Chapter 1:

Anatomy of Conflict Overview

"By some estimates, managers spend 20% of their time in conflict or managing it. A manager who earns $60,000 will be wasting, in profitability terms, $12,000 of that salary on conflict. If your company has 10 managers, that's a $120,000 hit to your bottom line." [1]

When Jeffrey Erle took over as president of Litton Enterprise Solutions, a California-based information and technology services provider and a division of Litton Industries, he knew he was in for a stiff challenge. [2]

Erle's division was a loosely formed confederation of East Coast and West Coast operations that needed to be integrated in order to provide customers with a full spectrum of services.

The problem: Both operations had about as much in common as Al Qaeda and The Salvation Army. On the West Coast, managers had been around for more than thirty years, running one line of business: call centers. They were hardworking but resistant to change, and they were led by an executive who thought that he deserved Erle's position.

The East Coast operation had been cobbled together through recent acquisitions and specialized in enterprise-wide process consulting. The team was led by a general manager who believed that she should have been given the presidency. Her team was freewheeling, and risk taking and could not care less about Litton culture and tradition.

The lack of common ground had consequences. There was no communication between the two operations and no unified sense of direction. Covert sabotage was routinely waged by both camps to dilute the other side's effectiveness. And there was enough clawing and scrambling at the top of both operations to qualify for United Nations intervention. When Erle came on the scene, decision making had ground to a halt" along with sales.

A company that does not manage internal conflict will not succeed, regardless of its efforts to reengineer structures and processes, rev up sales and marketing efforts, develop and acquire new products, and dot-com the business.

When conflict is ignored" especially at the top" the result will be an enterprise that competes more passionately with itself than with its competitors.

Not all top teams and their organizations represent conflict-ridden, Balkanized environments. But even vaunted high-performance teams are not conflict-free utopias. Unmanaged conflict at the top of an organization is especially insidious, because it can compromise the competitive well-being of an organization.

A large pharmaceutical company located in the Northeast sought to eat away at its rival's market share by launching a new product in the feminine health category.
The time frame was tight because of anticipated competitive moves; however, external competition paled compared to the internal cross-pressures.

The vice presidents of marketing and research both agreed that a new product was necessary for future growth, but the question was, "Which new product to launch?" Each executive argued strenuously for a different pet alternative, and they became increasingly intransigent.
The president listened to the raging debate at several board meetings, until" in an effort to end the stalemate" he decided to play Solomon. He split the product launch in half, with 50 percent of the advertising dollars and other resources going to each product. His move quelled the conflict, but with insufficient resources, neither product could be brought to market ahead of the competition. Market share was lost, and the organization's franchise in feminine health care took years to rebuild.

Unresolved conflict, especially at the highest level of an organization, can result in unfortunate, and potentially deadly, consequences, such as:

- Unproductive activity
- Misdirected anger and hostility
- Increased costs and waste
- Poor quality
- Reduced productivity
- Increased absenteeism and turnover

In our two decades of consulting, we have seen many companies that were either paralyzed by unmanaged conflict or nearly destroyed by it. Yet, for these organizations, the first thing we stress is that putting an end to conflict is the last thing executives should hope to achieve.

Conflict should be managed, not eliminated.

[1] "Expert Advice on Setting Up a Conflict Resolution Training Program," Managing Training and Development, September 2000, p. 1.
[2] Litton Industries decided to exit the professional services business, and at the end of 1999 sold most of Litton Enterprise Solutions to Acxiom. Litton Industries was acquired by Northrop Grumman in 2001.

The Two Faces of Conflict.

The biggest misconception that people hold about conflict is that it is intrinsically bad. But conflict in and of itself is an inevitable social and organizational reality. Whether one subscribes to the Bible or to Freud, conflict is rooted in the human condition and is not necessarily an indicator of dysfunction. It just is.

It is true that conflict is destructive when it:

- Leads to a win/lose game where one side wins at the other's expense
- Diverts energy from important activities or issues
- Destroys people's morale
- Polarizes groups and reduces cooperation
- Deepens differences
- Produces irresponsible/regrettable behavior (i.e., personal attacks)
- Leads to stalemates rather than decisions

Conflict, however, has another side that is often overlooked. Remember the old advertisement featuring near-mythic body-builder Charles Atlas? He built an impressive physique through a process called" dynamic tension," which puts muscle against muscle. In the same way, the dynamic tension that results when executives go head-to-head can be a source of great creativity, excitement, and even strength. It can help an organization to develop the muscle it needs to vanquish less well-endowed competitors.

