Managing Conflict and Problem Solving

Managing Conflict and Problem Solving
Module Overview

Purpose

- To create a safe environment for sharing experiences, perspectives, questions, opinions and views about conflict and problem solving
- To add information and skills to your knowledge base
- To increase your ability to develop options when addressing disagreements, while preserving ongoing relationships and promoting a respectful and fair work environment
- To enhance your ability to deal with problem solving and conflict management productivity

Main Topics

I. Considerations about Conflict
II. Stakeholders and Conflict Analysis
III. Resources
IV. Conflict Modes
V. Interest Based Problem Solving
VI. Considerations about Power
VII. Consensus Building
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Considerations about Conflict

A considerable amount of a typical manager’s time is spent dealing with conflict.

There is a cost attributed to unresolved or poorly resolved/poorly managed conflict.

Problem solving and conflict resolution skills are desirable for any individual, in any setting.

The Cost of Conflict

Figures vary, but the turnover cost of one employee can be anywhere from 30% to 150% of the employees annual salary.
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The Eight Factors of the Cost of Conflict

1. Wasted time
2. Lower Decision Quality
3. Loss of Skilled Workers
4. Restructuring
5. Sabotage/Theft/Damage
6. Impact on Morale
7. Lost Work Time
8. Health Costs

Wasted time
Conflict distracts employees from otherwise productive use of their time.

Lower Decision Quality
Decisions made under conditions of conflict are always inferior to decisions made when cooperation prevails, for two reasons:
   A. Good decisions must be based on an optimum quantity and quality of objective information. If information is withheld or distorted by those who are depended upon to provide it – which almost always happens when information providers are in conflict with the decision-maker – then the decision cannot be the best one possible.
   B. If conflict is present between people who share decision-making authority, as in the case of team-based decisions, the resulting decisions are likely to be contaminated by the power struggles between those people. A precise estimate of cost is probably impossible. But many opportunities are lost by poor decisions that were affected by conflict, and if instead better decisions were made, a lot might have been gained instead of lost.

Loss of Skilled Workers
Organizations’ investment in new employees involves hiring costs and training costs. Chronic unresolved conflicts are a decisive factor for at least 50% of all terminations. Conflict accounts for up to 90% of involuntary departures, with the exception of staff reduction due to downsizing and restructuring.

Restructuring
When workflow has to be altered to reduce the amount of interaction between employees in conflict, the restructured work is usually less efficient than the original design. It is virtually impossible to calculate the precise inefficiency that results from such change, but reasonable estimates can be reached on a case-by-case basis.
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Sabotage/Theft/Damage
There is a direct correlation between prevalence of employee conflict and the amount of damage and theft of inventory and equipment. Much of this type of cost is hidden from management’s view, excused as accidental or inadvertent errors.

Impact on Morale
Much of the decreases in job motivation are due to the stress of having to deal with difficult people at work. The resulting decline in productivity is the base for calculating the cost of that type of workplace conflict.

Lost Work Time
There is a proven connection between absenteeism and job stress, more specifically associated with anger toward co-workers. That is something that leads employees to choose to take unnecessary time off, often excused as a “sick day”. Science has shown that nearly all illnesses have a psychosomatic component. Part of that component is caused by emotional or psychological conditions, and the portion of lost work time that results isn’t always visible.

Health Costs
Workplace conflict is a causing factor of illnesses and injuries; since the rate of insurance claims affects the premium paid by an employer to its insurer, conflict is an indirect cost of workplace conflict.

For more information visit www.mediationworks.com
Assessing the Level of Conflict

- Employee satisfaction data
- Grievances
- Retention
- Performance evaluations
- Attendance
- Employee complaints
- “Workplace vibe”
Two types of dispute resolution systems:
A good organization needs both!

Rights-based:
- Relevant laws or policies
- Third party judges the situation
- An answer is given
- Solution is imposed

Examples:
- Civil court trials
- Binding arbitration
- Grievances

Interest-based:
- “No-fault” assumption
- Mutual exploration:
  - what each party needs
- Parties choose their own solution

Examples:
- Mutual gains bargaining
- Consensus building
- Mediation
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Resources

- Informal complaint to supervisor

- The Office of Institutional Equity
  Serves as a vital resource and leader in promoting and furthering the University’s commitment to diversity and equal opportunity for all members of its community. [http://hr.umich.edu/oie/](http://hr.umich.edu/oie/)

- HR Consultant
  For an updated list of UMHS HR Consultants by department, please visit the following URL: [http://www.med.umich.edu/umhshr/about/contact.html](http://www.med.umich.edu/umhshr/about/contact.html) (scroll to the bottom of the page)

- Work Connections
  Work Connections is an integrated disability management program developed by the University of Michigan to assist you—and your supervisor—when you've had an illness or injury that prevents you from working. [http://www.workconnections.umich.edu/](http://www.workconnections.umich.edu/)

- Employee Assistance Program
  The Employee Assistance Program (EAP) is a confidential, no cost service for UMHS Faculty, Staff, and their families. We provide brief counseling and coaching services, mediation services, crisis intervention, assessment and referral, educational and training programs, and supervisory, staff, and team consultation. [http://hr.umich.edu/mhealthy/programs/mental_emotional/eap.html](http://hr.umich.edu/mhealthy/programs/mental_emotional/eap.html)

- Work/Life Resource Center
  The Work/Life Resource Center is a starting point for the University community to learn about resources and tools to promote work/life balance. Our services include help in locating childcare and eldercare, educational programs, consultation on flexible scheduling and child care leaves of absence. [http://www.hr.umich.edu/worklife/](http://www.hr.umich.edu/worklife/)

- Security and Entrance Services
  Security’s mission is to:
  - Achieve an optimal degree of personal safety,
  - Promote positive customer relations, and
  - Protect the physical property and assets of patients, staff, visitors and the Health System.
  [http://www.med.umich.edu/security/index.htm](http://www.med.umich.edu/security/index.htm)

- Mediation

- Grievance process
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Negotiation, conflict management, etc...

