

Conflict

A tool for your organization's future

Whenever people work together, there is conflict. For conflict is an integral part of co-operation. Conflict tells us where something is awry, where there is need for change. Conflict is a natural force to optimize systems and to adapt to a changed environment. How conflict is addressed can therefore add to or take away from a company's future.

If there is a belief that the interests or goals of parties involved cannot be achieved simultaneously, then you have a conflict. There are three routes a conflict can take:

1 The frequent route: escalate it

The conflict is simply a complaint. The aggrieved person lets it simmer for a while, then talks to others about it (starting rumors), or shoots off a memo. The challenged party retaliates with their own memo, this one raising all kinds of additional issues that now become the substance of the dispute. After a bout of back and forth the original complaint may be lost but the result is additional costs for all parties.

2 The occasional route: iron it out

The conflict is a problem. The conflict requires professional handling in order to release resources, save time, money, and restore productivity. The first step is to contain the conflict to prevent it spreading. The next step is to unite the parties at loggerheads into a win-win arrangement. These solutions however frequently entail a compromise involving gains and losses on both sides. The result is a superficial solution, papering over the cracks: the conflict will resurface in a different form in a different place.

3 The rarest route: use as springboard

Conflict is seen as an opportunity for development. The conflict results from some underlying need. The parties endeavor to identify the source of the conflict and to overcome it. Conflict helps to see problems standing in the way of enhancing productivity and achieving organizational development and is therefore potential for organizational evolution – particularly in times of upheaval.



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Conflicts are useful warnings

I find conflict to be the decisive issue where development – at both the organizational and personal level – is concerned. Conflicts are always symptomatic of a convergence of elements that are in some way incompatible, such as in structure, process or values. Thus they are indices of an impending adaptation whose implementation is inevitable if the entity is to survive. Unfortunately the world of the short term routinely sees conflict as a problem to be solved rather than as an opportunity to be grasped.

– Conflict = Problem

- conflicts undermine existing structures and thus jeopardize their stability already arrived at
- conflicts detract from productivity, profit etc.
- conflicts are detrimental to harmony

+ Conflict = Opportunity

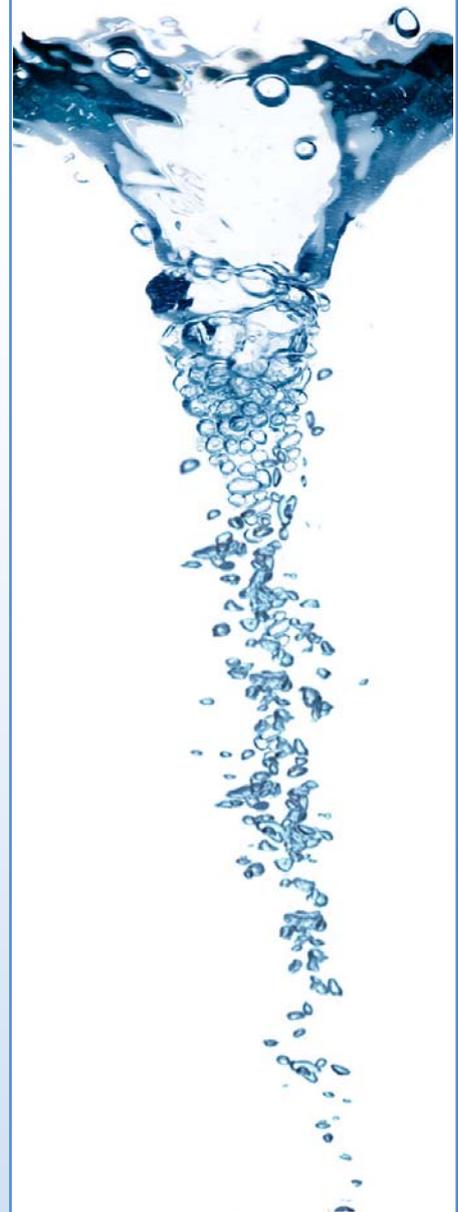
- conflicts indicate where incompatible structures need to evolve further
- conflicts boost the search for the optimum solution and thereby increase efficiency
- conflicts promote alternative viewpoints and foster knowledge all round

Either interpretation is valid and understandable. The question to ask is, which interpretation will best bring a business further long term? Will the signs of potential deficiencies in the system be used to improve production or will the system be preserved and protected, even if it is not achieving its purpose?

What about your organization? How do you handle conflicts? Do you harness conflicts for their potential?

Conflicts

tell us where there is a mismatch in expectations and needs.



The basis of co-operation is individuals combining together to form a system with given expectations, such as filling certain needs.