Takeo Fujisawa, cofounder of the Honda Motor Company, understood the positive role that conflict plays in keeping an organization vital:

> I like Bartok and Stravinsky. It's a discordant sound" and there are discordant sounds inside a company. As president, you must orchestrate the discordant sounds into a kind of harmony. But you never want too much harmony. One must cultivate a taste for finding harmony within discord, or you will drift away from the forces that keep a company alive. [3]

Fujisawa believed strongly that examining and accepting differences is healthy, beneficial, and necessary. Probing management disagreements can spur effective problem solving and be a boon for creating strategic and operational decision making. Sharing competing viewpoints shapes and sharpens action as it opens thinking to new possibilities.

Conflict keeps a company alive" and flourishing" when it:

- Stimulates healthy interaction and involvement in accomplishing a task
- Opens up issues of importance
- Strengthens team spirit and generates commitment to group goals
- Results in greater understanding
- Helps to build cohesiveness
- Helps individuals to grow
- Results in better solutions to a problem
- Improves the quality of a group's work

Whether conflict works for or against an organization, shores it up or undermines its foundation, depends on one and only one thing: how it is managed.

[3] Richard Pascale Tanner, Managing on the Edge: How the Smartest Companies Use Conflict to Stay Ahead (New York: Simon and Schuster, 1990), p. 256.

Transforming Destructive Conflict.

Think back for a moment to the situation that Jeffrey Erle walked into at Litton and to the compromise that the pharmaceutical president believed would solve a contentious problem. Until Erle came on the scene, destructive conflict was accepted as the status quo and allowed to fester. And in the pharmaceutical company, the president's split-the-baby-in-half solution killed both products. In attempting to please everyone, the president abdicated his responsibility as a leader.

In both cases no one encouraged, much less forced, the warring parties to confront one another, make their respective cases, then arrive at the solution that was best for the organization. Conflict was not mismanaged, rather it was simply never managed.

Contrast these two situations with that of Coach, a premier retailer of leather accessories. In the early 1990s, Coach's continued rapid growth was uncertain, because the company faced stiff competition not only from traditional rivals but also from several high-energy upstarts. Lew Frankfort, Coach's chief executive officer and chairman, knew that continued growth depended on strengthening the company's ability to bring new products to market more quickly and with greater consistency. The bottom line was that Frankfort needed to inject more design and merchandising muscle into his manufacturing-driven organization.

To do this, Frankfort brought on board new senior-level design and merchandizing talent. It was a terrific move, but the entrenched manufacturing group thought otherwise. The vice president of manufacturing was not only change-averse, but there were also glaring cultural differences between the forces of creativity and those responsible for getting things produced on time and cost-effectively. This led to the typical arguments and finger-pointing.

Frankfort was wise enough not to play Solomon. He confronted both groups and told them, in effect, to get their act together. He asked the warring executives and their respective teams to sit down together to honestly and openly identify the issues that divided them and to develop a plan for resolution. This was accomplished during several off-site meetings.

In addition, Frankfort asked his vice presidents of manufacturing and design to meet together on a weekly basis and then jointly produce a report for Frankfort, outlining progress on issues and highlighting areas of disagreement. Frankfort commented, "This gave me a platform to intervene only when it was absolutely necessary."

As a result, both groups began to realize that without continued collaboration the success of their company and their jobs was at risk. The fact that both leaders were now working together effectively, combined with the off-site meetings, broke down the silos and reduced bickering. And, best of all, new styles began to hit the shelves at regular intervals. Coach was able to maintain its rapid growth in the face of much tougher market conditions.

Another executive who knows how to bring competing energies together to achieve a positive outcome is the president of a large consumer goods company. He became president of a $1.5 billion company after it had acquired several smaller companies. His immediate challenge was to create an integrated company that would present a single face to the external world and that would run on one set of internal systems.

But a major problem stood in the way. One of the CEOs whose company had been acquired feared that his enterprise would be gobbled up by the giant, thereby losing the brand equity he had worked diligently to achieve. To preserve his company's autonomy, the CEO resisted the changes that were designed to bring his operation into the parent company's fold.

The president of the parent company proceeded to quickly put his stake in the ground. To avoid the culture clashes that were beginning to erupt with the CEO of the newly acquired company, he first created a company-wide sales team that included representatives from the larger entity and from all the acquired companies. The object was to establish a single point of contact for all the company's products. Next, he created cross-functional teams, also representing the entire organization, and charged them with developing company-wide systems for IT, accounting, ordering, and other functions. He established a clear set of goals for the teams, defined roles, and made everyone commit to a common process for decision making.

