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CONFLICT MANAGEMENT STRATEGY IN WINERIES

Abstract

of a dissertation for the award of the educational and scientific degree "Doctor" in the scientific specialty Organization and Management of Production (by industries and sub-industries) at the Agricultural University - Plovdiv

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I. GENERAL CHARACTERISTICS OF THE DISSERTATION WORK

Conflicts occur in all institutions, social groups, and relationships between people. Different perceptions often lead people to disagree with each other. Disagreement arises when the situation is truly conflictual. Along with the concept of conflict, other related concepts are also used – hostility, rivalry, competition, crisis, competition, contradiction.

The wine sector as a market structure is subject to the principles of a market economy. This requires business organizations in this sector to compete for both resources and customers in the market, which leads to the frequent occurrence of internal structural conflicts, as well as conflicts between individual business organizations. The inclusion of our country in the Common Market for Wine and its full membership contributed to the accelerated development of the sector by providing financial assistance within the framework of the Common Agricultural Policy (CAP). There is increasing talk of unequal access to subsidies, which gives rise to a feeling of injustice and inequality. This conflict-generating factor has a strong impact on the management of business processes in wine-growing enterprises.

All these facts argue for the relevance of the topic of the dissertation research.

The main thesis of the dissertation work that is defended is that the emergence of conflicts in wine-growing enterprises is inevitable, which requires the strategic management of these conflicts by studying and controlling the main sources of conflicts. The main sources of conflicts in wine-growing enterprises are the motivation of the staff, the ethics and morale of the company's employees, the management style, the limited resources, the effectiveness of communications, the organizational form, the group dynamics of the teams, the system for stimulating the staff and the control system in the enterprise.

The goal The aim of the dissertation is to investigate the sources of conflicts in wine-growing enterprises and to propose tools for strategic conflict management in these business organizations.

The achievement of the set goal is achieved by solving the following research tasks:

- Studying conflict as a socio-economic category important for the strategic management of the enterprise;
- Development and testing of a scientifically based methodological approach for analyzing and assessing the sources of conflicts in wine-growing enterprises;
- Analysis and assessment of sources of conflicts in wine-growing enterprises;
- Diagnosing the state of the conflict-prone environment in which wine-growing enterprises operate;
- Formulation of a model for strategic conflict management in winemaking enterprises.

Research object for wine-growing enterprises registered on the territory of the Republic of Bulgaria, which are active at the time of conducting the survey.

Subject of study are all factors that are defined as sources of conflicts in winemaking enterprises.

The methods, which are used in organizing scientific research are:

- Systems analysis - it is a methodological and analytical process used to study, understand and optimize complex systems. This approach is used in various fields such as management, engineering, information technology, business, social sciences and others, where systems are important for understanding and solving problems. Here are some basic aspects of systems analysis: (1) System identification: The first step in systems analysis is to define the specific system to be studied. This involves identifying the components of the system and their interactions; (2) Structure analysis: Systems analysis analyzes the structure of the system, including how the various components, processes and flows in the system are related; (3) Function assessment: It evaluates how the system performs its functions and objectives. This analysis involves identifying the goals and requirements of the system and how they are aligned with the actual results; (4) Modeling: In order to understand the behavior of the system, models are used that represent the various aspects of the system and their interactions. These models can be mathematical, graphical, computer or other; (5) Analysis of the impact of changes: The analysis also focuses on how various changes to the system can affect its functioning and results; (6) Recommendations and solutions: The system analysis ends with the formulation of recommendations and solutions for improving or optimizing the system. These solutions may include changes in structure, processes, technology and management; (7) Implementation and monitoring: Once decisions are made, their implementation must be monitored and followed up to ensure that the system is functioning as planned.

Systems analysis is a powerful tool for analyzing and managing complex systems such as conflict and can help understand their structure, functioning, and how they can be improved. It is particularly useful in situations where an interdisciplinary approach and collaboration between different specialists are required.

- **Situational analysis.** This is a method for assessing and understanding the current state or context of a conflict situation, organization, project, or problem. This type of analysis helps individuals and organizations gain a clearer understanding of the conflict-causing factors that affect them and make informed decisions.

- **Diagnostic analysis.** This is a method used in many different fields to determine problems, malfunctions, or anomalies in a system, process, or situation. This type of analysis plays an important role in identifying and resolving problems and provides information that can be used to take action.

- **Statistical methods.** These methods are used to investigate the properties of the studied population and test research hypotheses;

- **The constructive method in management** refers to an approach to solving problems and achieving goals through cooperation, communication, and creating a positive work environment. This method focuses on cooperation rather than conflict and confrontation, and strives to achieve consensus and constructive solutions. **Communication and Listening:** An important element of the constructive method is active listening and open communication between all participants. This includes the ability to express opinions and suggestions, as well as the willingness to feel and understand the points of view of others.

Exploring alternative solutions: Instead of focusing on just one solution, the constructive method encourages exploring different alternatives and possibilities. This helps in finding an optimal and satisfactory solution.

Conflict Management: Every management process can encounter conflicts. Rather than avoiding or ignoring them, the constructive method prefers to view conflicts as an opportunity to build better solutions through dialogue and compromise.

Support for innovation and creativity: The constructivist method encourages innovation and creativity as a means to achieve better results. It creates a climate in which people can propose new ideas and explore innovative approaches.

Managing Emotions: Emotions play an important role in the work environment and in human interaction. The constructive method encourages the management of emotions to avoid unnecessary conflicts and improve work efficiency.

Supporting diversity and inclusion: The constructivist method promotes diversity and inclusion by creating opportunities for all participants, regardless of their gender, race, religion, or other characteristics.

This method is used in management to create an efficient and productive work process that encourages collaboration and innovation. It is based on the idea that constructive solutions and approaches have a greater potential for success compared to destructive conflicts and negative interactions.

Research period - 3 years. The indicators characterizing the condition of the studied objects cover the period from 2021 to 2023.

Sources of information –Data from our own survey and personal interviews with company employees were used.

II. DISSERTATION STRUCTURE

The dissertation consists of an introduction, an exposition in three chapters, a conclusion and references. The dissertation has a total volume of 134 pages. The analysis in the dissertation research is illustrated by 2 tables and 45 figures.

Introduction

This part of the dissertation presents the reasons for choosing the topic, as well as the arguments that defend the necessity and relevance of the dissertation research. A brief summary of the factors determining conflicts in business organizations and in particular in wine-growing enterprises in Bulgaria is presented.

Chapter One. Methodological approach for analyzing and managing conflicts in wine-growing enterprises

In this part of the dissertation, a literary analysis of the factors determining the occurrence of conflicts in business is made. The holistic nature of the conflict as a phenomenon in these business organizations is studied. The conflict is the subject of research both from the side of psychology and from

the theory of business management. In this part of the dissertation, we strive to determine the nature of the conflict as a phenomenon and process, based on basic statements in psychology and the theory of business management. The first chapter includes the following points:

1. Nature of the conflict
2. Strategic conflict management
3. Methodological approach to organizing scientific research

Chapter Two. Analysis of the Sources of Conflict in Winemaking Enterprises

This chapter of the dissertation presents the main findings regarding the sources of conflicts in the studied enterprises based on the conducted survey. A total of 10 factors were analyzed, which are included in the analytical model of the study.

Chapter Three. Strategic Analysis of Factors and Definition of a Model for Strategic Conflict Management in Wine-Growing Enterprises

In this part of the dissertation, a strategic analysis of the sources of conflicts in the studied enterprises is carried out. After that, a strategy for managing conflicts in wine-growing enterprises is profiled and guidelines for managing conflicts in these organizations are given.

Conclusion

This part summarizes the main conclusions from the research conducted and provides a forecast for the methods and approaches for managing conflicts in wine-growing enterprises in the future.

III. METHODOLOGICAL APPROACH TO THE DISSERTATION WORK

The purpose of the chosen methodological approach is to collect information about the sources of conflicts in wine-growing enterprises, through logical synthesis and analysis to reveal the objective factors that impact the conflict management process, and to present a model for the analysis and prevention of conflicts in this type of business organizations.

1. Analytical model for analyzing sources of conflicts in winemaking enterprises

It has already become clear that conflict is a complex and complex socio-economic category. This causes difficulties in determining the tools for its assessment. In the specialized literature there is no unified opinion on the number and composition of indicators for determining the factors that are sources of conflict. This stems mainly from the differences in the opinions of the authors about the nature and direction of the impact of these factors on the conflict as a process. Some of the researchers of the problem, such as Thamrin (2012)¹, Forbes (1999)², McCall (2002)³ determine that the main factor that is the genesis of conflict in the business organization is the motivation of the staff. Managers who do not care enough about the increase in the motivation of all company employees may find themselves in conflict situations that hinder the effectiveness of management. Another source of conflict is the ethics and morality that management professes in the business organization. According to Hill (1996)⁴, Javed (2017)⁵, Khan (2013)⁶, McCortney (2003)⁷, Meriec (2015)⁸ This is a critical factor that creates conflicts in business organizations. In business organizations, people with different structures of moral values and ethics clash, which inevitably leads to the emergence of conflicts, a cause for demotivation of the staff as a whole.

¹Thamrin, HM, 2012. The influence of transformational leadership and organizational commitment on job satisfaction and employee performance. *Int. J. Innova. Manag. Technol.* 3 (5).

²Forbes, DP, & Milliken, FJ (1999). Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups. *Academy of Management Review*, 24(3), 489-505.

³McColl-Kennedy, JR, Anderson, RD, 2002. Impact of leadership style and emotions on subordinate performance. *Leader. Q.* 13 (5), 545–559.

⁴Hill, RB, 1996. Historical Context of the Work Ethic. University of Georgia at Athens.

⁵Javed, B., Bashir, S., Rawwas, MYA, Arjoon, S., 2017. Islamic Work Ethic, innovative

⁶Khan, K., Abbas, M., Gul, A., Raja, U., 2013. Organizational justice and job outcomes: moderating role of Islamic work ethic. *J. Bus. Ethics* 126 (2), 235–246.

⁷McCortney, AL, Engels, DW, 2003. Revisiting the work ethic in America. *Career Dev. Q.* 52 (2), 132–140.

⁸Meriac, JP, 2015. Examining relationships among work ethic, academic motivation and performance. *Educ. Psychol.* 35 (5), 523–540

Motivation is a “function of leadership style”⁹, which is imposed by managers in business organizations. “With an inadequate leadership style on the part of management, conditions may arise for the emergence of conflict in the business organization”¹⁰“Managers who do not take into account the situation in the business organization more often find themselves in conflict situations”¹¹.

Another critical factor that creates conflict in business organizations is resource constraints. “With these constraints, individual teams, departments, or company employees often compete to complete assigned tasks.”¹².

Other researchers of the problem link the emergence of conflicts in the business organization to the way company employees communicate with each other. “The way of communication and the communication networks in business organizations can produce noise that distorts the information and thus makes it invalid until the final addressee.”¹³. This information distortion can lead to conflicts both between individual departments and between individual teams in the business organization. Therefore, in some of the large international companies, “building effective communication channels and networks is one of the priorities for achieving efficiency in human resource management”¹⁴This approach seeks to minimize the cases in which conflict may arise based on information distortion.

Another important factor that can systematically “influence the frequency of conflicts in a business organization is the functioning organizational and management structure (OMS)”¹⁵A number of studies prove that the “more complex the management system, the more often there will be prerequisites for the emergence of functional conflicts in the corporation”¹⁶In more complex OSS, it is more difficult to observe the principle of single command, which prevents the effective delegation of responsibilities and tracking of the “chain of command”. Very often, a company employee may find himself in a situation where tasks are delegated to him by different functional managers, which can lead to the emergence of conflicts.

Group dynamics, is also indicated as a factor, creating conditions for the emergence of conflicts in the business organization. According to Goodstein (1994)¹⁷group dynamics encompasses - group size, composition, group norms - cohesion, unanimity, etc., conflict, status, functional roles of associates, maturity of teams). These are characteristics that can be conditions for the emergence of conflicts in the business organization.

⁹Frijns, B., Dodd, O., & Cimerova, H. (2016). The impact of cultural diversity in corporate boards on firm performance. *Journal of Corporate Finance*, 41, 521-541.

¹⁰Lee, PKC, Cheng, TCE, Yeung, ACL, Lai, K. hung., 2011. An empirical study of transformational leadership, team performance and service quality in retail banks. *Omega* 39 (6), 690–701.

¹¹McColl-Kennedy, JR, Anderson, RD, 2002. Impact of leadership style and emotions on subordinate performance. *Leader. Q.* 13 (5), 545–559.

¹²Paais, M., Pattiruhu, JR, 2020. Effect of motivation, leadership, and organizational culture on satisfaction and employee performance. *J. Asian Finan. Econom. Bus.* 7 (8), 577–588.

¹³Rosette, AS, & Tost, LP (2010). Agentic women and communal leadership: How role prescriptions confer advantage to top women leaders. *Journal of Applied Psychology*, 95(2), 221-235.

¹⁴Peterson, RS, Smith, DB, Martorana, PV, Owens, PD, 2003. The impact of chief executive officer personality on top management team dynamics: one mechanism by which leadership affects organizational performance. *J. Appl. Psychol.* 88 (5), 795–808.

¹⁵McColl-Kennedy, JR, Anderson, RD, 2002. Impact of leadership style and emotions on subordinate performance. *Leader. Q.* 13 (5), 545–559.

¹⁶Gibson, C., & Vermeulen, F. (2003). A healthy divide: Subgroups as a stimulus for team learning behavior. *Administrative Science Quarterly*, 48(2), 202-239.