The two faces of conflict

Conflicts themselves are neutral; two parties’ interests apparently diverge. It is only our interpretation according to our needs - such as stability - that conflicts acquire the value judgment. Conflicts are Jekyll and Hyde in character; one entity presenting two faces, one positive, one negative, depending on how we choose to look at them.

Mr. Hyde

Conflict. For many, the word itself has strong negative connotations. But it isn’t conflict itself that creates problems and increased cost, rather the inability or unwillingness to address it in time and appropriately. The impact of unresolved conflicts extends far beyond the ability to quantify it. Studies reveal that over 65% of performance problems result from strained relationships between employees.

Unresolved conflict can create serious and quite varied consequences. The overall costs multiply the payroll costs. The rule is: The more effectively a company is designed, the more expensive conflicts will be. But the effects of conflicts on performance at the individual level or the project level are only the beginning. In a long-term view they will affect the overall organizational health.

Dr. Jekyll

It is down to how we act: Conflict can be a powerful force in the creation of ideas, novel solutions and group energy. Conflicts put traditional and approved behavior to test. They deliver important impulses for change processes and development and are often the cause for the replacement of old structures, with new improved alternatives.

To achieve this it is essential to identify, accept and handle conflicts positively. Constructive handling can initiate a variety of enhancements. The payoff is a trusting, creative work environment that embraces change.

Conflicts
+ Wrong Reaction
= **High Costs**



Conflicts
+ Right Reaction
= **Evolving System**

Mr. Hyde: Developing conflict

Example: Conflict of three months’ duration involving four employees and a manager.

1 Month 1: loss of time, money and options

Productivity steps aside when unhealthy conflict persists: Decision-making decreases in quality and around 15% of the working day is spent on conflict rather than on production. Even managers have to stop working on their tasks to act as negotiator. Studies show that they spend 30% to 42% of their time dealing with squabbling co-workers. In addition, conflicts cause increased expenditure resulting from re-work and lost income as a result of missed deadlines etc. Beyond all this the question is: What is the opportunity cost? What could have been otherwise achieved?

Total Costs €61,000

Wasted time	€8,000
Degraded quality of work	€40,000
Opportunity Costs	€12,000
Decreased profitability	€1,000
Costs month 1	€61,000

Total Costs €168,000

Wasted time	€9,000
Degraded quality of work	€80,000
Opportunity Costs	€13,000
Decreased profitability	€1,000
Low Motivation	€2,000
Absenteeism	€1,000
Costs month 2	€107,000

Total Costs €308,000

Wasted time	€9,000
Degraded quality of work	€60,000
Opportunity Costs	€13,000
Decreased profitability	€1,000
Low Motivation	€2,000
Absenteeism	€1,000
Restructuring	€2,000
Loss of employees	€50,000
Costs month 3	€139,000

2 Month 2: low level of motivation and quality

Working where there are conflicts causes stress. Stress takes energy. Logically therefore higher levels of conflict take energy which could be applied to income-generating activities. If conflicts occur frequently they will lead to a generally unpleasant work environment. Issues are not discussed, and fear, distrust and passive-aggressive behavior become the norm. A productivity loss of 25% reduces the average weekly time spent working to less than 20 hours – as does conflict-related absenteeism.

3 Month 3: loss of reputation and experts

Unresolved conflicts hardening into rigidity are the critical reason for at least 50% of all voluntary departures. The best-skilled employees will leave first. The “ramp-up” time required for replacement employees to turn them into effective contributors adds some cost, too. This often results in poor image within the industry, the marketplace or with the client, leading ultimately to a loss of market share or loss of business options.

Dr. Jekyll: Conflict for development

1 Stage 1: best solutions

Conflicts are pointers to smoldering differences in views, opinions and aims. These differences are often based on different knowledge and experiences which, used intelligently, are the major resource of successful companies. The complete picture is only visible through the jigsaw of different perspectives to reveal the best route to resolution. In constructive communication, possible solutions are explored with open minds. Ripple effects are considered and weighed for each solution offered.

2 Stage 2: increasing team power

The result is not only finding the best solution out of a variety of options. There will also be an increase in collaboration and the feeling of personal recognition among the individuals, too. This will ultimately bring to an organization the power of collaboration and the advantages of free information exchange. That is, being focused on resource oriented solutions instead of problem-oriented thoughts concerning deficiencies. Anyone who wants to maximize effectiveness needs to organize smooth collaboration. Collaboration is built on respect. And respect requires that you listen to others and try to understand them.

