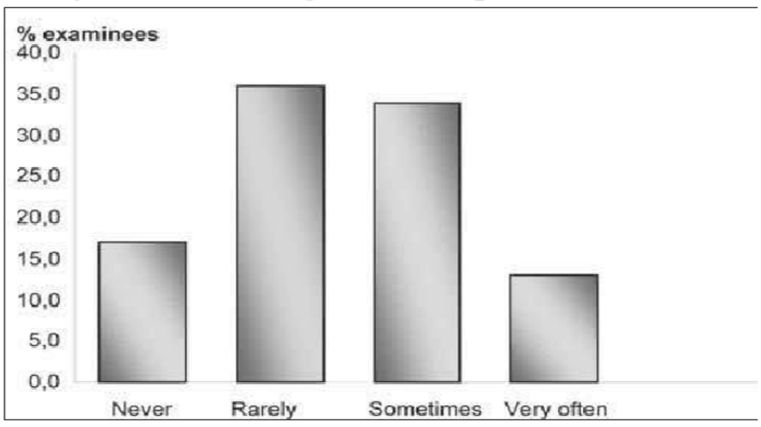


Figure 3 - Conflicts with Colleagues and Superiors Rate

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Employees want to know what's going on during a crisis, and they want their companies to offer accurate, full, and timely crisis information (Heide and Simonsson, 2014; Johansen et al., 2012). Employees may spread more rumours and make pessimistic statements as a result of a lack of reliable information and the resulting confusion (Falkheimer and Heide, 2015). Official sources (such as management) are frequently unable or unwilling to offer information, leading to the spread of rumors. Even if employees are given accurate and timely information, they may propagate rumours in an attempt to make sense of the disaster, particularly if their concerns are not taken seriously. Employees who are experiencing cognitive emotions and sensations as a result of a lack of competence or information are more likely to spread rumours in the event of a crisis, and their communication behaviours in crisis scenarios exacerbate the consequences (Frandsen and Johansen, 2011).

## III. RESEARCH METHODOLOGY

The importance of a strategic management team in resolving conflict was evaluated using a qualitative case study of IKEA. According to Kapoulas and Mitic (2012), interpretivism studies are well-suited to qualitative research methods. To gain a deeper understanding of the subject they're studying, qualitative researchers apply context-bound knowledge analysis (Guercini, 2014). In the words of Morse (2015), Guercini (2014) claims that when performing data analysis, researchers benefit from context-specific information rather than context-independent knowledge. A qualitative research method can be used by a researcher to focus on the experiences of a specific population in order to better understand a phenomenon (Lee, 2014). Finally, qualitative research triumphed over mixed-methods and quantitative research.

Heggestad et al (2015) used qualitative methodologies to expand the information base for better care of society's most vulnerable citizens. Members of the targeted demographic should be included in studies, according to Heggestad et al., in order to gain a better understanding of the population and provide better care. Patients who trust the healthcare system are less likely to experience stigma, shame, or secrecy, making them more likely to seek treatment. Scull et al. (2014) conducted a qualitative research study to better understand the perspectives of mental health patients in Kuwait's medical system. Researchers can use a qualitative technique to focus on a certain demographic while also drawing insights from people's tales and shared experiences (Marshall &Rossman, 2016). As I said earlier in the essay, this investigation does not require quantitative or mixed methods research. The qualitative approach, which fails to interpret human experiences, prioritises descriptive analysis above statistics and data quantification (Pugach Mukhopadhyay & Gomez-Najarro, 2014). (Letourneau, 2015). Quantitative research also includes the creation of a link between variables and the execution of particular investigations (Robinson, 2014). A hypothesis can be quantitatively verified or disproven (Madu, 2016). In mixed-method research, qualitative and quantitative approaches can coexist (Sparkes, 2015). Due to its quantitative properties, the hybrid technique was found to be less effective in this investigation. Qualitative research methodologies were best suited to the study's goal and key research issue.

## IV. RESULT

For an organization's success, constructive conflict resolution is critical. Despite how repulsive it is, some people continue to make resolution proposals. To deal with professional issues, you'll need conflict resolution skills as well as leadership and management abilities. In a disagreement, a person's assertiveness and cooperativeness can be used to define how they engage. People who are driven will go to great lengths to meet their own demands, but people who are cooperative will do their utmost to meet the needs of others as well. The many conflict-resolution possibilities are depicted in the diagram below.