¹⁷Goodstein, J., Gautam, K., & Boeker, W. (1994). The effects of board size and diversity on strategic change. *Strategic Management Journal*, 15(3), 241-250.

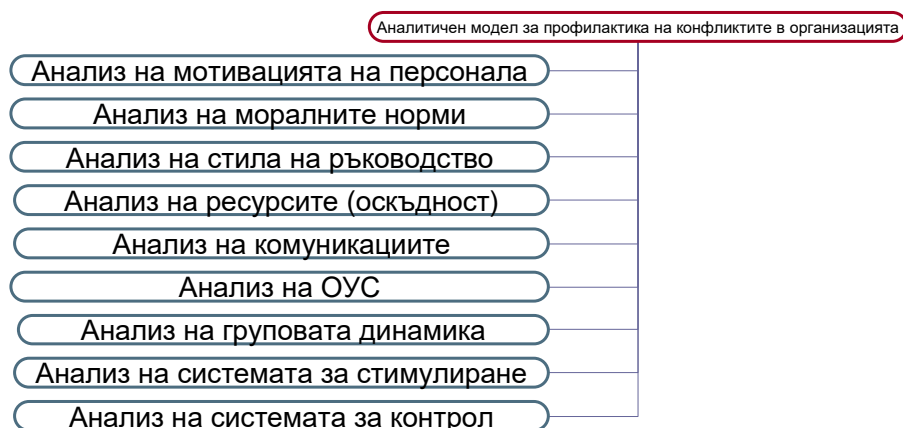


Figure 1. Analytical model for analysis and prevention of conflicts in wine-growing enterprises. Source: Own.

Other studies indicate that "the system for stimulating (motivating) personnel in the organization can be a cause of conflicts."¹⁸In business organizations where the staff incentive system is based on the principle of competition between employees, conflicts often arise and managers need to have skills in managing them.

One of the important functions of management is control. Without it, the business organization loses its direction of development, managers cannot measure deviations from the set goals for the organizational development of the company. "The control system determines the ability of personnel to "cheat", and thereby create conditions for conflicts in work teams"¹⁹.

All factors considered so far can be defined as conflict-generating in wine-growing enterprises. By integrating them into a generalizing model, an approach can be created for the analysis and prevention of conflicts in wine-growing enterprises. This model is presented in Figure 4 and is used as the main algorithm for studying the sources of conflicts in wine-growing enterprises. The presented model is based on 9 building blocks, the purpose of which is to generate information for the purposes of the analysis.

Staff motivation as a source of conflict. "Motivation is "the process of creating an internal drive for action that results from a complex set of needs"²⁰. Motivation is the process of encouraging oneself and others to engage in activities that lead to the achievement of personal goals. Motivation is a complex process. "It is based on the existence of unmet needs in people."²¹, i.e. the starting point for the motivational process is the presence of an unsatisfied need. It triggers goal-directed behavior in the individual, aimed at satisfying it. In this building block, the objects of analysis are:

¹⁸O'Reilly, C., 1989. Corporations, culture, and commitment: motivation and social control in organizations. Calif. Manag. Rev. 31 (4), 9–25.

¹⁹O'Reilly, C., 1989. Corporations, culture, and commitment: motivation and social control in organizations. Calif. Manag. Rev. 31 (4), 9–25.

²⁰Angelov A. Fundamentals of Management. Trakia Publishing House – M, Sofia, 1998.

²¹Bencheva N. Fundamentals of Business Management. Academic Publishing House of the University of Plovdiv, 2009.

- What are the factors determining motivation?
- To what extent is the staff motivated?
- What mostly determines staff motivation?
- What is the motivation system in the organization?
- What are the sources of motivation?

Мотивационен процес

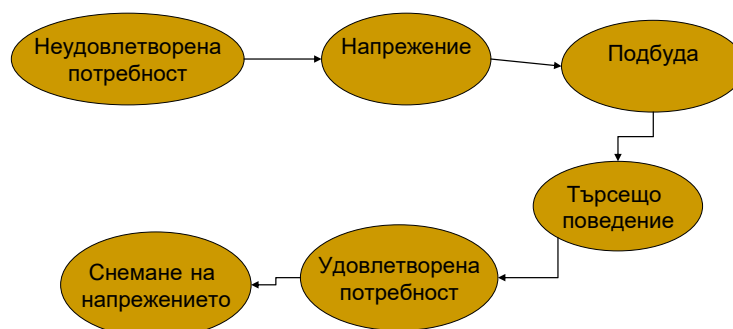


Figure 2. Essence of the motivational process in wine-growing enterprises. Source: Own.

Motivation is an internal or external influence that prompts a person to act, achieve goals, or pursue certain values. It can be a driving force that stimulates a person's behavior and directs him or her towards achieving certain goals or tasks. There are the following aspects of motivation:

- Intrinsic motivation: This is motivation that comes from an internal sense of satisfaction when a person achieves a certain goal or completes a certain task. For example, someone may be intrinsically motivated to study because they are interested in the learning material and feel satisfied by the learning itself.
- Extrinsic motivation: This is motivation that comes from external factors, such as rewards, recognition, or punishments. For example, someone may be extrinsically motivated to work hard because they expect a promotion or bonus.
- Social motivation: This is motivation that comes from social interactions and interactions with other people. For example, the desire to be accepted and approved by others can be a strong motivating factor.
- Biological motivation: This is motivation that comes from biological needs, such as hunger, thirst, sleep, etc. These physiological needs direct a person towards actions that seek to satisfy them.

Leadership style as a source of conflict. Leadership style is "a set of methods, a form of interaction between the manager and other management and executive staff, as well as a manner of working determined by certain personal qualities of the manager"²²In this building block of the presented model, the following elements are subject to analysis:

- What is the leadership style?;
- How does it affect the motivation of staff in the organization?
- Leadership style refers to the way in which leaders interact with their employees or teams and manage their tasks and activities. There are different leadership styles, and they may include the following:

²²Angelov A. Fundamentals of Management. Trakia Publishing House – M, Sofia, 1998.

- Autocratic style: In this style, the leader makes decisions alone and provides little or no freedom for his or her employees to participate in the decision-making process. This style is often associated with a highly centralized hierarchical structure and is used when quick and efficient decision-making is required.
- Democratic style: In this style, the leader seeks to involve employees in the decision-making process and gather their opinions and ideas. The democratic leader encourages teamwork and collaboration within the team.
- Transformational style: This leadership style focuses on motivating and inspiring employees to achieve higher goals and develop their potential. The leader actively works with the team to stimulate them to innovate and implement ambitious projects.
- Transactional style: This style is based on the exchange of resources and rewards between the manager and employees. The transactional manager encourages the performance of tasks in exchange for reward or other incentives.
- Collaborative style: This style emphasizes collaboration and shared decision-making between the leader and employees. It seeks to combine democratic and transformational elements, encouraging active participation and collaboration within the team.

Leadership style can be adapted depending on the specific situation, organizational goals, and team needs. Some leaders prefer to combine different styles depending on the circumstances to achieve the best results.

The leadership style of each manager is individual and unique. Each style has its advantages and disadvantages in terms of the effectiveness of the organization's management.

Resource scarcity as a source of conflict. The resources of the business organization are limited. "This determines their distribution across different production alternatives and places management in a condition of choice."²³ The objects of analysis in this building block are:

- Scarcity of resources?
- How are resources allocated in the organization?

By collecting the necessary information, the aim is to establish to what extent the limitedness of production factors is the cause of conflicts in the winemaking enterprise.

The ethics and morals of company employees as a source of conflicts. Ethics has to do with the principles that determine what behavior is right and what is wrong. "Just as an individual possesses certain ethics and morals, so an organization is characterized by certain ethics and morals."²⁴ But it represents a diverse set of people. All actions and decisions of the staff shape the ethics and morals of the organization. The morals of the leaders in an organization also determine its leadership style. The object of analysis in this building block of the proposed model are the following elements:

- What are the ethics of management?
- What are the ethics and morals of company employees?

Communications as a source of conflict. "Half of a manager's time is spent communicating"²⁵. Most managers believe that information exchange is one of the most complex problems in any organization. Effective managers are those who are effective in communication. The following elements are the subject of analysis in this building block:

- How effective is the communication system in the organization?
- Is there any feedback?
- Are there any barriers to communication?
- Is it possible to distort information?
- "Main reasons for the deterioration of the effectiveness of the communication process are:
- Existence of semantic barriers;
- Non-verbal barriers;

²³Borisov, P., T. Radev. Business Planning, "Letera" Publishing House, Plovdiv, 2009. p. 214

²⁴Hill, RB, 1996. Historical Context of the Work Ethic. University of Georgia at Athens.

²⁵Lee, PKC, Cheng, TCE, Yeung, ACL, Lai, K. hung., 2011. An empirical study of transformational leadership, team performance and service quality in retail banks. Omega 39 (6), 690–701.

- Bad feedback
- Inability to listen;
- Information overload;
- Distortion of messages;
- Poor organizational structure."²⁶

Organizational structure as a source of conflicts. "It represents a structural set of functionally integrated organizational units, their management relationships, order and subordination"²⁷The organizational structure should be entirely oriented towards achieving the organization's goals. The objects of analysis in this building block are:

- Job specialization;
- Departmentalization;
- Controllability rate;
- Delegation of powers;
- Degree of centralization and decentralization

Group dynamics as a source of conflict. Group dynamics are a combination of the following factors: size, composition, group norms, cohesion, conflict, status and functional roles of its members. The objects of analysis are:

- What are the group norms of formal and informal groups?
- Are there informal groups in the organization and who are their leaders?

Group dynamics refers to the processes and interactions that occur within a group of people. These processes include communication, interaction, influence, decisions, and conflict. Group dynamics can be very diverse and complex and are studied in a variety of contexts, including work teams, study groups, community organizations, and other communities.

Some of the key aspects of group dynamics include:

Roles: In a group, each participant often plays a specific role. Roles can be formal (e.g., leader or secretary) or informal (e.g., humorist or conflict mediator). Roles can change over time and depending on the situation.

Leadership: Group dynamics can be greatly influenced by the group leader. The leader may be formally or informally elected and can influence the motivation, goals, and actions of the group.

Communication: Effective communication is a key aspect of group dynamics. Not only what is said, but also how it is said, when it is said, and by whom it is said, plays an important role in group interaction.

Conflicts: Conflicts can arise in any group and can be positive (by stimulating new ideas and innovation) or negative (by leading to division and disagreement). Managing conflict is an important part of group dynamics.

Norms and values: A group often develops certain norms (accepted rules and expectations for behavior) and values (beliefs and ideas that are important to the group). These can influence the group's interactions and decisions.

Decision making: Group dynamics play a role in the group decision-making process. This involves gathering information, analyzing options, and reaching a consensus or making a decision through voting.

Group dynamics are a complex and dynamic process that can be studied and managed. Understanding these aspects of group dynamics can help leaders and group participants achieve better results and improve their cooperation and interaction.

The personnel incentive system as a source of conflicts. The object of analysis in this building block of the presented model are the following elements:

- How is remuneration formed in the company?
- Working conditions;
- Career development;

²⁶Borisov, P., T. Radev. Business Planning, "Letera" Publishing House, Plovdiv, 2009. p. 214.

²⁷Bencheva N. Fundamentals of Business Management. Academic Publishing House of the University of Plovdiv, 2009.

- Social benefits.
- According to the theory of personnel expectations, it is based on three key components:
- Expectancy: This refers to an individual's belief that if they put in the effort, they can achieve the desired outcome. It is important for the individual to believe that their efforts will lead to a successful outcome.
- Instrumentality: This component refers to the individual's belief that a successful outcome will lead to the desired reward or incentive. That is, the individual must believe that achieving the desired outcome will reward them in some way, such as a promotion, bonus, or recognition.
- Valence: This is the value or desire of the individual to receive the specific reward. This component reflects the individual's personal values and preferences, and how important it is to them to receive the specific reward.

According to the theory of personnel expectations, an individual's motivation is determined by the multiplication of these three components:

Motivation = Expectancy x Instrumentality x Valence

If any of the components is low or zero, then the individual's motivation will be reduced. This theory encourages organizations to create clear and achievable links between employee efforts, results, and rewards in order to motivate their staff more effectively.

The control system as a source of conflict. It is a process that ensures the achievement of the organization's goals. The controlling process consists of:

- Establishing standards;
- Measuring the actual results achieved;
- Making corrective decisions.

The object of analysis for this building block is:

- How are standards established?
- How are results measured?
- How are decisions made?

2. Organization of the study

Place for conducting the dissertation research. The territorial scope of the study is the South Central Region of the Republic of Bulgaria.

Sample formation. The source for forming the sample was the register of the National Chamber of Vine and Wine - Sofia, which lists all registered wine-growing enterprises as of December 31, 2020. The resulting general population consists of 10,767 wine-producing enterprises. The sample was formed using the simple random sampling method, with the constituent units selected through non-returnable selection. The sample size is 55 wine-growing enterprises.

Identifying and engaging stakeholders in the research. Stakeholder analysis and engagement is a necessary process to ensure the objectivity of scientific research. This process occurs through the implementation of the following phases:²⁸:

- Phase 1: Identification: locating and contacting relevant groups, organizations and people who are stakeholders;
- Phase 2: Analyze: understanding stakeholders' perspectives and interests;
- Phase 3: Mapping: visualizing the connections to goals within the group as well as with other stakeholders;

Relevant stakeholders could be:

- Managers from different levels of management in wine-growing enterprises;
- Company associates who work in teams or departments in winemaking enterprises.

²⁸Borisov, P., D. Nikolov, T. Radev (2020). Methodological approach for mapping and attracting stakeholders in the digitalization of the agricultural sector. *Agricultural Economics and Management* 2020, 65, 25-32.