*Negotiation:* Communicating to satisfy interests, needs, wishes, desires, etc...

*Conflict:* Opposition to interests, needs, wishes, desires, etc...

*Problem Solving:* Techniques, skills and tactics, applied to conflict situations, with the objective of ending it.

**Conflict Management Options**

<table>
<thead>
<tr>
<th>People involved in coming to their own decisions</th>
<th>Third party decides</th>
<th>Legal decision by third party</th>
<th>Forced decision; may be extra legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avoid the conflict / Talk about it and problem solve</td>
<td>Top down decision by authority</td>
<td>Court rulings</td>
<td>Non-violent action</td>
</tr>
<tr>
<td>Negotiate</td>
<td>Outsider makes decision</td>
<td>Arbitration awards</td>
<td>Violent action</td>
</tr>
<tr>
<td>Mediate</td>
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**Managing Conflict**

Although there are preventive measures that can reduce unnecessary friction and disputes, conflict is, in fact, inevitable.

What defines the outcome in conflict is, in great part, how the parties approach the issues and attempt to satisfy their concerns.

Choosing between constructive approaches and destructive ones: short term gains may translate into long term losses.

**Conflict and Communication**

- Sharing, understanding, and responding to information
- Words/intonation/body language
- Contradiction between verbal and non-verbal messages: impact on trust and credibility
- Variations across cultures: range of interpretations
- Communication barriers: absolute statements, “you” language, blaming, criticizing, interrupting, advising, etc.
- Bad habits: listening for facts only, faking attention, judging, criticizing delivery or physical appearance, early dismissal of a subject as uninteresting, etc.
- Active listening: the art of developing understanding
Paraphrasing Activity

**Purpose:** Assess your listening skills

**Agenda:**
- Select a partner
- Identify a controversial topic that you both agree to talk about for five minutes
- Decide who will speak first
- Your partner will repeat what you said with his/her own words
- Switch roles and repeat
- As a class, discuss the experience

**Limit:**
- Exercise: 10 minutes
- Discussion: 10 minutes
Some Causes of Conflict

- Lack of problem solving skills, people skills
- Allowing assumptions to replace knowledge
- Communication flaws, lack of communication
- Inter-generational friction
- Inadequate working conditions: space, resources
- Intolerance
- Inability to deal with differences productively
- Favoritism, both actual and perceived
- Lack of fairness
The Five Conflict Modes

Each mode serves different purposes and is best suited for different circumstances. We usually overuse one or two of the five modes.
Interest Based Problem Solving

• Separate people from the problem

• Concentrate on the merits

• Focus on interests instead of positions

• Develop options for mutual gains

• Use objective criteria

Conflict Assessment: Identifying Stakeholders and their Interests

• Identifying the issues

• Identifying the stakeholders

• Legitimacy of outcomes defined by involvement of the right stakeholders

• Importance of a conflict assessment
Successful Conflict Resolution

- When solution meets stakeholders’ interests
- When stakeholders either continue to trust and respect one another, or their mutual trust and respect is restored or improved
- When productive future interactions are possible
- When stakeholders feel they can approach each other safely to problem solve
- When there is genuine respect between stakeholders
Negotiation Theory

Types of negotiation:
• Positional
• Principled

Three variables:
• Power
• Time
• Information

The magic phrase in problem solving: “What if...”

Arguing over positions vs. discussing interests

Negotiation and ongoing relationships

Negotiation and leverage: power imbalance
Internal and External Negotiation

- Internal negotiations: supporting external negotiations
- Conflict of interests can be higher internally than externally
- Different realities and interests involved
- When stakes are higher, cooperation is usually lower

*Internal and External Negotiation: Similarities*
- Multi-party
- Intricate
- Same three variables: power, time and information
- Involve trust, ongoing relationships, positions and interests
- Require effective communication
Power

Considerations about Power
What is your definition of power?

Where do you derive your power from?

Can you name other sources of it?

Power
The ability or capacity to influence and/or to exercise control

Power is neutral. It enables change in reality

Use of power in connection with a goal will make it ethical or unethical, good or bad, moral or immoral, positive or negative, etc...

Some Types of Power
• Power of competition
• Power of legitimacy
• Power of risk taking
• Power of commitment
• Power of expertise
• Power of investment
• Power of knowledge of needs
• Power of identification
• Power of morality
Consensus Building

- Consensus: Consent
- Negotiated decision making
- How much power to give up
- When to use or not to use consensus
- Self-managed meetings vs. facilitated meetings
Mediation: One possible option

**Mediation: Assisted negotiation**
- A trained, neutral third party facilitates mutual problem-solving
- Channel for any workplace concerns – not just management actions
- Informal mechanism to avoid a grievance where possible
- Interest-based problem-solving

**Characteristics**
- Voluntary
- Confidential
- No fault assumption
- Neutral third party involved
- Party’s right to veto mediator
- Party’s right to decline to participate
- Party’s right to withdraw
- Parties’ control over the outcomes: empowerment
- Can stop the grievance clock

**Can I send someone to mediation?**
Remember, it’s totally voluntary! You can ask staff to meet with us to learn about the process. After that, they make their own decision.
Conflict Prevention

- Meet often with each staff member
- Treat each individual with respect
- Protect confidentiality
- Praise in public; criticize in private
- Address concerns sooner rather than later
- Don’t make assumptions! Get the facts
- Give credit where (and to whom) credit is due
- Listen to understand first