



Conflict happens

Dealing with it wisely can make or break your business | **BY SAMUEL GREENGARD**

Over the years, Roy Anise has witnessed his fair share of workplace conflicts—individuals who attempt to undermine colleagues, those who forge underhanded alliances, and people who yell and pound their fists when they get upset. And while he knows that it’s impossible to see eye to eye on every issue, the senior vice president of planning and information at Philip Morris USA also understands that some ground rules are in order. “How an organization handles conflict is a powerful indicator of how successful it will be,” he says.

It’s no secret that when humans interact, conflict often follows. And, in today’s high-stakes business environment, where there’s enormous pressure to perform well and million-dollar deals hinge on quick decisions, there’s abundant room for mistakes, misinterpretations and misunderstandings. Factor in egos and the strong will of successful managers, and all the ingredients exist for world-class conflict.

“Everyone wants what’s best for the organization, but people often have entirely different ideas about how to achieve results,” says Howard M. Guttman, author of *When Goliaths Clash* (Amacom, 2003) and principal

at Guttman Development Strategies, Inc., a Ledgewood, N.J., consulting firm. “Disagreement and conflict aren’t in themselves a bad thing. They can serve as a creative spark and, ultimately, the foundation for great ideas. It’s how an organization handles and channels the conflict [that’s important].”

ANGER MANAGEMENT

One glance at the business news reflects how common it is for companies to struggle with the issue. Too often, boards of directors wind up squabbling, senior executives verbally harangue one another, and workers at all levels of the enterprise turn to hardball tactics to get their way. The goal, Guttman says, is to manage conflict effectively and preserve relationships within the organization.

In the heat of battle, social etiquette often goes by the wayside. Blow-ups typically occur for one of three reasons, notes Scott Cohen, national practice leader for talent management at consulting firm Watson Wyatt Worldwide: individuals mistrust others they work with, competing goals exist (along with the mentality that in order for one person to win, another has to lose) and success often breeds arrogance. He says, “It’s the proverbial ‘My way or the highway. I’ve been very successful before and I am not open to other ways of doing things.’”

The resulting conflict usually plays out in one of four ways, Guttman says. Those who aren’t satisfied with the status quo might try to renegotiate or change things. A second possibility is for individuals to shift their perception and adapt to the environment. Others, who cannot cope with a situation, flee to another employer. The last group goes underground. “They pretend that everything is OK, but it eats away at them and eventually they feel like a victim,” Guttman says.

The latter approach can prove particularly damaging because those “infected” with anger and resentment often band together with other disgruntled workers, and the ensuing contempt and disdain begin to topple productivity, profits and the moral base of the organization. What’s more, those who see themselves as “prisoners” in the organization often antagonize colleagues and customers—sometimes unwittingly. As the

It can take time to put newly acquired conflict-resolution strategies into practical action.

mindset spreads, enthusiastic new hires might immediately question their decision to join the company. "Essentially, you wind up paying people to sabotage your organization," Guttman says.

Any of the first three actions are acceptable, according to Guttman. "The only approach that an organization cannot tolerate is workers going underground and becoming a cancer." But changing the dynamics of a group or an entire company is often easier said than done. It's necessary to analyze and understand the problem, change established habits and personality traits, and establish new rules for engagement.

A few years ago, when Anise discovered a talented leadership team at Philip Morris that wasn't functioning up to standards, he recognized that the inability to address important issues was at the heart of the problem. "The group

avoided conflict because it viewed it as a negative experience," Anise explains.

Anise recognized that he had to teach staff members how to become more assertive. "The goal wasn't to change their basic personality, which was a huge concern up front; it was to [teach them] to communicate and cope with problems, frustrations and disagreements." After a series of workshops, held over a nine-month span, employees began to change their communication patterns. "We began having a more authentic dialog," Anise says. The firm also added communication and conflict-management skills to its employee evaluations.