- Consultants in the field of human resources management;
- Owners of wine-growing enterprises;
- Teachers and researchers in the field of conflict management.

Structure of survey cards. To study the status, problems and prospects for conflict management in wine-growing enterprises, we have developed a questionnaire containing 45 questions, grouped into 4 sections - general characteristics of the business unit, conflict-generating factors in the activity, company finances and company personnel.

The first group gives the most general idea of the studied objects, but at the same time provides an opportunity for their classification according to the specified characteristics (economic and legal form, origin of capital, year of business start and number of personnel).

The next module in the survey aims to collect information for analysis and assessment of the sources of conflicts in the winemaking enterprise.

Questions related to company finances seek answers to trends in financial indicators that provide insight into the functioning of the enterprise. The aim is to analyze the financial framework within which managers develop the organizational development of wine-growing enterprises and the emergence of conflicts.

The company's personnel is an extremely important factor in the emergence and management of conflicts in the wine-growing enterprise.

We believe that the questionnaire developed in this way covers all the main aspects of conflict management in the winemaking enterprise within the established research framework.

Conducting the field study. The study was conducted in May and June 2022, visiting 55 sites and obtaining data from them on questions included in the survey. One manager and one company employee were surveyed from each site. The total number of respondents who answered the questionnaire was 110 company employees and managers.

The choice of the period for conducting the survey is in line with staff employment. During this part of the year, it is the weakest, therefore the possibility of responsiveness on the part of the respondents is greater.

3. An approach to formulating a conflict management strategy in winemaking enterprises

Using a survey approach, the expert opinion of employees working in the wine-growing enterprise is sought regarding the sources of conflicts and the potential for dealing with them. The main tool for this purpose is the matrices presented below. Through the survey matrices filled in by employees in the organization, priorities are determined among multiple factors influencing the results, the source of conflict and the potential of the group. This is shown in the summarized "Survey matrix for assessing the sources of conflicts in the organization" – see Figure 3

фактор \ резултат	Мотивация	Етика и морал	Стил на ръководство	Ограниченост на ресурсите	Комуникиране	Вид организационна структура	Групова динамика	Система за стимулиране на персонала	Система за контрол
Мотивация									
Етика и морал									
Стил на ръководство									
Ограниченост на ресурсите									
Комуникиране									
Вид организационна структура									
Групова динамика									
Система за стимулиране на персонала									
Система за контрол									

0 - няма връзка
1 - има връзка
2 - връзката е значима

	Източник на конфликт	Потенциал на групата
Мотивация		
Етика и морал		
Стил на ръководство		
Ограниченост на ресурсите		
Комуникиране		
Вид организационна структура		
Групова динамика		
Система за стимулиране		
Система за контрол		

0 - не
1 - да

Figure 3. Questionnaire matrix for assessing sources of conflict in the organization. Source: Own.

The individuals who completed the matrix see in their own way how the organization's potential and the source of conflict influence the opportunities it has.

Once the determinants (sources) of conflicts are established, strategic solutions for the prevention and management of conflicts in wine-growing enterprises are sought through field research.

The results of the empirical analysis determine what are the determinants of conflicts in the studied organizations, the potential for resolving conflicts in the studied organizations and the possibilities for resolving these conflicts in the future. These elements are filled in a matrix called the map of strategic decisions for conflict management (see Figure 3). It is used to emphasize the ways (alternatives) for managing conflicts in the wine-growing enterprise in order to achieve sustainable competitiveness.

By applying the expert assessment method, the most significant strategic decisions in the matrix are ranked. The role of experts in evaluating strategic decisions for conflict management in the winemaking enterprise is played by the managers themselves, who will initiate and manage the change.

the enterprise for successful conflict management. The organization of the expert assessment itself includes the following: instructing the experts (managers/specialists) on how to express their expert opinion; choosing and applying an assessment scale; explaining the essence of the strategic map and carrying out the expert assessment itself by the respondents.

Each expert independently fills in the specially created strategic map of conflict management. In this map, the respondent assesses the interaction of potential and determinants with respect to the proposed solutions for conflict management. The expert uses a 4-point rating scale, which contains the following grades: 0 – no interaction, 1 – weak interaction, 2 – strong interaction and 3 – very strong interaction between the studied factors.

Two types of interactions between the factors in the matrix are studied as follows: (1) interaction between the potential of the wine-growing enterprise and the identified opportunities (solutions). In this connection of research, an answer is sought to the question: to what extent the identified potential can be used to implement the identified solutions for conflict management in the wine-growing enterprise; (2) interaction between the determinants of conflicts and the solutions for conflict management in the wine-growing enterprise.

The next stage of conflict management strategizing is to summarize the results of the expert assessment. The individually completed matrices (strategic decision maps) by each respondent are aggregated into a generalized super-matrix, which is a map of the summarized results of the expert assessment. In the "Sum" row, the individual assessments in the cells by columns of the matrix are summed up. This row identifies the most significant solutions for conflict management in wineries. The higher the sum for the respective solution, the more significant it is according to the experts. In the "Sum" column, the individual assessments in the cells by rows of the matrix are listed. This column identifies the most significant potentials (for conflict management) and determinants (of conflicts) that can be used to manage conflicts in the wineries. The higher the sum for the respective potential or determinant, the more significant they are according to the experts. By compiling the super-matrix, two beneficial effects are achieved – (1) the direction of future conflict prevention in the enterprise is determined and (2) a set of alternative strategies for managing conflicts in the wine-growing enterprise is identified. The factors defined as determinants of conflicts are perceived as obstacles and their elimination is the task of the management, which will initiate and manage the change.

The expert assessment organized in this way aims to determine the most significant potentials of enterprises.

Strategic Decisions Map		OPPORTUNITIES (SOLUTIONS)				
						Sum of the ratings in the rows
ORGANIZATIONAL POTENTIAL FOR CONFLICT MANAGEMENT						
DETERMINANTS OF CONFLICT						
	Sum of the ratings in the columns					

Figure 4. Map of strategic solutions for conflict management in the winemaking enterprise. Own interpretation.

4. Methodological approach to proving the conceptual thesis of the dissertation work

The conceptual thesis of the dissertation work "the emergence of conflicts in wine-growing enterprises is inevitable, which requires the strategic management of these conflicts by studying and controlling the main sources of conflicts. The main sources of conflicts in wine-growing enterprises are the motivation of the staff, the ethics and morale of the company's employees, the management style, the limited resources, the effectiveness of communications, the organizational form, the group dynamics of the teams, the system for stimulating the staff and the control system in the enterprise."

The conceptual thesis of the dissertation is proven using the statistical hypothesis tree method and the application of chi-square analysis.

Table 1 shows the scheme of the statistical hypotheses that were put forward for testing with a view to proving or rejecting the main thesis.

The chi-square (χ^2) test is a statistical technique used to assess the degree of association between two categorical variables in a data set. It is primarily used in the context of correlation analysis and independence analysis. The purpose of the chi-square test is to determine whether observed differences between expected and actual values are statistically significant.

Table1. Scheme of the statistical hypotheses raised for testing. Own.

Source of conflict in the winemaking enterprise	Null hypothesis	An alternative hypothesis
Motivation	Motivation does not systematically influence the occurrence of conflicts in the enterprise	Motivation systematically influences the emergence of conflicts in the enterprise
Ethics and morality	The ethics and morals of company employees do not systematically influence the occurrence of conflicts in the enterprise	The ethics and morals of company employees systematically influence the emergence of conflicts in the enterprise
Leadership style	The leadership style of managers does not systematically influence the occurrence of conflicts in the enterprise	The leadership style of managers systematically influences the emergence of conflicts in the enterprise
Communicating	Communications in the enterprise do not systematically influence the occurrence of conflicts among personnel	Communications in the enterprise systematically influence the emergence of conflicts among personnel
Type of DSS	The type of management system does not systematically influence the occurrence of conflicts in the enterprise	The type of management system systematically influences the occurrence of conflicts in the enterprise
Group dynamics	Group dynamics of teams do not systematically influence the occurrence of conflicts in the enterprise	Group dynamics of teams systematically influence the emergence of conflicts in the enterprise
Staff incentive system	The personnel incentive system does not systematically influence the occurrence of conflicts in the enterprise	The personnel incentive system systematically influences the emergence of conflicts in the enterprise
Control system	The personnel control system does not systematically influence the occurrence of conflicts in the enterprise	The personnel control system systematically influences the occurrence of conflicts in the enterprise

This test applies to categorical data, meaning that variables are divided into categories or groups. Chi-square application algorithm:

- 1) Creating a null and alternative hypothesis: Null hypothesis (H0): There is no statistically significant relationship between two variables. Alternative hypothesis (H1): There is a statistically significant relationship between two variables.
- 2) Create a table of observed frequencies: This table contains the number of observations for all combinations of categories of two variables.
- 3) Calculation of expected frequencies: These are calculated based on the null hypothesis and show how often we would expect to see observations in each combination of categories if there was no statistical relationship between the variables.
- 4) Calculation of the chi-square statistic: This statistic is calculated as the sum of the squares of the differences between the observed and expected frequencies, normalized to the expected frequencies.
- 5) Estimating the degrees of freedom: The number of degrees of freedom in the chi-square test depends on the number of categories and the sample size.
- 6) Assessing statistical significance: By comparing the value of the chi-square statistic with the critical value from the chi-square distribution or by using statistical software, we can decide whether to reject the null hypothesis in favor of the alternative. If the chi-square statistic is greater than the critical value, then this can be interpreted as the presence of a statistically significant relationship

between the variables. If it is smaller, there is not enough evidence that there is a statistically significant relationship.

The values of χ^2 empirical and χ^2 theoretical distribution are reflected in the appendix, with the estimates made at a confidence level of - $\alpha = 0.05$. To determine the strength of the relationship between the studied factors in the statistical model, the Cramer coefficient is used.

IV. ANALYSIS OF SURVEY DATA

Analysis of staff motivation. The first building block of the presented analytical model for analyzing the sources of conflicts in wine-growing enterprises is "staff motivation". One of the working hypotheses based on this element of the analysis is, that staff motivation can be a source of conflicts in the studied set of enterprises.

The survey aims to collect information regarding the state of the factors that determine the motivation of personnel in wine-growing enterprises. The data from the survey is presented in Figure 5. According to the data, the salary is the most pronounced factor that shapes the motivation of workers in wine-growing enterprises - 25% of the total surveyed company employees define this as a fact. Next is the "conditions for career development", 19% of the total surveyed persons indicate this as the main motivating factor.



Figure 5. Analysis of the factors motivating personnel in wine-growing enterprises. (data are in %, it is possible to indicate more than one answer to this question in the survey) Source: Own survey among 55 company employees from the surveyed enterprises, 2023.

The opportunities for additional remuneration for working in the company is the third most important motivational factor – 15% of respondents indicate it as such. In addition, company employees indicate that the management style is also one of the motivating factors in the company, 14% of total respondents indicated this answer in the questionnaires.

More than half of the company's employees (50.9%) state that their motivation to work in the company is high and they feel confident that they will show "good" results under the established working conditions in the company.(see Fig. 6). The share of low-motivated employees is not small – 29.1% of respondents feel this way. The remaining 20% define their motivation as average. The main reasons for low motivation according to these 20% are the following:

- Insufficient payment for the work done. This part of the surveyed workers believes that the payment does not correspond to the efforts made by them and the management does not give an adequate assessment for the work done by them;
- The frequent changes in operational goals and tasks that they must follow and fulfill.

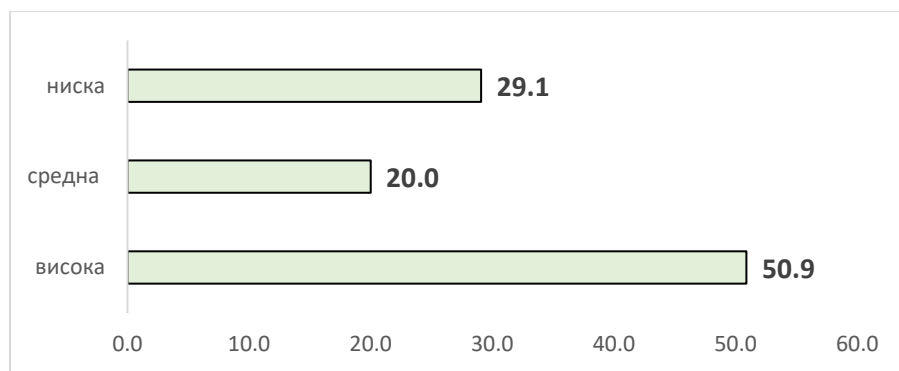


Figure 6. Motivation of workers in wine-growing enterprises. Source: Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

One of the factors that determines the levels of motivation in a business organization is the concern for the relationship between the company employee and the other employees in the team. According to the results of the survey, 60% of the respondents indicated that they strive to cooperate with their colleagues and thus achieve company goals. Another 27.3% stated that they strive to compete with their colleagues, considering this behavior profitable in the environment in which they find themselves.