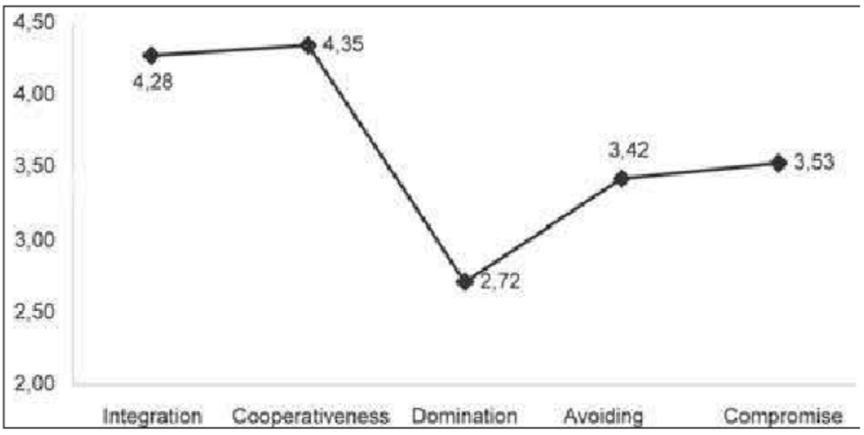


Figure 4 - Conflict Management Styles

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People can achieve three levels of skill with the help of training and coaching. If you can choose the most favourable technique to solve an issue, it relies on the circumstances. Avoid personality conflicts at all costs to save a company from going bankrupt. When people focus their time and energy on what they have in common rather than the cause of the problem, conflicts become personal. When someone feels annoyed with others, they will point fingers, lash out, and act in ways that are harmful to everyone. When there is a shortage of positive emotionality in the workplace, employee turnover rises. To address any conflict difficulties, the organization's management should use the appropriate conflict mode. You'll be held accountable for successfully executing the conflict-handling technique you've chosen as you progress through the proficiency levels. Conflict resolution programmes are designed to assist people in developing the collaborative problem-solving abilities needed to make sound decisions. The final competency level involves minimising your strategy's drawbacks. Managers who lack conflict management skills may view collision damage as normal or unavoidable, stating that "you have to break some eggs to make an omelette." Managers with greater experience have better ideas when it comes to lowering these costs. Managers can learn how to compete when appropriate, how to avoid problems without becoming avoidant, and so on.

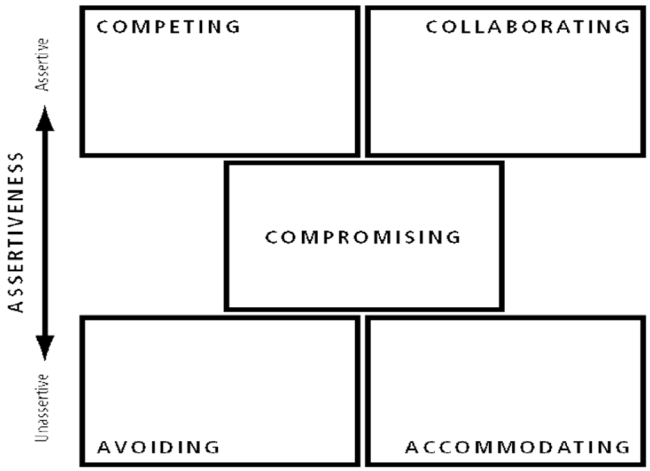


Figure 5 - Conflict Handling Modes

The manner in which top account managers deal with disagreement were investigated in this qualitative case study. Despite working for the same company, the volunteers were scattered across the country. They were all promoted to senior account managers as a consequence of their combined experience. Researchers discovered that during the implementation of conflict resolution processes, leaders must ensure cross-party collaboration, consider the impact of conflict on performance, include all parties in the conflict resolution process, and be aware of employee behaviour, pointing to best practises that can serve as a springboard for successful conflict management in the workplace when implementing cohesion. When it comes to settling disagreements, researchers discovered that leaders frequently turn to teamwork. Researchers discovered that overcoming disagreements through cooperation improved team communication from PT2 to PT8. For business executives, the most effective approach is one that encourages open communication and allows all parties to listen before reaching a decision.