Instead of allowing unchecked internal conflict to jeopardize the company's overall health, the president quickly stepped in to create venues for collaboration. Discussion and debate were fine, and he did not attempt to dictate solutions. But by composition, structure, processes, and tasks, team members were forced to put aside parochialism and channel their differences into solutions that benefited the entire company.

By their words and actions, effective managers of conflict send the message that dissenting opinions do not need to be kept under a barrel. They not only encourage people to engage in authentic dialogue, but they actually hold them accountable for doing so.

The Roots of Conflict

Conflict is the condition in which the needs or desires of two or more parties appear to be incompatible. When two or more parties vie for the same thing whether it is money, materials, space, time, or any other resource they are in conflict. The word conflict comes from the Latin fligere ("to strike") and com ("together"), so it is not surprising that one of the images that often comes to mind when we speak of conflict is that of striking or butting heads.

This negative image often brings to mind other words that evoke discomfort and struggle, such as anger, pressure, argument, enemy, disagreement, and obstacle. Vocabulary that was once restricted to the battlefield has made its way into boardrooms. People talk about "shooting down" coworkers' ideas, "coming up with a plan of attack," "rolling out the big guns," "mounting an offensive," and "dropping a bombshell." A visitor from Mars could easily get the idea that executives on this planet settle management disputes with weapons of mass destruction.

The belligerent mind-set with which people approach conflict is indicative of their belief that conflict springs from some sort of malevolent force: the serpent in the Garden of Eden, the dark side of the moon, the fundamentally flawed nature of humankind. As we pointed out earlier, this type of value judgment does conflict a great disservice. How different we would feel about conflict if we could learn to think of it as simply another expression of human diversity, which, in fact, it is.

Whenever people are brought together, each with individual needs, there exists the potential for disagreement. Conflict is inevitable, at some point, in all personal relationships and, even more so, in business transactions. In what other social institution besides business are people with different cultural backgrounds, values, and beliefs, and with different psychological needs and makeup, thrust together almost at random for eight or more hours a day, year after year, in the hope of working together to achieve a common set of objectives? It is inconceivable that all parties will consistently agree on all matters.

And business conflict is not found only among the Goliaths at the top. It is omnipresent in organizations. It transcends hierarchies, cuts across functions, and exists at that basic molecular unit of workplace reality where supervisors meet direct reports and where one employee interacts with another.

Even worse, the modern industrial enterprise, with its hyperactivity and need for business at the speed of thought, its asynchronous work patterns and global reach, and its increasing reliance on electronic communication, has become a holding pen for conflict.

Senior executives need, more than ever, to become adept at managing conflict throughout their organization. To do this, they need to understand more about the roots of conflict in other words, the reasons that conflict is essential to the human condition.

What Causes Conflict?

There are two primary sources of conflict among people, in both their personal and business relationships: individual differences and stylistic clashes. In business relationships, a third factor contributes to the generation of conflict: organizational conditions.

Individual Differences
No two human beings” not even identical twins ”are alike in all aspects. No big news here. Each person is unique, and uniqueness implies differences. As a result, all of us bring to relationships different:

- Wants and needs
- Values and beliefs
- Assumptions and interpretations
- Degrees of knowledge and information
- Expectations
- Culture

When we encounter other people whose wants and needs, values and beliefs, assumptions and interpretations differ from our own, we may find ourselves in conflict with them. But that does not mean that we must "butt heads." People can have differences without taking them personally, and one of the keys to successfully managing conflict is learning to depersonalize it, or to view it as a business case.

Most of the differences previously mentioned are fairly universal and easily understood. Culture, however, is a far more complicated source of conflict than the others. It may be that culture plays a pivotal role in determining how conflict expresses itself, both between individuals and in groups. Some cultures, at least stereotypically, are said to be conflict-averse, preferring to sidestep controversy to preserve peace and promote the common good. We suggest using caution with these stereotypes.

Germany is touted to be a place where, even today, leaders brook little disagreement, much less overt conflict. Recently, one group of twenty-five German managers was working on its conflict-resolution skills. The company's director of human resources described the group 's leader as " harsh, rigid, and judgmental." According to this individual, anyone who wanted to help this group to improve its performance had to first understand that "Germans don't criticize their leaders. They go along with them out of respect." Given his international experience in conflict management, the facilitator leading the effort was skeptical. He knew that you cannot "respect away" conflict, although you might try to submerge it.

At the initial team meeting, the facilitator turned to the leader and advised him to be open, to admit that he valued candor, and to encourage everyone to be honest. The leader readily agreed. "What's important," he told the group, “Is that we come out of here with a better sense of how we need to operate and how I can be a better leader."