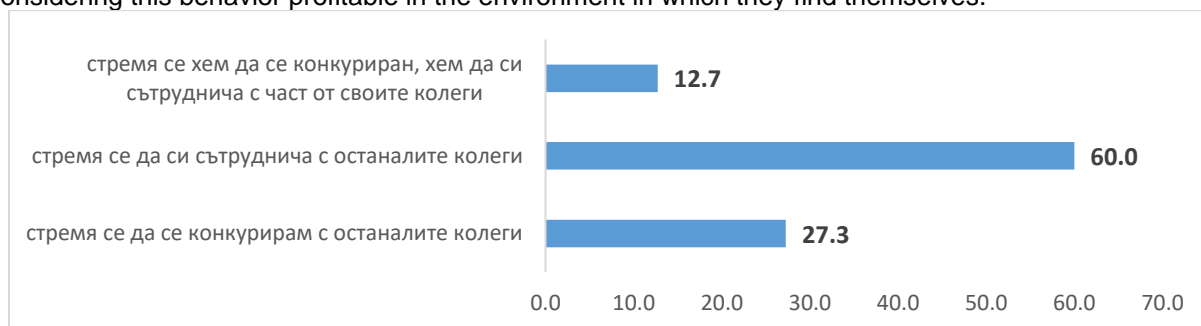


Figure 7. Behavioral strategies of company employees when working in a team. Source: Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

The choice of a certain behavior by the company employee when working in a team is determined to some extent by the way the remuneration is formed in the business organization. In a management hierarchy that encourages the achievement of individual results, company employees are more likely to compete, which leads to more frequent conflicts in the organization. That is why the way the remuneration is formed is included as an element of analysis in the conducted study. According to the collected data, 63.6% of company employees indicate that their remuneration is determined on the basis of the result obtained from the assigned tasks during the working month (see Fig. 8).

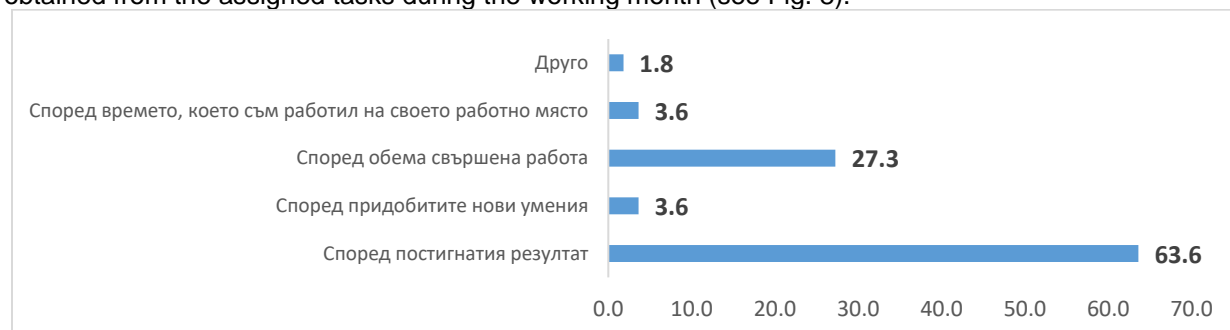


Figure 8. Ways of forming remuneration in the surveyed wine-growing enterprises. Source: Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

Another 27.3% of the respondents stated that their remuneration is determined by the volume of work done. For each month worked, they receive a different remuneration, which depends on the amount

of work done. In these wine-growing enterprises, standard working hours are applied, in which the remuneration is determined based on a labor norm for the volume of work performed. Only for 3.6% of the surveyed company employees, the remuneration is determined by what new skills they have acquired in the enterprise, i.e. their remuneration is directly dependent on the acquired and developed qualifications. Another 3.6% declare that the remuneration is determined based on a labor norm for time, i.e. on the time spent at the workplace.

More than half of the respondents (50.5%) believe that the imposed principle of forming their remuneration is fair.

Through personal interviews with company employees, the following factors arising from staff motivation, which are sources of conflict, have been identified:

- Discrepancy between staff expectations regarding remuneration and the remuneration received. All other things being equal, this determines lower motivation to work in the enterprise;
- Competition between individual specialists in the enterprise for resources with which to perform delegated tasks often gives rise to conflicts and negative emotions;
- The leadership style is not adequate to the environment in which the company's associates and teams develop. The company's associates point out as a fact that their direct supervisors do not support and/or understand them when they encounter difficulties in performing the delegated tasks.

Analysis of moral norms. The discrepancy in the moral norms of company associates can often be one of the main sources of conflicts in the business organization. In 100% of the surveyed wine-growing enterprises, the development strategy is for them to continue operating in the “light” sector. The development vision is subordinated to the idea of occupying a competitive niche through the implementation of competitive strategies that refer to the reaction of the main competitors. Company associates in the majority of the surveyed enterprises (75%) state that they follow the mission of the organization and work purposefully to achieve it. A significant proportion of respondents state that they often have to exhibit opportunistic behavior in their work with their colleagues and direct managers – 33.3% of respondents state this as a fact. A major factor that influences the morale of the company employee and the team as a whole is the group dynamics – 85.5% of respondents declare that they comply with the group norm and are afraid to deviate from it if it is not fair in their opinion. The maturity of the teams is another important factor that determines the morale of the company employees. Over 75% of respondents state that the teams in which they work have clearly defined roles and they effectively perform them. Of all respondents, 10% declare that their idea of how to perform the tasks that managers have delegated differs from the one imposed by the team. This makes them less motivated to work in this team.

The following conclusions can be summarized regarding the moral norms of company employees in wine-growing enterprises:

- The majority of the staff support the management's decisions and systematically follow the organization's mission;
- Good manners are rarely violated and everyone strives to behave professionally in the event of conflicts of various nature;
- The moral norms of the company employee are subordinate to the group norm, which also determines the behavior of the individual in the group.

Analysis of leadership style. Another factor that has been presented as a potential source of conflicts in wineries is the management style. Figure 9 provides information on the management styles applied in the wineries studied.



Figure 9. Leadership styles in the surveyed wine-growing enterprises. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

The data show that according to 54.5% of the surveyed company associates, a diplomatic style of leadership is imposed in their companies. Next in importance is the authoritarian style of leadership – 27.3% of the surveyed persons declare that this style is leading in their organizations. Only 9.1% of the surveyed persons declare that the democratic style of leadership is imposed in their companies, in which the company associate has wide freedom of action in solving problems in his work.

In the next module of questions in the questionnaire, we aim to identify the main qualities of managers when imposing their chosen leadership style.

In Figure 10 The company associates' assessment of the personal qualities of their direct supervisors is presented. The results show that the main quality that company associates value most in their direct supervisors is their ability to be leaders in management – 34.8% of respondents indicated this quality as possessed by their supervisors.

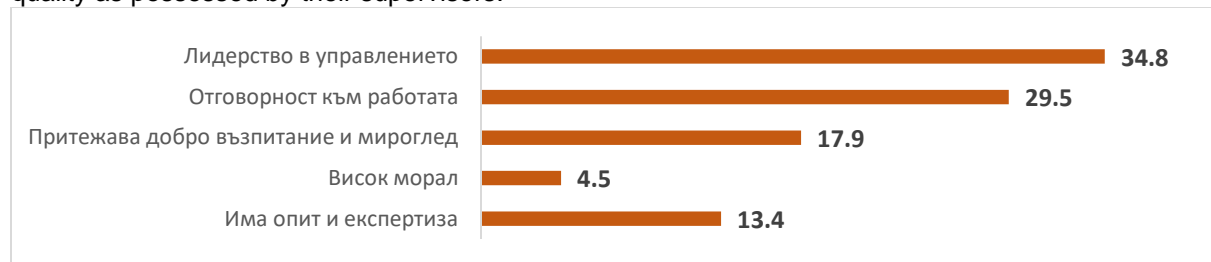


Figure 10. Assessment of the personal qualities of managers of wine-growing enterprises. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

Another part of the respondents – 29.5% indicate that responsibility towards work is one of the qualities that their direct managers possess. In addition to responsibility towards work, managers in the surveyed enterprises demonstrate good manners when working with their subordinates – 17.9% of the surveyed company associates indicate this quality as important in their work with their managers and the latter possess it. The accumulated experience and expertise is also indicated as a critical factor in the work of company associates with their managers. Of all the respondents – 13.4% state that their direct managers possess this quality.

When conducting a literature analysis of the opinions of researchers regarding the main sources of conflicts in the business organization, it became clear that failure to comply with the principle of single leadership can create a conflict situation in the business organization. The choice of leadership style needs to be oriented towards compliance with this principle. The survey conducted shows that the majority of managers comply with the principle of single leadership, 61.1% of the surveyed company employees declare this as a fact.



Figure 11. Is the principle of single leadership observed by managers in the enterprise? Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

33.3% of the surveyed employees stated that the leadership style in their company is not subject to following the principle of single leadership. And 5.6% of the surveyed employees stated that they cannot determine and do not express a competent opinion.

Another factor that is part of the group of conflict-generating factors is the management of time for the implementation of delegated tasks. The survey conducted shows that the time for the implementation

of tasks that the direct supervisor has delegated is sufficient – 50% of the surveyed employees have the feeling that the time is moderately specified in terms of duration by their supervisors (see Fig. 11). Another 30% declare that the time for the implementation of delegated tasks is sufficient. Only 9.1% of the surveyed company employees state that the time for the implementation of delegated tasks is extremely insufficient and this leads to problems and conflicts in the work team.

As a result of the personal interviews conducted, the following generalizations and conclusions were established regarding the management style as a factor causing conflicts in the enterprise:

- Failure to comply with the principle of unity of command often leads to confusion or competition between assigned tasks by different line managers, which leads to inefficiency in the work of company employees and the accumulation of negative emotions from the situation;
- The imposition of an authoritarian management style in some of the surveyed enterprises is a cause of ineffective feedback and polarization of the positions of company employees and their direct managers, which often requires the former to "cheat" in performing their daily duties;
- Some of the surveyed employees feel pressure when performing their daily tasks, caused by the short deadlines for completing the tasks set by management.

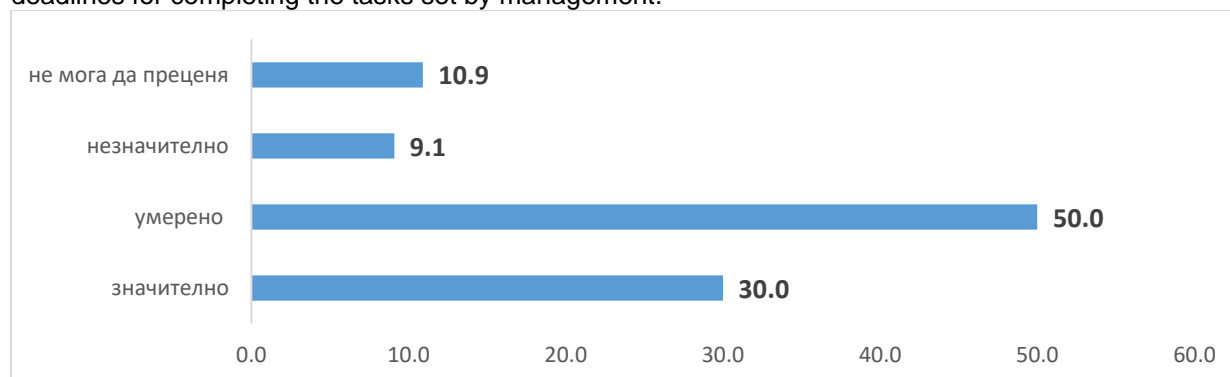


Figure 11. Answers to the question "Is there enough time to complete the assigned tasks?" Own survey among 55 company employees from the surveyed enterprises, (%), 2023

Resource scarcity analysis. Deficits in terms of resource security of production are indicated as one of the sources of conflicts in the organization. This part of the analysis tracks the resource security of wine-growing enterprises.

From the survey conducted among 55 managers of wine-growing enterprises, it becomes clear that the enterprises are experiencing a moderate scarcity of resources used in production – 50% of the surveyed managers declare this (see Figure 12). Another 30% of the managers are of the opinion that the scarcity of resources is significant and they are encountering difficulties in organizing production. They point out the main factor for this situation as the COVID 19 pandemic, which initially interrupted supplies, and subsequently the rhythm of these supplies.

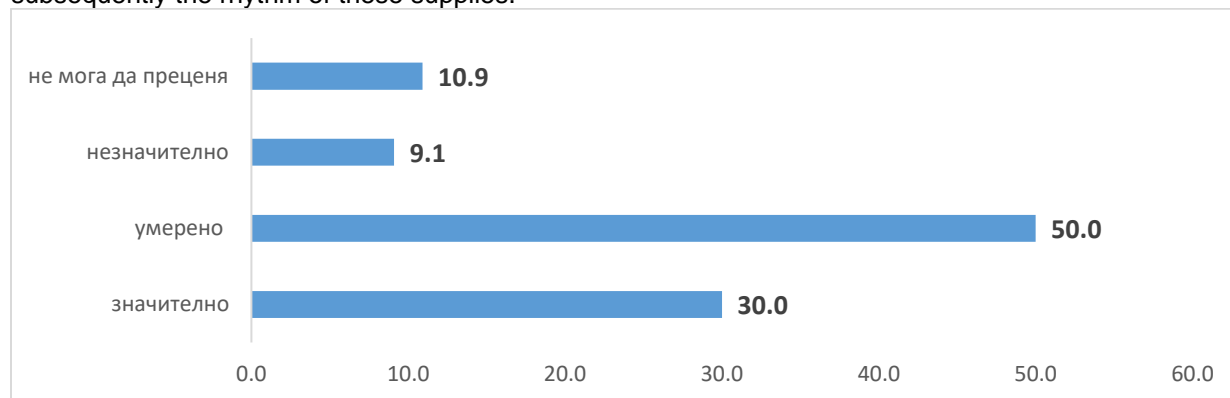


Figure 12. Assessment of the resource security of wine-growing enterprises. Own survey among 55 managers from the surveyed enterprises, (%), 2023.

The next question in the questionnaire aims to collect information about the most susceptible resources in wine-growing enterprises.

