

## Mining conflict for growth and profit

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*“They say they favour a ‘team’ that lives and works in ‘harmony’. I say, ‘Give me a raucous brawl among the most creative people imaginable,’ Tom Peters<sup>1</sup>.*

In conflict, communication wears two faces. It may be simultaneously the genesis of discord as well as the key to peaceful resolution; it may lead to time-wasting arguments or creative diversions. When we inadvertently – or stubbornly – misinterpret another’s words and attribute unworthy motivations to them, poor communication skills are at work. If we move beyond the perceived personal implications and seek to find our common ground and deeper intentions, the result can be a surprisingly rich dialogue that produces innovative solutions.

The best teams contain a cross-section of personality types, skills and experiences. When bound together by a powerful vision, that group becomes a team that is greater than the sum of its parts. Together we are better than any one of us can be alone. That’s why it is so important for workplace groups – teams – to understand the dynamics of conflict and how to use communication skills to create the best that their diverse interests and abilities have to offer.

The alternative is not attractive. Poorly handled conflict saps everyone’s energy, interferes with interpersonal relationships and prevents the group from reaching its goals. One early sign of inadequately handled conflict is the lack of discussion of contentious topics. In this situation, people automatically skirt touchy subjects and cones of silence descend. If the manager (team or project leader, etc.) imposes a solution or superficially mollifies the participants, their real needs are not addressed. Resentment builds and team performance drops.

On the other hand, from the Center for the Study of Work Teams at the University of North Texas comes a summary of research results that substantiate the claim for positive outcomes of conflict. Says author Michael Kennedy, “When managed correctly, conflict produces the following results: new ideas for changing organizational processes, solving of continuous problems, a chance for workers to expand their capabilities, and the introduction of creativity into thoughts about organizational problems.”<sup>2</sup>

Mr. Kennedy’s work recaps some of the classic literature describing group behaviour, from a time before the advent of team-based work structures. Even then, however, the importance of conflict to positive outcomes was recognized, he says. “A group that is devoid of conflict is a group without process or structure. The life of a work group is dependent on this need for conflict for the group to thrive and prosper, just as much as the group relies on the need for cooperation.”



How is it possible for co-workers to challenge each other's ideas and opinions without being confrontational, without damaging the relationships among them that are crucial to productive outcomes? Through communication, of course!

### Disagree reasonably

Conflict becomes fruitful dissent when handled well. To get richer, fuller results, many experts advise people to engage in some reasonable disagreement. For instance, several years ago the Harvard Business Review published the results of a study<sup>3</sup> by Dr. Kathleen Eisenhardt in which she examined the results of conflict among corporate managers. She found that companies that thrive, despite employees' disagreement on many issues, are those which are able to capture the energy of the debate and make it serve their best interests.

Dr. Eisenhardt determined that those organizations which created ways to make the most of conflict shared some essential characteristics. She offers the following three strategies and concomitant tactics as a way to argue constructively:

- Strategy 1: Focus on issues, not personalities.  
Tactics: Base discussion on current, factual information.  
Develop multiple alternatives to enrich the debate.
  
- Strategy 2: Frame decisions as collaborations aimed at achieving the best possible solution for the company.  
Tactics: Rally around goals.  
Inject humour into the decision-making process.
  
- Strategy 3: Establish a sense of fairness and equity in the process.  
Tactics: Maintain a balanced power structure.  
Resolve issues without forcing consensus.

Dr. Eisenhardt's results show that aggressively debating only one or two options leads people to harden their positions which, in turn, most often turns the conflict often into a personal battle. She also notes that more information is better than less. "There is a direct link between reliance on facts and low levels of interpersonal conflict," she says.

Finally, Dr. Eisenhardt concludes, "We found that the alternative to conflict is usually not agreement, but apathy and disengagement."

### Start by understanding relationships



Any insight we can gain into our own motivation and presentation of self can help better our conflict management skills. One instrument for determining your “conflict style” is the Thomas Kilmann Conflict Mode Instrument<sup>®</sup> (TKCMI). In this system there are five ways people handle conflict

- by avoiding (the goal is to delay)
- by competing (the goal is to win)
- by accommodating (the goal is to yield)
- by compromising (the goal is to find middle ground)
- by collaborating (the goal is to find a win/win).