This opened up the floodgates. For the first time, team members told their leader how much they resented the fact that decisions were handed to them as faits accomplish. They said they were tired of only being seen; they wanted to be heard. They told their leader that he needed to respect their contribution to the business. The leader not only accepted their open criticism of him but thanked them for their candor. He promised to do better in the future, thereby paving the way for a new way of interacting with them. So much for stereotypes!

Individual and Perceptual Differences

Individual differences are often the result of differences in perception. People often say that perception is reality, but in fact, perception is only a partial reality” ours and not the other persons. And it is on our perception that we base our wants, needs, values, beliefs, and so forth.

Perception tends to evolve in the same way for all of us. As we go through life, we accumulate experience” some positive, some negative. From that experience, we develop our knowledge base. If, for example, you have a great experience with a winning team, then you "know" that teams can accomplish more than a single contributor. But a bad experience deposits a different data point in your memory bank: You "know" that working in a team creates stress, slows down productivity, and produces mediocre outcomes.
We tend to generalize what we learn from our experiences, and these generalizations form our perceptions. So, if you have knowledge of a positive team experience, you might have a perception that teamwork is a good thing. Conversely, if you have knowledge of a disastrous team outcome, you might develop a negative perception of teamwork.

The Power of Going-In Stories

Perceptions create expectations, or core beliefs, about what will happen when we enter a situation similar to the one, we have already experienced. These, in turn, give rise to what we call " going-in stories." Based on my experience, if my core belief is that teams work well, I will be more likely to enter a team situation with the going-in story that differences among team members should be viewed as constructive challenges and a way to create better goals and outcomes. If my core belief is that teams do not work well, when I see team members challenging one another I will probably tell myself the story that this is merely another example of group chaos, and the outcome will likely be negative. I will probably become argumentative and defensive, thereby increasing whatever tension may already exist. In other words, I tend to look for evidence to confirm that my core belief/story is valid, then behave accordingly. My continued resistance to team efforts helps to perpetuate the tension in the group, which adds to my knowledge base that teams do not work, and thus the cycle repeats itself.

This process is represented in Figure 1-1:

Figure 1-1: The Evolution of Perception.

We rely on our perceptions to guide us through our interactions with others. The trouble occurs when we act in accordance with our perceptions, but there is a disconnect between our view of things and the views of those with whom we are dealing. By not opening ourselves up to data that broadens our perspective, we become prisoners of our perceptions. Our core beliefs turn into " core limiting beliefs," and by holding on to them, we lock ourselves hopelessly into ongoing conflict. Our objective becomes not to seek common ground but to prove that our perception" our core limiting belief" is the right one. To this end, we develop going-in stories that become self-fulfilling prophecies.

In a business situation, going-in stories can revolve around people's sense of self and others, their feelings about their function, or their interpretation of the organization as a whole. Recently, when the global team of a large food products corporation met to work on its conflict-resolution skills, a female executive in her forties, who had been with the company for three or four years , shared with the group her feeling that she often was not taken seriously by the others because she was viewed as being "too young" or "the new kid on the block." This perception, she revealed, often kept her from offering suggestions and giving opinions, even when she felt strongly about issues. She was taken aback when the members of the group told her that they had never considered her too inexperienced and, indeed, valued her perspective. It was her own going-in story, not the view of her colleagues, that limited her effectiveness.

People's perceptions are often limited by their positional role and are influenced by supporting systems such as the performance management and rewards processes. This sets the stage for conflict before they even begin to interact with those in other functions.

Peter Wentworth, vice president of global human resources for Pfizer's consumer health care division, illustrates this point when he discusses the perceptions of his organization's regional players:

> Regional players have the potential to be very territorial. Their going-in story is that the best way to drive global growth is by growing their own region. So they attempt to optimize what they do individually.

> Yet, the people who run the global category are the ones who have responsibility for driving global growth. The global head of oral care, for example, will say, "This is where we need to be investing; these are the product lines that we need to grow; this is how we need to balance our global portfolio and allocate resources across the various geographies." But, given his going-in story, the regional head is likely to respond with, "I know what our customers need, and in order to meet our growth goals we are going to do 'A.' I know you want to do 'B,' but that's just not a priority for us."

Wentworth knows that it is difficult to avoid conflict when people's going-in stories are so parochial. He concludes,

> Evolved team leaders know, however, that such conflict can be managed. The key: changing the going-in stories of all the individual players so that they perceive themselves first and foremost as members of a global team who share common goals and only secondarily as regional, category, or functional executives.