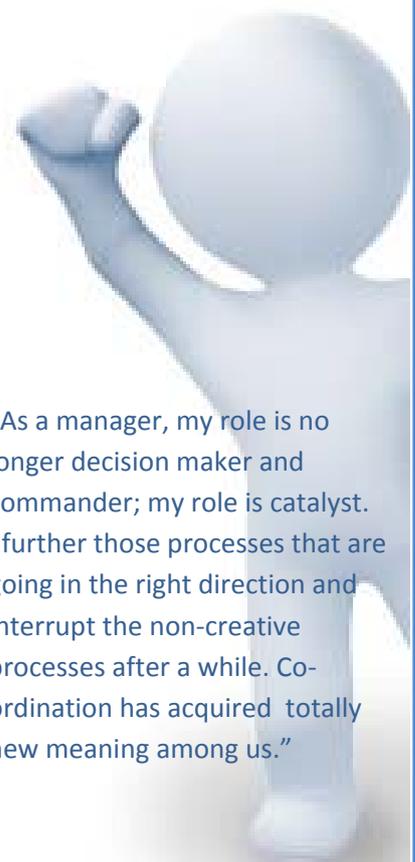
3 Stage 3: living organization

A sustainable culture of constructive controversy is a chance to improve communication massively. This is usually long overdue. Management can then react with the right actions, if reasonable. The process leads the parties concerned to an increasing willingness to cooperate and ensures that full potentials are once again fully available. A positive and open treatment of conflicts, different opinions, values and attitudes is the most important step towards a culture of genuine collaboration. It is also the foundation of staining confidence. It helps to structure company, departmental or project objectives and to put them across. It opens the gates to energy, progress and innovation, triggering change processes; preventing stagnation.

Constructive culture of conflict alters workers’ thinking and paves the way to success:

“It’s interesting to hear how the same thing can appear so different. Where previously I thought it had to be the one or the other, I’m now far more fascinated by both”

“I know I have power; but I don’t need to show it. I have to build relationships with these other players, so it is important I treat them with respect. For it is these small relationships that will help me in the future.”



“As a manager, my role is no longer decision maker and commander; my role is catalyst. I further those processes that are going in the right direction and interrupt the non-creative processes after a while. Co-ordination has acquired totally new meaning among us.”

Putting the power of conflict to good use

The question is not: Can conflict yield positive effects? The question is: When does conflict produce positive outcomes? Using conflicts as a positive drive for organizations requires a radical shift in consciousness. It is not changing the process that is the key; it's changing the attitudes. Once those involved adapt their thinking and see conflicts for the signals to improve that they are, the parties will, aided by the conflict, themselves evolve new improved structures, if they are permitted to do so.

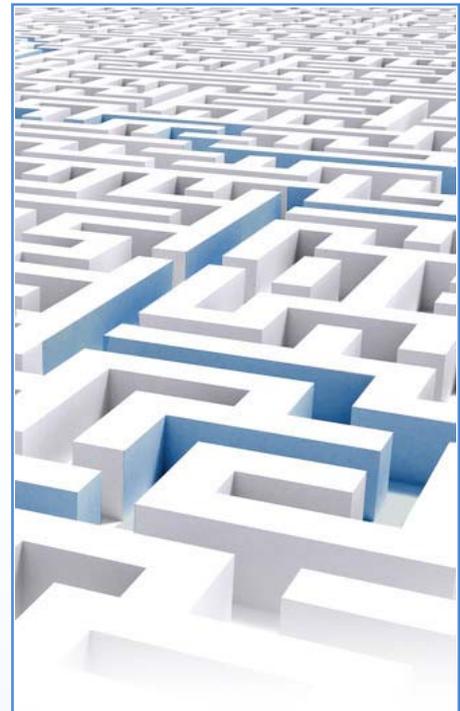
1 Step 1: Corporate values

The first step is to acknowledge new values. Instead of viewing conflict as bad, conflict must be seen as a necessary dimension of the organization. Effective conflict management provides a culture that actively seeks different ideas, stimulating interest and curiosity.

This enables hitherto repressed conflict to surface. Managing these conflicts draws resources in an unexpected direction and the first reflex is to balk at the apparent cost. It is imperative here to bear in mind that such investment is demonstrably lower than the hidden costs a conflict would incur. The organization has to maintain faith in the new approach and persist.

Once the system has re-stabilized, the new culture of conflict management is in place. It allows early and efficient resolution, with minimal expenditure of time and other resources, while honoring and respecting the integrity and rights of all parties.

The organization needs to recognize that conflict can present opportunity to improve and to enhance the organization's creative edge. You need to establish the environment such that conflict is an important part of your organization. The question is: What policy towards conflicts encourages and rewards your organization?



One of the greatest challenges faced by managers is initiating change and carrying it through to successful completion.

But the change can equally be a challenge to those expected to take part in the change.