RESOLUTION RULES

Philip Morris isn't the only enterprise to benefit from a focused conflict-management strategy. At CIT Group Inc., a \$5.2 billion commercial finance

STEERING CLEAR OF CONFLICT

Howard Guttman, author of *When Goliaths Clash* (Amacom, 2003) and principal at Guttman Development Strategies, Inc., in Ledgewood, N.J., offers 10 tips for effective conflict management:

- 1 Confront issues. Don't sidestep or bury them.** When workers avoid conflict, resentment builds, eventually sapping creativity and productivity.
- 2 Make sure it's safe to disagree.** Encourage discussion, but unless participants feel that others respect their ideas, they're not likely to speak up.
- 3 Depersonalize issues.** As the old adage goes, there's no "I" in "team." By focusing on business, not personal issues, it's possible to resolve conflicts and make better decisions.
- 4 Make executives accountable.** Ultimately, it's up to executives and managers to ensure that employees use conflict-resolution techniques.
- 5 State the rules.** At some point, someone has to make a decision

and everyone needs to move on. Clearly stated rules prevent misunderstandings.

- 6 Don't accuse in absentia.** The target of criticism should be present if an employee wants to complain.
- 7 Discourage bringing issues to third-party rescuers.** Employees who have issues should discuss it with each other and only approach a manager if they're unable to resolve differences.
- 8 Use "boomerang" questioning.** Turn assertions into questions—and really listen to answers. Then it's possible to discuss issues in a less combative way.
- 9 Don't permit "hand-raising from the grave."** Once a group makes a decision, don't allow complaints and second-guessing. Disagreement should occur during debate, not afterward.
- 10 Cheer and reward successful conflict resolution.** Acknowledge the use of conflict-resolution skills, use feedback and evaluation systems to measure success and create incentives.

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company based in Livingston, N.J., the potential for conflict is substantial. Salespeople are eager to chalk up loans while credit professionals are intent on closing only solid deals. The two roles, by definition, result in a fair amount of head-butting, says Jack Lerner, senior VP of organizational development and learning.

Among the challenges: highly competitive staff members with a strong desire to win, and individuals who sometimes act impulsively or lack awareness about the type of negative behavior they are displaying. After several workshops focusing on how to refrain from reacting impulsively, how to better understand others and how to avoid jumping to conclusions (“If someone doesn’t return your phone call it doesn’t necessarily mean they are mad at you”), CIT began to see positive results.

According to Guttman, effective conflict resolution requires a three-pronged strategy. First, organizations must create a set of ground rules for how employees can behave. For example, an organization might outlaw triangulation, in which one person goes behind another’s back without first attempting to resolve the problem directly with that individual. The second strategy is equipping workers with the skills to engage in effective conflict resolution. This usually requires workshops and classes. Finally, it’s essential to create the right goals and incentives for the desired behavior—and measure success through performance evaluations. “It’s wise to create an environment that fosters collaboration rather than competition,” Cohen notes.

Although many individuals are receptive to learning new techniques and strategies for dealing with problems, it can take time to put learning into practical action. In some cases, employees who reject the process or cannot grasp conflict-management techniques may need to look for a new employer. As

Guttman puts it: “Just as some sports superstars who post huge numbers can damage the psychological framework of a team, there are talented businesspeople who don’t fit in. At a certain point, the person becomes a cancer and eats away at the organization.”

NO TATTLETALES

It’s a lesson that Patrick Parenty, senior vice president and general manager of Redken, a New York City-based hair care and cosmetics firm, has learned

well. Among the firm’s rules: “If a person has a conflict with someone else, they speak to that person first. If they can’t resolve it, they talk to their manager,” he explains. In addition, Parenty has invoked a 24-hour rule. “If a person has a disagreement or an issue with how someone else is handling things, they must address it within 24 hours or drop it.” Finally, a silence rule states that if a worker doesn’t speak up during a discussion, meeting or informal interaction, it equates to a tacit endorsement of the decision or action.

Since 1996, all executives and managers at Redken have participated in conflict-resolution workshops. The end result? Since the company adopted the program it has boasted double-digit sales and profit growth—within an industry that’s been expanding at an average rate of only 2 percent. Parenty believes there is a cause-effect relationship. “We make decisions quicker and better. We do not miss opportunities due to inaction or warring factions.”

In the end, it’s all about creating honest, open debate and defining clear roles and accountabilities. Says Guttman: “When conflict is de-personalized and treated as a business issue, it is possible to boost performance and create a workforce that is strategically aligned. Although conflict is inevitable, smart organizations channel it into positive energy.”



Redken has a 24-hour rule: Address concerns within a day or drop them.

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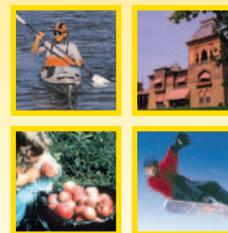
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