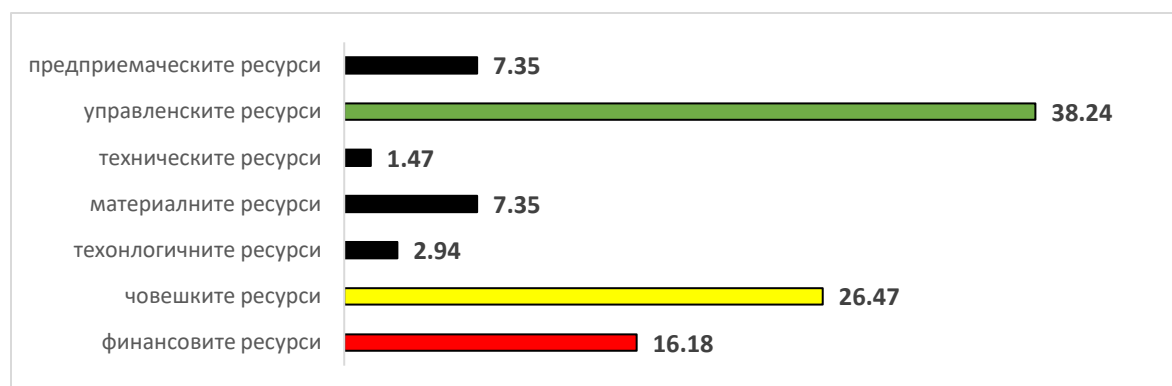


Figure 13. Assessment of resource scarcity by individual groups in wine-growing enterprises. Own survey among 55 managers from the surveyed enterprises, (%), 2023.

Figure 13 shows the managers' assessment of the scarcity of the types of resources involved in production. The data show that managerial resources are the most clearly expressed scarcity in the industry – 38.24% of the surveyed managers state this. In addition to them, human resources are another highly limited resource – 26.47% of the surveyed managers declare that the lack of personnel creates difficulties for them in managing the enterprise. This requires additional tasks to be delegated to the staff, who are overloaded and this leads to numerous problems and conflicts in the work teams.

Another scarce resource is the finances needed to organize production in wine-growing enterprises - 16.18% of surveyed managers declare that this is a critical factor in their management.

One way to deal with the objective scarcity of production resources is their substitution. In the absence of one resource, the manager can resort to using an alternative one, as long as this leads to an acceptable effect.

Each substitution of production resources is determined by the capabilities of the technology used in production. According to the field study in Winemaking enterprises use technologies that enable managers to replace one resource with another.

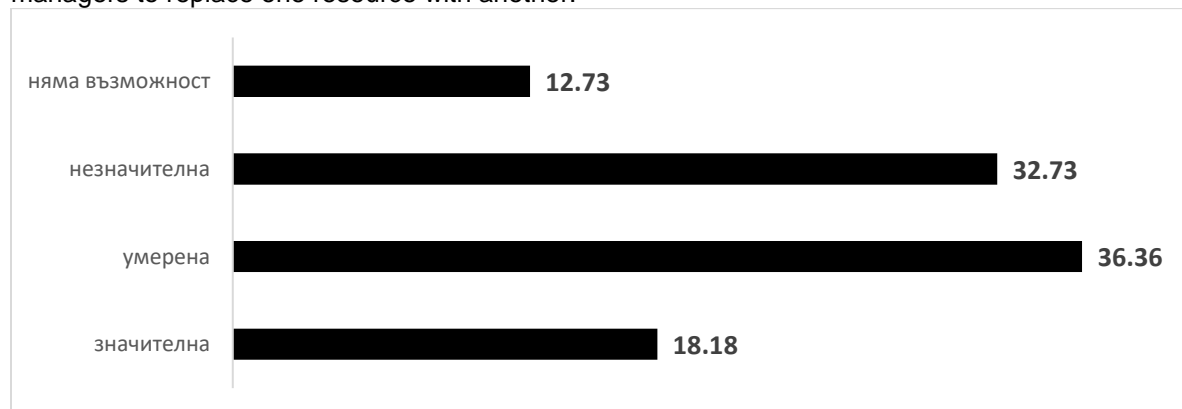


Figure 14. Assessment of the substitution of one resource for another in the production of wine-growing enterprises. Own survey among 55 managers from the surveyed enterprises, (%), 2023.

Of all the managers surveyed, 36.4% stated that in their enterprises the possibility of replacing one scarce resource with another is moderate (see Fig. 14). Another 18.18% stated that technology provides a significant opportunity to implement substitution of the resources used. The share of managers who declare that production technology does not allow them to replace one resource with another, which creates significant problems for them in ensuring production needs, is also not small.

The pronounced scarcity of resources also gives rise to competition among company employees in their utilization within the enterprise. Internal competition for resources can very often be a factor in the

emergence of intergroup conflicts – conflicts between individual units, teams or departments within the enterprise.

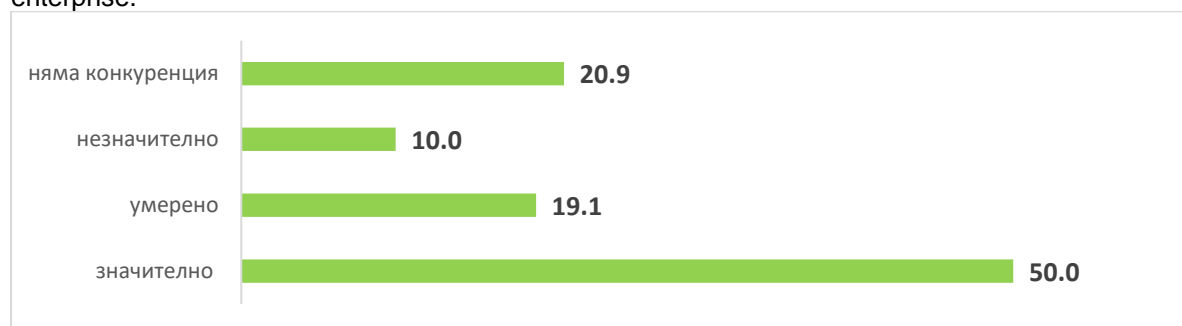


Figure 15. Assessment of competition in terms of resource allocation in wine-growing enterprises. Own survey among 55 managers from the surveyed enterprises, (%), 2023.

Figure 15 shows the managers' assessment of the degree of competition in the allocation of company resources. According to 50% of the surveyed managers, competition within the enterprises in the allocation of resources is significant. Another 19.1% state that competition is moderate. The data shows that there is competition between departments in the allocation of resources in wine-growing enterprises. Only 20.9% of the surveyed managers are of the opinion that there is no competition in the internal allocation of resources in the enterprise.

As a result of the analysis carried out on the element "resource scarcity", the following findings and conclusions can be made:

- In wine-growing enterprises, production technologies are used that allow for the substitution of resources. In this way, managers are able to manage resource availability in enterprises more flexibly;
- One of the scarcest resources in wine-growing enterprises is management and human resources. This scarcity gives rise to conflicts in the studied enterprises;
- There is a noticeable internal competition regarding the allocation of resources in wine-growing enterprises. This competition determines the emergence of conflict situations and crises in management.

Communications analysis. As already mentioned, communications and their distortion in the business organization create conditions for the emergence of conflicts among company employees. The next module of questions in the questionnaire aims to collect information about the effectiveness of communications between company employees in wine-growing enterprises.

In Figure 16 The company associates' assessment of the effectiveness of communications established in the surveyed wineries is given.

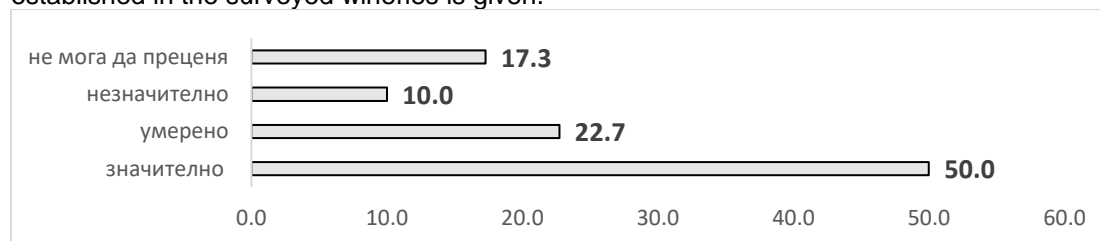


Figure 16. Assessment of communication effectiveness among company employees. Own survey among 55 company employees from the surveyed companies, (%), 2023.

50% of the surveyed company employees have observed a "significant" assessment of the effectiveness of communications in the enterprise. In these enterprises, the communication networks work effectively and the appearance of noise in the communication channel is minimized. Another 22.7% of the respondents state that the effectiveness of communications is moderate and does not lead to significant distortion of the transmitted and received information between the individual teams, departments and

functional units in the enterprise. It is noted that 17.3% of the respondents have no idea what the effectiveness of the communication process in the enterprise is.

Another important element of communication effectiveness in the effectiveness of the feedback between the person performing the tasks and the person delegating them is the most important factor in the wine-growing and wine-growing enterprise. The results of the survey show that, in general, there is effective feedback in the wine-growing enterprises – 63.6% of the surveyed company associates indicate this as a fact.



Figure 17. Answers to the question "Is there effective feedback between subordinate and supervisor?". Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

One of the factors for effective communication is the speed with which the immediate supervisor responds to problems that his subordinates have shared with him.

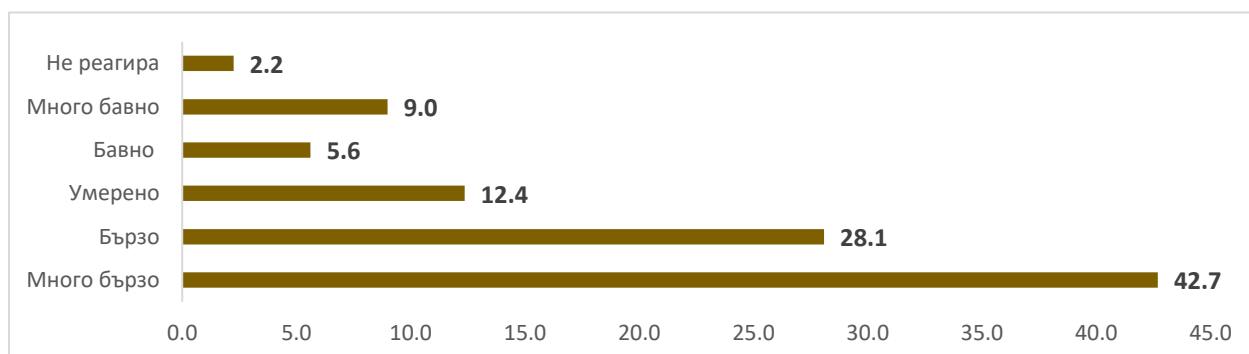


Figure 18. Assessment of the reaction of managers in their communication with their subordinates. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

Figure 18 shows the staff's assessment of their direct supervisor's response to communication with them. The results show that direct supervisors respond quickly to shared problems from their company associates – 42.7% of respondents indicated that managers respond very quickly. Another 28.1% declared that managers respond quickly in their communication with them. Only 9.0% of respondents stated that their direct supervisors respond very slowly in their communication with them.

The next factor that was analyzed was the means of communication used by company employees in wine-growing enterprises. Figure 26 provides information on the status of this factor.

The data shows that managers most often prefer to delegate tasks and communicate with their subordinates through the method of personal instructions – 30.9% of company employees state that this is how communication in the work team occurs. In addition to personal instructions, another preferred means is a phone conversation – 29.3% of respondents indicate this method.

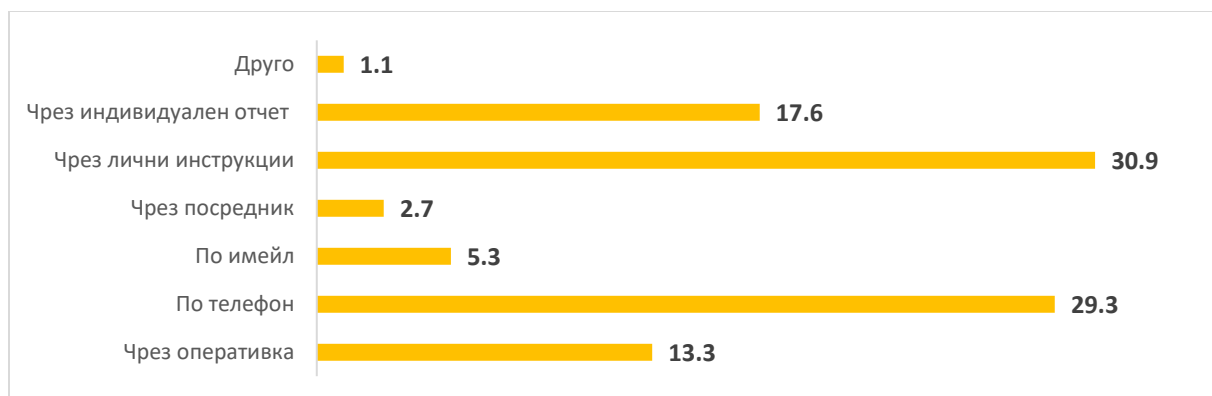


Figure 19. Means of communication in wine-growing enterprises. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

Other popular means of communication are individual reports of company employees and the operational report, respectively, the first means is used according to 17.6% of respondents, and the second according to 13.3% of respondents.