The reaction of the workforce towards change is always defensive. The best remedy is open communication and building clear relations swiftly.

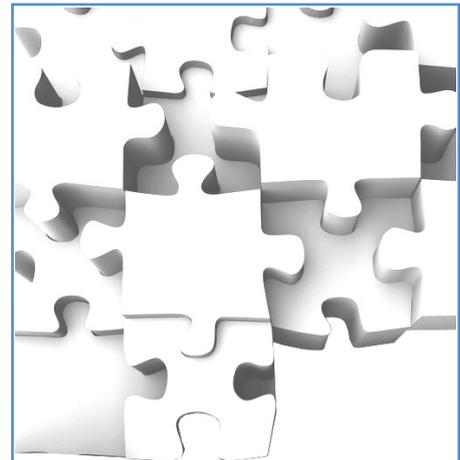
Only when the workforce as a whole feels secure that the change poses no threat will they be able to turn their attention to other aspects of the change such as its opportunities and advantages for their own interest etc.

2 Step 2: Education

It is not the conflict that is the problem – it is the repertoire of action! Only those who grasp how to use a conflict can build a group where the capacity to take effective action increases. The first step is to establish the new paradigm of conflicts: everyone needs to learn that conflicts are merely indicators of underlying problems. They need to learn to focus on causes, instead of focusing on the surface or symptom: e.g. the personality presenting the position, how it is presented, what agendas are being pursued, etc. Organizations need a conflict resolution process, so that employees believe their opinions matter and will be heard, and their experience is important. They need to encourage their co-workers to see the viewpoint of others as the missing complementary pieces in the jigsaw of the whole. The first positive experience with this approach will enable the workforce to see their conflict as potential as opposed to problem. To support the people doing this your organization needs to provide internal mechanisms to assist parties in selecting and using available conflict management options, such as access to an independent and confidential source of assistance, to which any party can seek help in reviewing available options and putting them into practice. The question is: What access to conflict resolution does your workforce have?

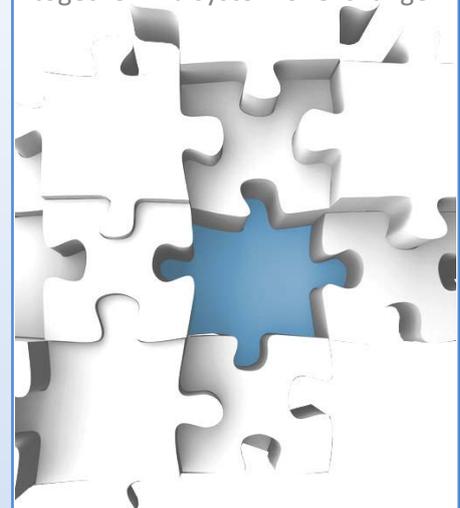
3 Step 3: Support

Conflicts often start with a complaint, but not every complaint is indicative of a conflict. Again, it is the totality of pieces that makes up the jigsaw. Management of complaints and suggestions for improvement (both internal and external) provide organizations with not only a means of spotting needs, setting priorities and verifying problem-solving processes, it also provides a means of assembling the parts and providing reliable warning signs of brewing antagonisms before they evolve into full-blown conflicts. The question is: Does your organization track internal and external complaints and suggestions for improvement adequately?



Usual co-operation in pursuit of a common goal and specified use of resources with overt co-ordination ...

... becomes a collaboration: Everybody works towards not only an improved comprehension of the thought processes of the other, they also construct new thought processes together in a system of exchange.



Continual improvement of all its processes makes the organization dynamic. This is not achieved so much by top down restructuring and instruction as by means of forging relationships and active workforce participation.



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Andreas Wichmann



Andreas Wichmann is a change specialist, team builder and an accomplished project manager. He has been working for a variety of companies, providing advanced and workforce solutions to international R&D and clinical research companies and smaller, regional concerns for over 14 years.

In Solution Scout, Andreas’ focus is almost exclusively on collaborative systems and creative approaches for workplaces. He is a strong advocate of the idea that people can achieve anything as long as their working environment is genuinely geared towards human collaboration. The Solution Scout consulting firm itself provides a wide range of services to businesses in the arena of human resource development and supporting systems.

In addition to being an experienced analyst, Andreas is a graduate engineer in communication technologies, and he is currently completing his research work for a book with focus on collaborative strategies.

Conflict = Potential

Concentrate forces . Release potential . Draw on the expertise of all



Conflict = Disruption

escalation

friction

enteeism

anxiety

waste

gossip

costs

mistakes

attrition

aversion

depletion

shrinkage

inefficiency

quarrelling

resentment

distrust

draining

low est

frustration

aftern

pre