Although each of us uses many, if not all, of the styles at various times, everyone has one or two on which we rely predominately. There are benefits and drawbacks to each of the styles. Once aware of how we usually react and where the pluses and minuses are, we can choose to employ the various styles more strategically.

Another typing system that can shed some light on conflict styles is the Strength Deployment Inventory<sup>®</sup> (SDI). Based on “Relationship Awareness Theory”, developed by psychologist Dr. Elias H. Porter in 1971, it is about human motivation and offers a way to understand and manage the interaction of values and conflict in relationships.

The theory is useful because it reveals the motivations behind behaviours – our own and others’, in good times and bad. Based on this more complete understanding, people can choose their behaviour from a broader and deeper set of options.

Dr. Porter’s theory of Relationship Awareness encompasses four basic propositions:

1. We all do what we do because we want to feel good about ourselves.
2. We tend to take one approach to life when we feel that things are going well, and another when faced with opposition or conflict.
3. A "personal weakness" is a personal strength that has been overdone or misapplied.
4. We tend to perceive others’ behaviours through our own filters (called the Motivational Value System<sup>™</sup>).

This system says conflict occurs when people perceive a threat to their self-worth and it allows for two types of conflict: warranted and unwarranted. The former is about disagreement over a desired goal; the latter focuses on disagreement about how to achieve a goal.

In this case, the conflict usually comes about as a result of misunderstanding or misinterpretation. As people learn to discern the difference between the two types, they are able to respond more easily in ways that respect the needs of everyone involved.

### The hard costs of conflict



Some estimates put the amount of time a typical manager spends each day dealing with conflict and related issues at 30 per cent – or more. Further if we add the manager’s compensation to all the costs associated with all the other people involved in the conflict, it’s not difficult to see why handling conflict well is a bottom-line issue. Unfortunately, because it is not a budgetary line item, managing conflict is often overlooked when people search for ways to reduce operating costs.

“The Dana Measure of the Financial Cost of Organizational Conflict”<sup>4</sup> estimates that “... over 65 per cent of performance problems result from strained relationships between employees – not from deficits in individual employees' skill or motivation.”

In addition, the cost of conflict is borne directly by the people within the organization, in the stress of strained working relationships and the complaints and grievance that often result from them. Let the situation go unchecked and we can add in the cost of compensation and terminations (e.g. severance and outplacement). At the far end of the spectrum, legal and accounting costs rise due to malicious compliance, theft, and sabotage.

Safety, productivity and quality all are directly affected by errors made when employees are highly stressed. The results include dissatisfied customers who will take their business elsewhere, diminishing your once fine business reputation. And we haven’t even begun to touch the value of missed opportunities by human resources and other staff whose time was taken up at the negative end of this spectrum.

### Invest in a resolution process

Dr. Eisenhardt’s findings show beyond doubt that it behoves organizations to have a mechanism in place to deal with substantial conflict. The companies she surveyed all used some version of a two-step process that she calls “consensus with qualification”. The first step comprises open information and opinion sharing in which the managers most appropriate to the situation attempt to develop a decision based on group consensus. If this is not happening after a reasonable amount of time, the second step is “... the most relevant senior manager makes the decision, guided by input from the rest of the group.”<sup>5</sup>

Step two works because everyone has had a chance to have his/her say by that point. In line with issues of procedural justice<sup>6</sup>, people find that transparency in decision-making, coupled with opportunity for input, more strongly motivates them to accept decisions than does actually making the final decision.

In addition to meeting the need for fairness, consensus with qualification also helps mitigate the potential for interpersonal conflict because it normalizes the occurrence of conflict and it is a relatively rapid process. When people need to achieve consensus and are trapped in a slow-



grinding process, in frustration they can easily turn to blaming each other. Conflict is best resolved expeditiously.

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### References

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4. To calculate in detail the full cost, go to "The Dana Measure of the Financial Cost of Organizational Conflict"; <http://www.mediationworks.com> or <http://www.hrtools.com>
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