Another factor that was analyzed is the barriers to effective communication in wine-growing enterprises. Figure 20 provides information about these barriers. According to the surveyed employees, the main reasons that are an obstacle to communication are the physical distance caused by the restrictive measures in the context of the pandemic - 24% of the respondents point out this and the inability of other colleagues to listen - again 24% of the respondents indicate this as a fact. A part of the respondents (16%) stated that they encounter misunderstanding in communicating with other colleagues and believe that this is a significant barrier in the communication process in the organization.



Figure 20. Barriers hindering effective communication in wine-growing enterprises. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

The following findings and conclusions could be drawn from the survey conducted on communications as a source of conflict:

- In general, there is effective communication in wine-growing enterprises and this factor can rarely be defined as a source of conflict between individual teams, departments and divisions of the enterprise;
- There is feedback between a subordinate and a direct supervisor, with the majority of respondents stating that it is effective, i.e. it leads to useful results in daily communication;
- Using the approach of personal instruction of company associates is one of the main ones that managers in wine-growing enterprises use in pursuit of effective communication in the organization of work.

Analysis of the organizational and management structure. The next element of the analytical model for analyzing conflicts in wine-growing enterprises is the influence of the management system on the frequency of conflicts in the organization.

Figure 21 presents information on the types of OSS used in the surveyed enterprises. The data show that the most preferred OSS is the one based on the functional principle – 38.2% of the surveyed company associates indicate this type, which is prevalent in their enterprise.



Figure 21. Assessment of the type of OSH in the surveyed wine-growing enterprises. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

Another preferred form is the linear-staff one, according to 27.3% of the surveyed employees. In addition, the linear structure is also defined as dominant, 23.6% indicate that this type of management system is used in their enterprises.

The choice of a management system is determined based on the company's development goals and business strategy. Whether management will form and resort to a specific type or another depends on how effective the management system will be in pursuing the chosen company goals.

Figure 22 shows the assessment of company employees regarding the principles used in the formation of the management system in their enterprises. According to 60% of respondents, the functional principle is the one that is mainly embedded in the management system. Another 27.3% stated that their management is based on the product principle. Only 1.8% of the surveyed enterprises work on a project principle. These data prove that wine-growing enterprises are mostly complex management structures and therefore it is necessary for their management systems to be based on the functional principle.



Figure 22. Principles of establishing a management system in wine-growing enterprises. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

Besides the fact that the functional principle is leading in the management systems of wine-growing enterprises, the strong concentration of power in the upper echelon of management is a fact. This is evident from the data presented in Figure 30.

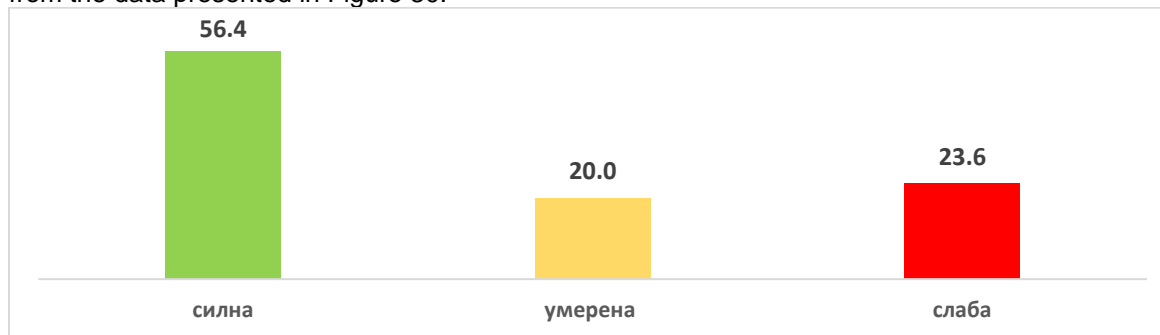


Figure 23. Assessment of the degree of centralization of power in top management. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

Of all the company employees surveyed, 56.4% stated that there is a strong centralization of power at the top level of management in the company. Another 23.6% are of the opinion that there is a weak concentration of power at the top level of management in the company.

Another important aspect of the OSS is how tasks are delegated among the fiFigure 24 provides information on the method of delegation in wine-growing enterprises. The information presented shows that delegation mainly occurs through verbal assignment of tasks – 41.4% of respondents indicate this method.

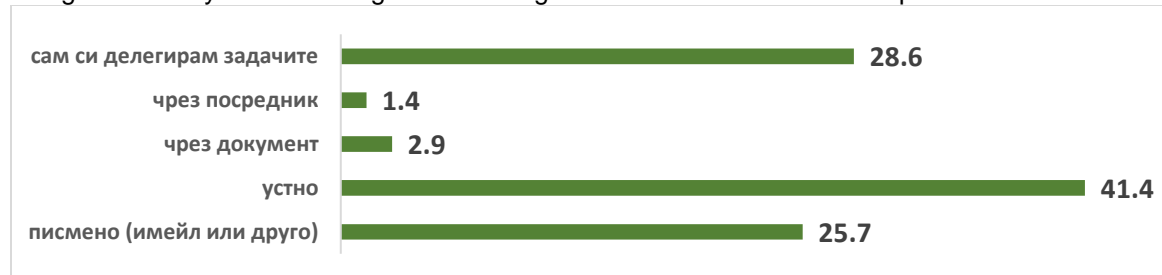


Figure 24. Ways of delegating tasks among company employees. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

A significant portion of company employees have the freedom to delegate their tasks themselves – 28.6% of respondents indicated this as an option in the questionnaire.

Of all respondents, 25.7% stated that delegation is done in writing via email or another type of document/means.

Another important element, subject to analysis in the field of OSH effectiveness, is the requirements for workers who occupy certain positions in the company.

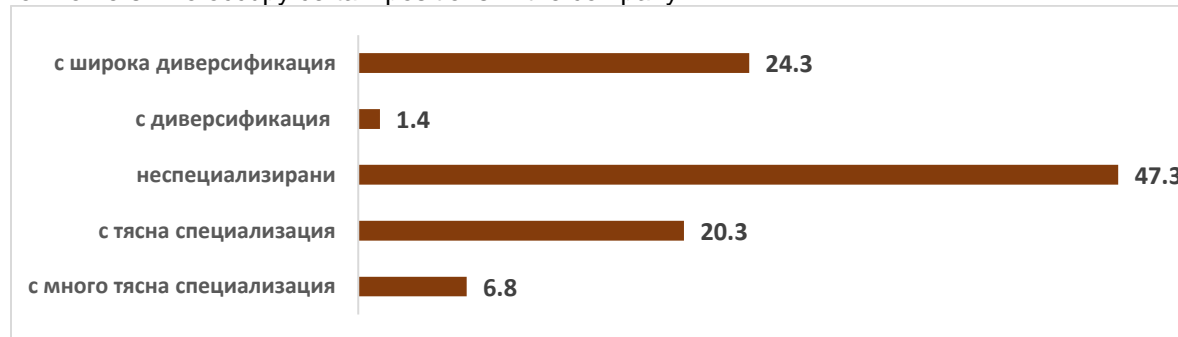


Figure15. Requirements regarding the specialization of workers working in enterprises. Own survey among 55 company employees from the surveyed enterprises, (%), 2023.

Figure 25 shows information on the studied factor. According to the data provided, the main persons employed and participating in the OSD of enterprises are those who are defined as unspecialized personnel – according to 47.3% of the total respondents. The wide diversification of the skills of the employed workers is also one of the common elements in the OSD of the surveyed enterprises – 24.3% state that such specialists work as their colleagues. It is noticeable that 20.3% of the surveyed company employees indicated the answer “with narrow specialization”, i.e. narrowly specialized personnel are not so sought-after personnel in the surveyed enterprises.

From the analysis carried out regarding the imposed OSS in the surveyed enterprises, the following conclusions can be drawn:

- The most preferred management structure in wine-growing enterprises is the functional one, which allows for the involvement of different functional specialists and thus achieve higher efficiency in the management of personnel and the enterprise as a whole. This structure relatively respects the principle of single leadership and provides prerequisites for the emergence of conflicts;
- There is a strong concentration of power in the hands of senior managers, which strongly commits their role to be effective both in terms of the strategic management of the enterprise and in terms of its operational management. This is a prerequisite for distorting the feedback between subordinate and manager and can be a factor limiting the organizational development of the enterprise;

- In the majority of the surveyed enterprises, hiring personnel with broad specialization is preferred, which can also be a problem in terms of performing tasks of different nature and complexity.

Group dynamics analysis. Group dynamics is the next element in the analytical model for identifying sources of conflict in wine-growing enterprises. Here, the main characteristics of the group dynamics of the teams working in the studied enterprises are analyzed, such as roles, manageability norms and leadership. Both company employees and managers of wine-growing enterprises are involved in the study of these factors.

According to the data in Figure 26, 38.7% of the respondents play the role of manager and the same number of company employees. Another 12.7% of the respondents are owners (or co-owners) of the wine-growing enterprise. A part of the respondents – 0.7% declare that they combine more than one role in their participation in the management of the wine-growing enterprise.

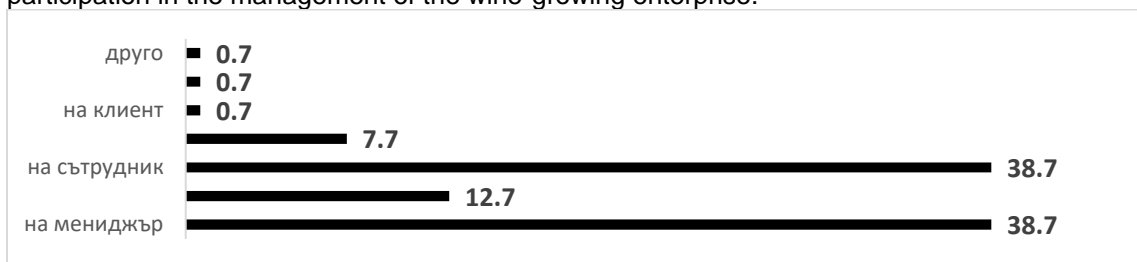


Figure 26. Roles performed by respondents in wine-growing enterprises. Own survey among 110 company employees from the surveyed enterprises, (%) 2023.

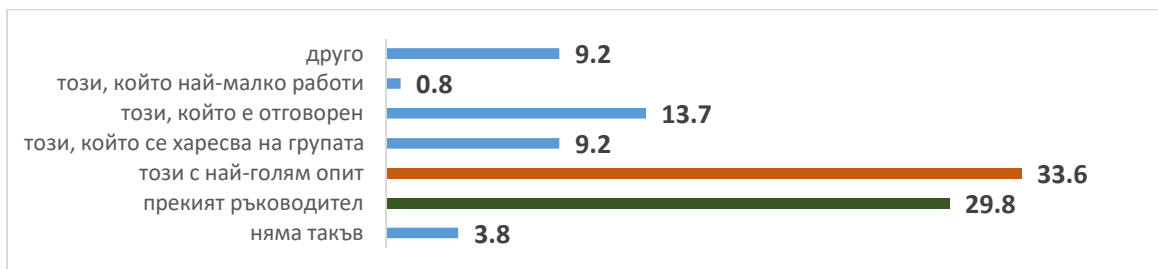


Figure 27. Role of a leader in teams. Own survey among 110 company employees from the surveyed enterprises, (%), 2023.

Figure 27 presents the results of the survey on the identification of the leader in the work team or the organization as a whole. According to the data, it is clear that the leader is the one who has the most experience among the others in the work team – 33.6% of the respondents state this. Quite a few share that the leader is defined in the person of their direct supervisor – 29.8% state this. Another 13.7% state that they recognize as a leader the colleague who is most responsible in the daily performance of tasks. Only 9.2% of the respondents indicate that they recognize as a leader the one they like who has the charisma to be one.

The level of manageability is also a critical factor that can be a source of conflict in the surveyed companies. According to the data in Figure 35, the number of employees in a team is up to 5, 60% of respondents say this. This is followed by teams with a size of 6 to 10 company employees.

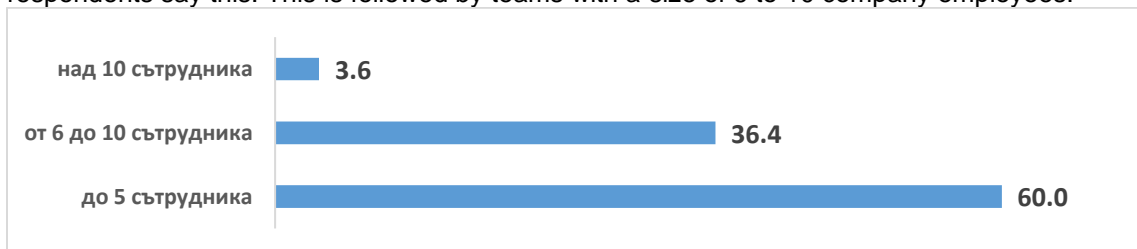


Figure 28. Norms of manageability in work teams. Own survey among 110 company employees from the surveyed enterprises, (%), 2023.

The following conclusions can be drawn from the analysis of this part of the survey:

- In wine-growing enterprises, the roles of owner and manager are combined. This is a prerequisite for achieving higher efficiency in the management of the enterprise, as long as the person has the necessary knowledge, experience and interest in development;
- Direct managers are considered the most experienced and the staff recognizes them as a leader they follow.
- In the majority of the surveyed enterprises, the size of work teams is up to 10 company employees, thus seeking cohesion in the performance of tasks.

Control system analysis. Control is one of the main tools for managers to measure deviations from the set goals for the development of the enterprise. With weak control from management, employees are easily tempted to spend resources inefficiently in the performance of delegated tasks. On the other hand, with excessive control, staff can become encapsulated in their behavior and the effective feedback between managers and employees can be lost. Another negative of excessive control is the decline in the motivation of company employees to show initiatives to deal with problems, as well as an increasing share of their working time all employees will devote to implementing control. The effectiveness of control requires achieving a balance between the freedom to make decisions and the care for the enterprise's persistence in pursuing the set goals. All these factors may be the cause of conflicts in the enterprise, caused by the established control system.