Conflict has a negative impact on performance, according to the findings of this study. Before adopting a conflict resolution strategy, businesses should regularly examine conflicts and their implications for performance. This means that leaders should approach conflict resolution with the perspective that each circumstance is unique and that there is no such thing as a one-size-fits-all solution. Additionally, when designing a settlement strategy, corporate executives should consider and integrate the perspectives and ideas of all parties engaged in a dispute. A approach for resolving a conflict that incorporates input from all parties is more likely to be accepted, adopted, and successful. I'm able to extract and find the underlying cause by including everyone in the conflict management process. "Parties provide their settlement ideas, take the lead in implementing the agreed plan, and I serve as a facilitator." according to a study, employee behaviour is critical to the success of a procedure in resolving conflict. As a result, businesses must always be on the alert for unethical behaviour among their employees. The most difficult aspect of conflict resolution, according to PT4, is having to "babysit" the parties and ensure they stay on track with their targeted objectives. Supervisors should keep an eye on employee behaviour while a conflict resolution process is in action to ensure it is in line with the company's resolution strategy.

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Leaders can see where they need to make adjustments by observing their employees' actions. The precise behaviour demonstrated in an attempt to achieve those goals will determine which goals can be achieved. Recognizing these behaviours can assist CEOs in identifying aspects of their organisations that need to be improved, developed, or modified. According to the study's findings, business leaders should encourage more collaboration between disputing parties to improve performance, consider the impact of conflict on performance, include all parties in conflict resolution activities, and pay attention to employee behaviour during the resolution process, as well as the other points mentioned above.

## V. DISCUSSION

We sought to see if the DC theory of distributed leadership was linked to BMI (BMI). Only a few research have used BMI's antecedent elements to analyse the effectiveness of leadership patterns (e.g. Casadesus-Masanell and Zhu 2013). According to the findings, the study's wide leadership dispersion allows leaders the ability to alter BMI. When it comes to distributed leadership, however, strategic flexibility may have an indirect effect on BMI. When environmental dynamism was present, there was a positive link between distributed leadership and BMI. You've established the groundwork for learning how to apply BMI in your own organisation after studying how distributed leadership overcomes hurdles and resolves tensions to support BMI.

Genuine IKEA values, according to the company's founder, Ingvar Kamprad, include enthusiasm, the need to continually renew oneself, the readiness to assume responsibility and lend a hand, humility before one's duty, and simplicity in one's behaviour.

IKEA aspires to create a family-friendly working environment. As a result, there is no discernible organisational structure within the corporation. They have complete control over their work, but they must regularly come up with new and exciting ideas for the design team. Because of IKEA's dedication to sustainability and never-ending pursuit of excellence across the entire value chain, it is able to change the industry to better suit its long-term goals and ambitions. Because of its unique strategic position as the market's largest rival, IKEA has the advantage of determining the industry's phase. A company's culture encourages efficiency and cost-cutting, but not at the price of quality or service. The cost is a part of that culture.

Companies' executives should pay special attention to the differences among their employees and adjust their actions accordingly in order to maximise each employee's potential.... According to the findings of the study, people who follow leaders who view each follower as a person in dispute resolution have greater understanding, teamwork, and empathy. Knowing how and when to deliver stimuli to someone is critical to human progress if transformational leaders are those who can train their followers to be leaders. When attempting to overcome an undesired reaction, it's critical to remember that no two people are same.

It proposes that business leaders pay close attention to the differences among their employees and customise their activities to maximise each person's potential. This research reveals that when leaders treat each follower as a distinct individual in conflict resolution, followers show more empathy, understanding, and teamwork. It's all too easy to fall into the trap of using a one-size-fits-all approach to problem solutions. Knowing how and when to send stimuli to an individual in order to elicit the appropriate response is critical for leaders who can transform their followers into leaders. Recognize the differences between people as the first step in overcoming a negative reaction.

It implies that corporate executives pay close attention to the differences among their employees and adjust their activities to maximise each employee's abilities. It's easy to apply a one-size-fits-all approach to problem solving; however, the findings of this study show that when leaders treat each follower as a unique individual in conflict resolution, followers demonstrate greater understanding, cooperation, and empathy. Knowing how and when to send stimuli to an individual in order to elicit a desired reaction is a critical aspect of human growth if transformational leaders are those who can train their followers to be leaders. Understanding the differences between people is the first step in combating an unpleasant response.

## VI. CONCLUSION

Workplace conflict is common, according to Ayoko (2016), and it has a negative influence on employees. According to Jungst and Blumberg (2016), conflict causes relationships to break down, which has a negative impact on a team's and organization's effectiveness. While conflict is unavoidable, Babalola et al. (2016) discovered that how leaders deal with it influences the outcome. This qualitative case study was undertaken to learn how top account managers dealt with conflict. The participants in this study were senior account managers with at least three years of management experience from the New York City area, according to transformational leadership theory.

