

SPECIAL REPORT

How to Transform Dysfunctional Conflict into Constructive Outcomes

By Bob Weiss

Background: During a five year period, three partners had built a successful, high-tech business that was being threatened by chronic conflict among them.

The tension cascaded down to employees causing morale issues and factions among staff who started taking sides. Turnover increased and valued employees were taking vital, intellectual capital out the door with them causing problems with product quality, call-center service, and customer satisfaction.

Separate conversations with the partners during mediation identified the following factors:
(*Note--Permission provided to describe the situation but names are changed.*)

- 1) Patrick criticized Michael as obsessive about analysis and blocking entrepreneurial opportunities because of his conservative investment philosophy.
- 2) Michael characterized Patrick as visionary but unrealistically aggressive, jumping at every possibility with inadequate financial planning and resources.
- 3) Both men griped that Barbara was too nurturing and spent too much time on employee issues.
- 4) Barbara complained about testosterone causing a macho management style.
- 5) The partners wouldn't let go of perceived, past transgressions committed by the others.
- 6) They all assumed that the others didn't care about their concerns and failed to see how their own behaviors created fear and anger.

Notice any patterns? The patterns reflect some common causes of conflict in businesses.

- The partners criticized each other for differences that actually were complementary strengths. (In this situation, the differences attracted them to each other in the first place and were instrumental in building a successful business.)
- Whether focusing on personality, ability, or gender stereotypes, the partners reacted emotionally to differences and defensively digressed to personal attacks that invited retaliation.
- Each partner possessed strengths that at times were weaknesses. Instead of collaborating to bring out the best, they condemned, causing each to dig in and bring out the worst.
- The each held grudges for past wrongs that eviscerated the ability to trust each other moving forward.

- Each person attributed negative motives to the others, failing to recognize the good intentions underlying their differences.

What to do? Start by Understanding the Importance of Conflict.

Conflict is an inevitable and essential part of any productive relationship and business. The most effective leaders are able to: 1) develop and role model conflict competency to resolve disputes in their own relationships; 2) effectively intervene in disputes using conflict resolution skills; and 3) develop conflict competency in other people and organizational processes to create a more motivating and productive organizational culture.

Why is Conflict Important? Handled well, we can learn from important differences in ways that build mutual understanding and respect while helping us make the most informed decisions, obtain genuine buy-in, and achieve the best outcomes. This approach leads to constructive outcomes in our business and personal lives.

Handled poorly, conflict can create fear and anger that cause us to rationalize and react emotionally. We then become our own worst enemy by succumbing to self-defeating ways of thinking and behaving. Doing so invites retaliatory behaviors by others in a downward cycle that erodes trust and respect, wreaks havoc on relationships, and leads to destructive outcomes in our business and personal lives.

Substance vs. Relationships: The result is that disputes usually have two dimensions. One, the **substance**, is the focus of most disputes, such as complaints in this situation about differences regarding business strategy, financial decisions and leadership style. However, problems involving **relationships** are often the underlying cause or sustaining force of disputes.

Therefore, if traditional problem-solving methods are attempted too quickly to solve the substance of a dispute without attention to relationship issues, the result is often failure or short-term fixes that prolong and exacerbate a conflict. Who has not had the déjà vu experience of dealing with the same recurring conflict or problem that should have been resolved long ago?

Mediation: Depending on the situation, mediation uses different methods to help the parties: 1) strengthen self-awareness about their emotions and thinking 2) replace reactive with proactive attitudes and behaviors, and 3) enhance communication skills to rebuild trust and improve relationships while also addressing the substance of disputes.

In this case, using a variety of assessments during mediation, the partners regained perspective about their shared interests and the importance of their complementary differences that helped them build the business. Through using certain dialogue skills, the partners developed a process to identify options and objectively evaluate the pros and cons inherent in all ideas. The tone and nature of the conversation also changed as the partners started talking with each other about the inherent value of their different perspectives and the fundamental respect they had for each other.

This process led them to take responsibility for their roles in the conflict and honestly apologize for their behaviors. They committed to continue using important dialogue skills to achieve

respectful, timely, and effective communications and avoid a repetition of the same problems in the future.

They also reached out to staff to promote a healing process. This included creating a meaningful work culture that develops productive conflict resolution skills among staff; values people through respect, recognition, and concern for others well being and success; and engenders pride in the important products and quality of services they provide.

Take Aways: If your business is experiencing tension in relationships among owners or other leaders:

1) Evaluate the causes. For example, are any of the following factors creating problems?

- substance vs. relationship issues;
- a disproportionate focus on conflicting interests compared to shared interests;
- an emphasis on gender, age, racial, or other harmful stereotypes;
- failure to engage in a reasoning process to collaboratively attack problems, not people;
- an inability to let go of the past and focus on improving the future;
- seeing only the worst in others and not recognizing the good;
- poor communication skills.

2) Help people reframe how they view differences and each other by explicitly recognizing the value of conflict, i.e., the business imperative of learning from diverse perspectives and creating innovation and synergy from different talents and interests to achieve constructive outcomes.

3) Realize the importance of respecting the inherent dignity of each person.

4) Identify and build on strengths and find ways to neutralize weaknesses.

5) Learn and practice effective dialogue skills that help people communicate in an effective and timely manner to build trust, improve relationships, and achieve long-term solutions in the mutual best interests of the parties and the business.

If you would like information or assistance involving conflict resolution, executive coaching, or leadership development, please call Bob Weiss at 262-754-9647.

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