Figure 29 presents information on the preferred means of control in the surveyed wineries.



Figure 29. Means of control in enterprises. Own survey among 110 company employees from the surveyed enterprises, data are in %, it is possible to indicate more than one answer to this question in the survey), 2023.

The data clearly show that the preferred approach for implementing control by managers is through direct observation of the work of company associates – 30% of the surveyed employees recognize this as the main means of control. Another popular method of control is by reporting the actual results achieved by each company associate to implement control – 32.7% of the surveyed individuals indicate this as a fact in their organization. Another frequently used method for implementing operational control in the surveyed enterprises is reporting through written reports and statements on the work performed by the company associate – 25.5% of the total surveyed.

One of the main factors influencing the effectiveness of control in the enterprise is the number of employees in individual teams or departments. In over 95% of the surveyed enterprises, the manageability rate does not exceed 10 staff.

In figure 30 The assessment of company employees regarding the level of control in their organizations is shown. Over 60% of the surveyed employees state that control in their enterprises and in particular in their workplace is essential and this respects them so that they perform the delegated tasks qualitatively. Another 12.1% of the surveyed employees state that control is very strong and essential, which they point out as a factor in their effective work. Only 2.2% of the surveyed employees state that control in their enterprises is absent, which speaks of the diligence of the managers in terms of the performance of this important management function.

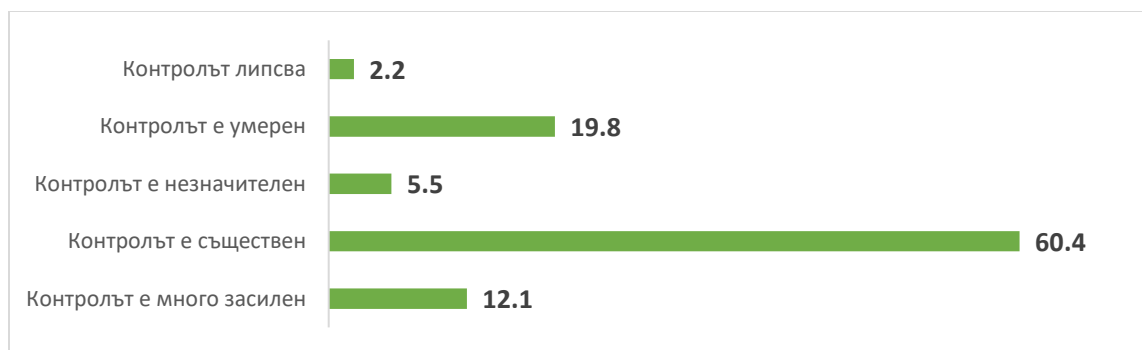


Figure 30. Level of control in the surveyed enterprises. Own survey among 110 company employees from the surveyed enterprises, data are in %, it is possible to indicate more than one answer to this question in the survey), 2023.

Regarding the implementation of effective control in the surveyed enterprises, the following conclusions can be summarized:

- The main approaches for implementing control in wine-growing enterprises are the direct observation of company employees and their reporting of the results actually achieved;
- In wine-growing enterprises, there is significant control over the activities of company employees, which motivates them to work effectively at their workplace.

Analysis of the emergence of conflicts. Through a number of questions included in the questionnaire, we sought to obtain information about the frequency of conflicts in the studied wineries, as well as to track what functional and dysfunctional consequences occur.

In Figure 31 The survey shows the assessment of the surveyed employees regarding the frequency of conflicts in the organization. According to 35.5% of the surveyed employees, the occurrence of conflicts in the workplace is a common occurrence during the working week. A significant share of the surveyed employees declare that the occurrence of conflicts is a very common occurrence in their work – 30.1% stated that this is a fact.

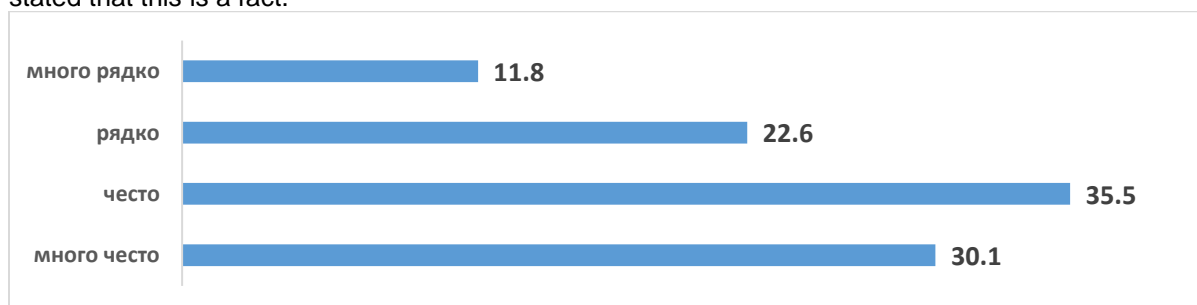


Figure 31. Assessment of the occurrence of conflicts in the workplace. Own survey among 110 company employees from the surveyed enterprises, data are in %, it is possible to indicate more than one answer to this question in the survey), 2023.

Only 11.8% of respondents stated that they very rarely come into conflict with their colleagues during their work at the enterprise.

Figure 32 provides information on the types of conflict in the workplace. According to 47.3% of the employees surveyed, intergroup conflicts, such as conflicts between individual teams or departments in the company, predominate in their companies. Another 40.9% stated that the conflict they encountered was interpersonal in nature, i.e. between themselves and their colleagues in the office. Only 11.8% declared that they had experienced an intrapersonal conflict.



Figure 32. Type of conflict manifestations. Own survey among 110 company employees from the surveyed enterprises, (%), 2023.

In addition to the frequency of occurrence and the type of conflict, the survey also tracked the type of behavior followed by employees in a conflict situation.



Figure 33. Types of employee behavior when faced with a conflict situation. Own survey among 110 company employees from the surveyed enterprises, (%), 2023.

Of all respondents, 40.9% stated that when faced with a conflict situation, they seek assistance from their immediate supervisor to deal with the conflict (Figure 40). A significant portion of employees choose not to meet their opponent until the conflict has subsided – 35.5% of respondents. Another 17.3% of company employees simply choose to do nothing for the time being and not pay attention to the conflict situation, hoping that it will pass over time.

More than 90% of employees surveyed in wine-growing enterprises state that the negative consequences of conflicts dominate the functional ones as a whole. According to 55.6% of the surveyed company employees, they are of the opinion that they partly experience these negative effects of conflicts at the workplace and they prevent them from being effective in performing the delegated tasks. Another 33.3% declare that the negative effects of conflicts significantly affect their work with other colleagues (see Fig. 34).



Figure 34. Feeling negative emotions in conflict situations. Percentage distribution of responses received. Own survey among 110 company employees from the surveyed enterprises, (%), 2023.

Regarding the manifestation of conflicts in wine-growing enterprises, the following conclusions can be stated and summarized:

- The occurrence of conflicts in wine-growing enterprises is a common phenomenon, over 60% of the surveyed employees stated that they find themselves in a conflict situation;
- Intergroup conflicts are dominant - these are conflicts between individual work groups, teams, departments and divisions in wine-growing enterprises;
- Management plays a central role in resolving conflicts that arise among company employees. The negative consequences of frequent conflicts in wine-growing enterprises are clearly evident, which determines the importance of managers managing conflicts effectively.

v. CONCLUSIONS

Through surveys and personal interviews with company employees, the following factors have been identified that have a systematic impact on the emergence of conflicts in wine-growing enterprises:

1. *When analyzing staff motivation, critical factors for the emergence of conflicts are:*

- Insufficient payment for the work done. A significant part of the surveyed workers believe that the payment does not correspond to the efforts made by them and the management does not give an adequate assessment of the work done by them;
- The frequent changes in operational goals and tasks that they must follow and fulfill.
- Discrepancy between staff expectations regarding remuneration and the remuneration received. All other things being equal, this determines lower motivation to work in the enterprise;
- Competition between individual specialists in the enterprise for resources with which to perform delegated tasks often gives rise to conflicts and negative emotions;
- The management style is not adequate to the environment in which the company's associates and teams develop. The company's associates point out as a fact that their direct supervisors do not support them.

2. *The following conclusions can be summarized regarding the moral norms of company employees in wine-growing enterprises:*

- The majority of the staff supports management decisions and systematically follows the organization's mission;
- Good manners are rarely violated and everyone strives to behave professionally in the event of conflicts of various nature;
- The moral norms of the company employee are subordinate to the group norm, which also determines the behavior of the individual in the group.

3. *The following conclusions can be summarized regarding leadership style as a factor causing conflicts in the enterprise:*

- Failure to comply with the principle of unity of command often leads to confusion or competition between assigned tasks by different line managers, which leads to inefficiency in the work of company employees and the accumulation of negative emotions from the situation;
- The imposition of an authoritarian management style in some of the surveyed enterprises is a cause of ineffective feedback and polarization of the positions of company employees and their direct managers, which often requires the former to "cheat" in performing their daily duties;
- Some of the surveyed employees feel pressure when performing their daily tasks, caused by the short deadlines for completing the tasks set by management.

4. *As a result of the analysis carried out on the element "resource scarcity", the following findings and conclusions can be made:*

- In wine-growing enterprises, production technologies are used that allow for the substitution of resources. In this way, managers are able to manage resource availability in enterprises more flexibly;
- One of the scarcest resources in wine-growing enterprises is management and human resources. This scarcity gives rise to conflicts in the studied enterprises;
- There is a noticeable internal competition regarding the allocation of resources in wine-growing enterprises. This competition determines the emergence of conflict situations and crises in management.

5. From the field study conducted on communications as a source of conflict, the following findings and conclusions could be drawn:
 - In general, there is effective communication in wine-growing enterprises and this factor can rarely be defined as a source of conflict between individual teams, departments and divisions of the enterprise;
 - There is feedback between a subordinate and a direct supervisor, with the majority of respondents stating that it is effective, i.e. it leads to useful results in daily communication;
 - Using the approach of personal instruction of company associates is one of the main ones that managers in wine-growing enterprises use in pursuit of effective communication in the organization of work.
6. ***From the analysis carried out regarding the imposed OSS in the surveyed enterprises, the following conclusions can be drawn:***
 - The most preferred management structure in wine-growing enterprises is the functional one, which allows for the involvement of different functional specialists and thus achieve higher efficiency in the management of personnel and the enterprise as a whole. This structure relatively respects the principle of single leadership and provides prerequisites for the emergence of conflicts;
 - There is a strong concentration of power in the hands of senior managers, which strongly commits their role to be effective both in terms of the strategic management of the enterprise and in terms of its operational management. This is a prerequisite for distorting the feedback between subordinate and manager and can be a factor limiting the organizational development of the enterprise;
 - In the majority of the surveyed enterprises, hiring personnel with broad specialization is preferred, which can also be a problem in terms of performing tasks of different nature and complexity.
7. ***The following conclusions can be drawn from the analysis of group dynamics in the studied enterprises:***
 - In wine-growing enterprises, the roles of owner and manager are combined. This is a prerequisite for achieving higher efficiency in the management of the enterprise, as long as the person has the necessary knowledge, experience and interest in development;
 - Direct managers are considered the most experienced and the staff recognizes them as a leader they follow.
 - In the majority of the surveyed enterprises, the size of work teams is up to 10 company employees, thus seeking cohesion in the performance of tasks.
8. ***Regarding the implementation of effective control in the surveyed enterprises, the following conclusions can be summarized:***
 - The main approaches for implementing control in wine-growing enterprises are the direct observation of company employees and their reporting of the results actually achieved;
 - In wine-growing enterprises, there is significant control over the activities of company employees, which motivates them to work effectively at their workplace.
9. ***Regarding the manifestation of conflicts in wine-growing enterprises, the following conclusions can be stated and summarized:***
 - The occurrence of conflicts in wine-growing enterprises is a common phenomenon, over 60% of the surveyed employees stated that they find themselves in a conflict situation;
 - Intergroup conflicts are dominant - these are conflicts between individual work groups, teams, departments and divisions in wine-growing enterprises;
 - Management plays a central role in resolving conflicts that arise among company employees. The negative consequences of frequent conflicts in wine-growing enterprises are clearly evident, which determines the importance of managers managing conflicts effectively.

VI. STRATEGIC ANALYSIS OF FACTORS AND DEFINITION OF A MODEL FOR STRATEGIC CONFLICT MANAGEMENT IN WINE-GROWING ENTERPRISES

Strategic analysis of the sources of conflicts in wine-growing enterprises. Through this analysis, we strive to prove or reject the statistical hypotheses put forward for testing and thus prove the main thesis of the dissertation.

Figure 35 presents a summary assessment of 55 experts assessing the sources of conflicts in the surveyed wineries. According to the data obtained, the main factors causing conflict in the surveyed enterprises are: (1) management style – rated with 670 points. According to the experts, management style is the most common factor causing conflicts in work teams. According to the expert assessment, managers do not take into account the environment and impose a management style that demotivates the staff and opposes them; (2) limited resources are another critical factor causing conflicts in the wineries – rated with 645 points.