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According to the findings of this study, leaders choose teamwork as a way of dispute resolution. When choosing collaboration as a conflict management method, leaders must consider the impact of disagreement on performance and include all parties in the resolution process. To guarantee that the conflict management process is bought into and owned by all parties, all stakeholders involved in the process should be included. Finally, management must be aware of employee behaviour throughout the adoption of the conflict resolution mechanism. These studies claim that charismatic leadership is defined by idealised influence, inspirational motivation, intellectual stimulation, and individualised attention (2019). According to the findings and recommendations of the study, leaders should be aware of the costs of conflict to the health of their organisations at all times. This suggestion is quite important. Leaders should be aware that conflict has a cost. Any additional cost reduces profitability, which is what shareholders desire the most.

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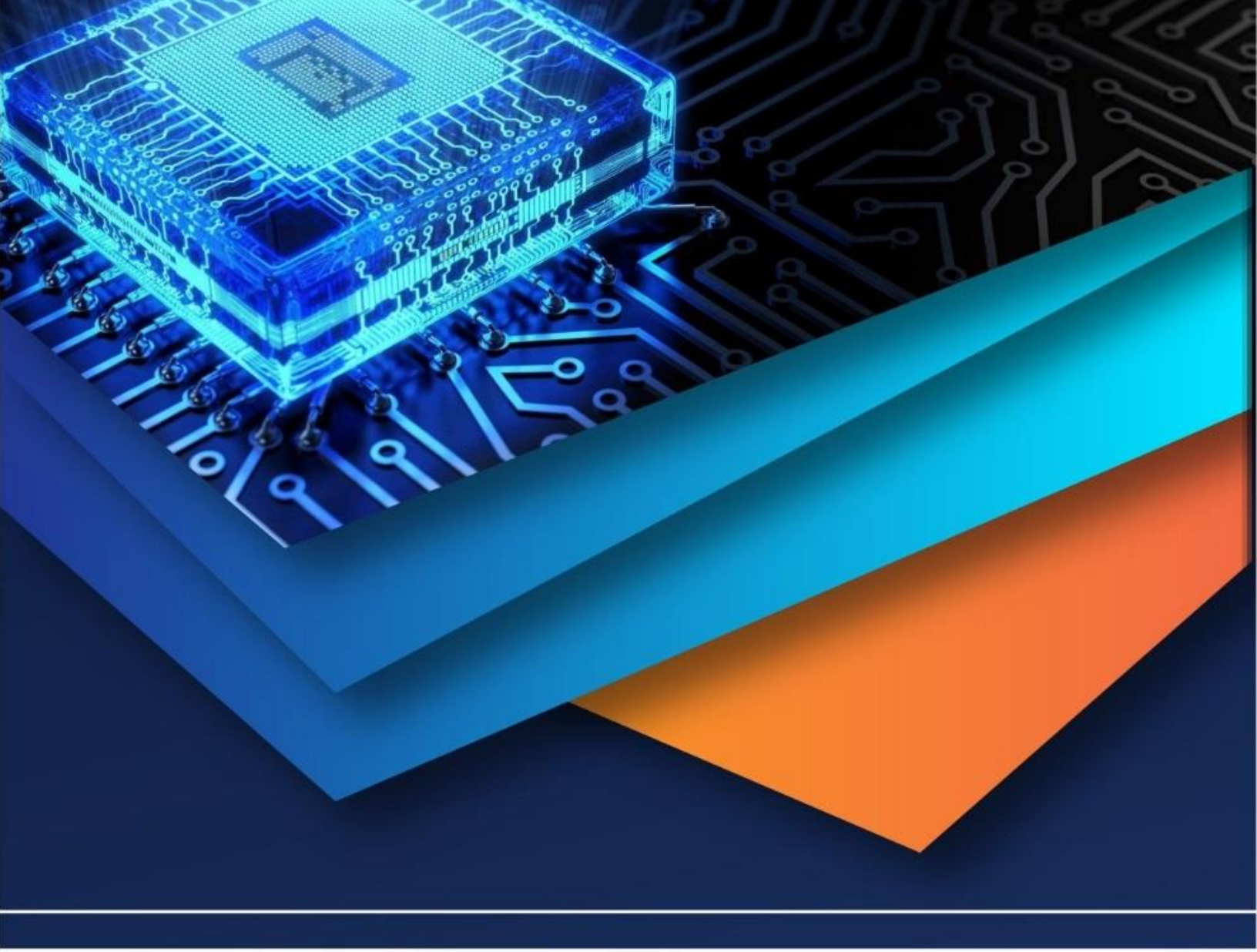

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