According to the experts, the main approaches (opportunities) for dealing with the frequent occurrence of conflicts in the surveyed enterprises are the following factors: (1) staff motivation and (2) management style. The first factor was rated with the highest score, respectively 808 points, and the second with 557 points.

factor \ result	Motivation	Ethics and morality	Leadership style	Limited resources	Communicating	Type of organizational structure	Group dynamics	Staff incentive system	Control system	Σ
Motivation		58	55	33	5	2	5	1	6	165
Ethics and morality	165		91	38	41	37	155	11	11	549
Leadership style	135	109		84	88	44	89	22	99	670
Limited resources	102	115	101		31	41	56	98	101	645
Communicating	55	10	11	9		39	66	10	33	233
Type of organizational structure	0	25	33	36	22		71	25	29	241
Group dynamics	155	58	90	45	25	2		23	35	433
Staff incentive system	110	94	87	41	33	25	32		33	455
Control system	86	33	144	39	30	59	29	75		495
Σ	808	444	557	292	270	247	498	264	341	

Figure 35. A generalized matrix for assessing the sources of conflicts in wine-growing enterprises. Source: own study – generalized assessment by 55 experts (company associates). Assessment scale used: 0 – no importance; 1- weak importance; 2 – strong importance; 3 very strong importance

By using approaches, methods and tools to effectively motivate staff, managers in the surveyed companies can avoid the frequent occurrence of conflicts in the first place. By applying an adequate leadership style in the second place, conflicts in work teams in the surveyed enterprises can be minimized. The main obstacles to increasing staff motivation are - the limited resources available to managers (this factor is rated with 115 points in the "Ethics and Morals" column). This limited resources gives rise to and is the main reason for opportunistic behavior among work teams (ethics and morals, as the factor with the greatest influence, is rated with 165 points in the "Motivation" column).

The corrective matrix refines the expert assessment regarding the sources of conflicts and the organization's potential to deal with conflicts. This matrix is given in Figure 36.

According to the corrective matrix, the following factors are identified as the main sources of conflict in wine-growing enterprises:

- (1) The limited resources – rated with the maximum number of points by the experts, respectively 59 points;
- (2) The ethics and morals of company employees – rated with 35 points;
- (3) Leadership style – rated 33 points;
- (4) Communications – are in last place, rated with 25 points.

According to experts, these 4 factors are the main causes of conflicts in the studied wineries.

	Source of conflict	Organizational potential
Motivation	10	45
Ethics and morality	35	20
Leadership style	33	22
Limited resources	59	1
Communicating	25	20
Type of organizational structure	11	44
Group dynamics	25	30
Incentive system	10	45
Control system	5	50

Figure 36. Correction matrix regarding factors identified as sources of conflicts and potential of the enterprise (summarized matrix from 55 surveyed experts). Rating scale: 0 – NO; 1 – YES.

The following 5 factors are identified as the organization's source for dealing with conflicts (ordered by degree of importance according to the assessment received):

- (1) The control system in the enterprise - this element is assessed in the corrective matrix with 50 points;
- (2) Staff motivation – rated 45 points;
- (3) The staff incentive system – also with a score of 45 points;
- (4) The organizational and management structure – rated with 44 points;
- (5) Group dynamics – score received – 30 points.

The obtained expert assessment in the correction matrix is validated using the chi-square analysis statistical method.

According to the statistical analysis conducted, systemic sources of conflicts in the studied wineries are:

- (1) Ethics and morality of company employees. When testing this hypothesis, it is proven that ethics and morality systematically influence the occurrence of conflicts in work teams. According to the value of the Cramer coefficient – 0.146, the strength of the relationship between the studied factors is weak;
- (2) Leadership style. Testing this hypothesis proves that leadership style systematically influences the occurrence of conflicts. According to the value of Cramer's coefficient – 0.254, the strength of the relationship between the studied factors is weak;
- (3) Resource scarcity. Testing this hypothesis proves that resource scarcity systematically influences the occurrence of conflicts. According to the value of the Cramer coefficient – 0.741, the strength of the relationship between the studied indicators is strong.

Table2. Results of testing statistical hypotheses. Source: own.

Source of conflict in the winemaking enterprise	Null hypothesis	An alternative hypothesis	Cramer coefficient	A proven hypothesis
Motivation	Motivation does not systematically influence the occurrence of conflicts in the enterprise	Motivation systematically influences the emergence of conflicts in the enterprise	0.146	Null hypothesis
Ethics and morality	The ethics and morals of company employees do not systematically influence the occurrence of conflicts in the enterprise	The ethics and morals of company employees systematically influence the emergence of conflicts in the enterprise	0.254	An alternative hypothesis
Leadership style	The leadership style of managers does not systematically influence the occurrence of	The leadership style of managers systematically influences the emergence of conflicts in the enterprise	0.583	An alternative hypothesis

	conflicts in the enterprise			
Limited resources	Resource limitations do not systematically affect the occurrence of conflicts in the enterprise	Resource limitations systematically affect the emergence of conflicts in the enterprise	0.741	An alternative hypothesis
Communicating	Communications in the enterprise do not systematically influence the occurrence of conflicts among personnel	Communications in the enterprise systematically influence the emergence of conflicts among personnel	0.596	Null hypothesis
Type of DSS	The type of management system does not systematically influence the occurrence of conflicts in the enterprise	The type of management system systematically influences the occurrence of conflicts in the enterprise	0.355	Null hypothesis
Group dynamics	Group dynamics of teams do not systematically influence the occurrence of conflicts in the enterprise	Group dynamics of teams systematically influence the emergence of conflicts in the enterprise	0.521	Null hypothesis
Staff incentive system	The personnel incentive system does not systematically influence the occurrence of conflicts in the enterprise	The personnel incentive system systematically influences the emergence of conflicts in the enterprise	0.632	Null hypothesis
Control system	The personnel control system does not systematically influence the occurrence of conflicts in the enterprise	The personnel control system systematically influences the occurrence of conflicts in the enterprise	0.587	Null hypothesis

The remaining factors are not proven to be sources of conflict in the studied wineries and can be interpreted as potential for dealing with conflicts in work teams. These factors are the following:

- (1) Communication – this factor does not systematically affect the occurrence of conflicts in the organization. According to the value of the Cramer coefficient – 0.596, the strength of the relationship between the studied factors is strong;
- (2) Management and organizational culture - this factor does not systematically affect the occurrence of conflicts in the organization. According to the value of the Cramer coefficient - 0.355, the strength of the relationship between the studied factors is moderate;
- (3) Group dynamics - this factor does not systematically affect the occurrence of conflicts in the organization. According to the value of the Cramer coefficient - 0.521, the strength of the relationship between the studied factors is strong;
- (4) The personnel incentive system - this factor does not systematically affect the occurrence of conflicts in the organization. According to the value of the Cramer coefficient - 0.632, the strength of the relationship between the studied factors is strong;
- (5) Control system - this factor does not systematically affect the occurrence of conflicts in the organization. According to the value of the Cramer coefficient - 0.587, the strength of the relationship between the studied factors is strong;

Карта на стратегическите решения		ВЪЗМОЖНОСТИ			
		Създаване на умения за управление на конфликтите	налагане на стратегически подход в управлението на конфликтите чрез тяхната профилактика	налагане на стратегически подход в управлението на конфликтите чрез насърчаване на тяхното възникване	Сума на експертните оценки
ПОТЕНЦИАЛ НА ОРГАНИЗАЦИЯТА	Мотивиран персонал	285	311	11	607
	Ефективна комуникация	205	277	31	513
	Рационална и ефективна ОУС	281	299	22	602
	Въздействаща групова динамика	110	201	88	399
	Ефективна система за стимулиране на персонала	198	185	81	464
	Ефективна система за контрол	91	188	6	285
ВЪЗНИКНАВЕЩИ ФАКТОРИ	Наличие на нисък морал и компрометирана етика	121	156	11	288
	Неадекватен стил на ръководство	139	195	33	367
	Ограниченост на ресурсите	209	55	89	353
	Вътрешна конкуренция за достъп до ресурси	11	305	178	494
	Неспазване на принципа на единоначалие	32	206	121	359
	Къси срокове за изпълнение на задачите	10	68	31	109
	Недостиг на управленски ресурси и персонал	19	93	155	267
	Сума на експертните оценки	1711	2539	857	
					2870
					2237

Figure 37. Map of strategic solutions for conflict management in wine-growing enterprises. Source: sum of individual expert assessments of 110 experts.

Profiling conflict management strategies in winemaking enterprises. Any strategic management begins with defining strategic objectives, goal setting is the genesis of effective strategic management, which is required for conflict management in wine-growing enterprises. The identified problems in the field of conflict management can be overcome by actively involving stakeholders in their resolution. By applying the strategic decision map, the strategic objectives in conflict management are identified and the main frameworks of applicable strategies for managing these conflicts are outlined.

Figure 37 presents the expert assessment of 110 experts on the potential of wine-growing enterprises for conflict management, the sources of conflicts and the possibilities for their resolution. The expert assessment shows that the potential of enterprises for conflict management prevails over the factors for their occurrence – this potential was assessed with 2870 points (which is the higher value than the assessment of the sources of conflicts, assessed with 2237 points).

The main factors that determine the potential of enterprises for conflict management are – (1) highly motivated personnel to deal with conflicts (this factor is rated with 607 points, last column in the matrix) and (2) rational and effective organizational and management structure (rated with 602 points). The realization

of the identified opportunities will mainly be carried out through these two factors. In the red sector of the matrix, in which the factors – sources of conflicts are assessed, the experts have identified the following critical factors – (1) inadequate leadership style – rated with 367 points and (2) limited resources – rated with 353 points.

The strategic decision map is a useful tool that seeks out certain opportunities that can resolve conflicts in the surveyed enterprises on the one hand, and on the other hand, to identify the factors, the basic needs of the enterprises for the realization of these opportunities. According to the experts, the most attractive opportunities are the following – (1) implementing a strategic approach to conflict management in enterprises, through effective prophylaxis and prevention – this option was rated with the highest score by the respondents - namely 2539 points. The next priority option is the creation of conflict management skills in managers (this option was rated with 1711 points by the experts).



Figure 38.. Strategic objectives tree. Source: based on the aggregated expert assessment obtained in the strategic decision map.

Another useful result of the application of the strategic decision map is that it can be used to establish strategic goals, through which to define an objective and rational strategy for conflict management in wine-growing enterprises. Figure 38 shows the strategic goals tree, the result of the expert assessment expressed in the strategic decision map. According to this assessment, the conflict management strategy in wine-growing enterprises should be based on the idea that management should be focused on conflict prevention and, through this approach, minimize the occurrence of conflicts and significant crises in interpersonal relationships. The realization of this global goal requires the fulfillment of the following three strategic goals:

- **Building conflict management skills.** Through education and training, the aim is to build skills in managers for conflict management and for implementing prevention and prophylactic policies;
- **Developing a proactive leadership style to manage change as an approach to conflict management** Avoiding conflicts requires effective monitoring of conflict-generating factors and, when symptoms appear, implementing organizational change to adapt the organization to new realities;
- **Rationalization of the organizational and management structure by introducing the principle of single command.** By following this principle, frequent conflicts will not be allowed to arise based on the entanglement of the various chains of command that have been created in the enterprise.

Within the framework of the stated strategic goals, the choice of strategy is based on: to what extent should the strategy be accessible and understandable to the personnel employed in the enterprise and to the stakeholders? In the theory and practice of conflict management, we can talk about four understandings related to the problem, namely:

- (1) The strategy is the annual report of the management on the state of the enterprise. The strategy is understood as a development intended for the interested parties and analyzing the state of the conflict-generating factors in the environment. Through editorial staff and PR experts, this strategy presents the environment as favorable for the development of the organization.

- (2) The strategy is a development to identify financial needs whether they are in line with company goals (formulation of the financial framework for conflict management). Then the strategy is usually developed by the financial analysts in the enterprise and it is more detailed and revealing. It presents more accurate information addressed to insiders, as well as to the most significant stakeholders. However, the principle of presenting the organization in its best possible condition is preserved. The strategy aims to convince that reasonable and prospective guidelines for conflict prevention in the enterprise are being developed.
- (3) The strategy is a development for top management on how to manage the inevitable conflicts. It is a document that analyzes in depth the critical factors that the enterprise faces and is addressed to the team of top managers who are supposed to participate in the development and making of strategic decisions and are responsible for their implementation. Since the leader of the company needs the support of these individuals, the information in this document needs to have a positive message.
- (4) The conflict management strategy is a strategy “for” and “of” the leader – the latter is the decisive figure for developing group dynamics in the direction of minimizing conflicts among work teams in the enterprise. It should be borne in mind that no matter how communicative and empathetic the leader’s management style is, there are always markers of his way of thinking in the organization that other employees do not perceive.

VII. PUBLICATIONS RESULTING FROM THE DISSERTATION RESEARCH

1. Stavreva, An. (2022). Nature and role of conflicts in the management of business enterprises. *Journal of Bio-Based Marketing*, vol.1, 2022, 5-22
2. Stavreva, An. (2023). Strategic conflict management in business organizations. *Journal of Bio-Based Marketing*, vol. 3, 2023, 22 - 34
3. Stavreva, An. (2024). Interaction between leadership style and staff motivation as a source of conflict in wineries of Bulgaria, vol.1, 2024, 5-1

VIII. CONTRIBUTIONS OF THE DISSERTATION WORK

As a result of the dissertation research, the following contributions can be formulated:

- The essence of conflicts and their role in the strategic management of wine-growing enterprises is clarified;
- An objective methodological framework for analyzing and assessing the sources of conflicts in wine-growing enterprises has been formulated and substantiated;
- The sources of conflicts in wine-growing enterprises in Bulgaria have been analyzed;
- A strategy for managing conflicts in the winemaking enterprise is proposed, as well as specific recommendations for effective conflict management in the enterprises studied.