Sometimes an entire organization will subscribe to a going-in story about the limits that exist within the organization and the punishment that is likely to be meted out to anyone who dares to cross the line. In many cases, these stories no longer have any foundation or never did, but they are perpetuated nonetheless and can deaden creativity and morale. One vice president of marketing shared an example of this type of going-in story:

> Several years ago, we had a president who made all the calls himself and wasn't open to change. He did not allow individuals to voice their opinion, and many people were intimidated and, therefore, never challenged him. People who did weren't very successful. As a result, there was a lot of fear about speaking up. Today, even though we have had two presidents since he left and our current president has done a lot to encourage candor, we still hear stories about people being afraid to speak their mind. When you begin to drill down and try to understand what it is all about, why it exists, you find out that it has to do with the way people were managed then. But it held us back until we were able to successfully work through our stories.

There is a way to avoid being trapped by your going-in story: Use the input of others to build, modify, test, and perhaps abandon perceptions. By asking other people for their opinions and by probing how those opinions were formed, we open ourselves up to entirely new ways of looking at the people and events around us.

To successfully manage conflict, we must also be willing to share our perceptions with others” to tell them exactly what we value and what we expect from them. Only when each party opens up to the other, revealing their perceptions, can conflict be resolved” which brings us to the second factor that often generates conflict: stylistic clashes.

Stylistic Clashes

If you master the skill of sending and receiving clear messages, you hold a key to forging successful relationships, from marriage to the workplace.

Communication may be the one area where style is not only sizzle but substance. When we talk about style, we are referring to how each individual approaches interpersonal communication. Some people are comfortable revealing their innermost thoughts and feelings, while others find it extremely awkward and embarrassing to open up, especially in front of a group. The fight-like-cats-and-dogs-and-then-kiss-and-make-up style works for many couples” and many business partners” while others are appalled by such unabashed displays. Our style of interacting with other people can often be traced back to our ethnic roots. In Australia and the United States, greeting a business acquaintance with a slap on the back and a "How ya been?" is perfectly acceptable. But do not try backslapping in Japan!

Effective communication is critical for resolving differences, and each one of us needs to be aware of how we communicate. What is our primary style? Do we use it some, all, or most of the time? Do we vary our style depending on the situation? The person we are currently communicating with? The issue that is on the table?

Although human behavior does not lend itself to neat typologies, we have found it helpful to think about the method we use to communicate in terms of three broad styles: nonassertive, assertive, and aggressive. We will discuss the three styles” and how a person can move among them” in detail in Chapter 5, but we would like to point out here that one of the toughest tasks is accurately identifying your own personal style.

For example, one important exercise that occurs during a conflict-resolution session involves asking the team members, one by one, to pinpoint where on the continuum from nonassertive to assertive to aggressive they believe their behavior generally falls. The facilitator then asks each of the other team members to comment on the person's self-assessment. The results are often revealing.

On one high-level cross-functional team, a manager named Dan rated himself highly assertive, as represented by the x on the behavioral continuum shown in Figure 1-2.

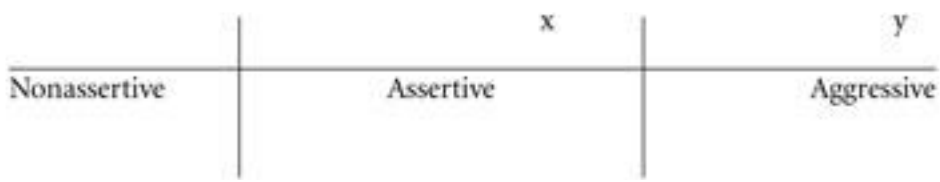

Figure 1-2: The Behavioral Continuum.

When the rest of the team discussed Dan's self-assessment, it quickly became apparent that there was a fairly large disconnect between his image of himself and theirs. The majority of the group said that they considered Dan to be very aggressive. They pointed to his intensity and the fact that he was "wound tight." They said that when he presented his viewpoint he was not open to discussion or critique. One or two of his colleagues confessed that they felt intimidated by Dan. The group's average assessment of Dan is represented by the y at the far right of the continuum.

Dan was surprised by the disconnect between his assessment of himself and that of the group, and this gave him new insight into the way he was communicating with other people. It is not always easy to see ourselves as other people see us, but until we do, our perceptions will remain limited" and limiting.

The behavioral continuum applies not only to individual managers but also to organizations. In one Northeast-based financial organization, for example, the culture was squarely on the far right (or aggressive) side of the continuum. When the organization implemented a new performance-management system, the divisional CEOs knew that they needed to move toward becoming more collaborative. This meant abandoning the winner-take-all mentality that had long characterized their behavior. The biggest challenge, it turns out, was getting the CEOs' team members to express their legitimate differences of opinion with their leaders. For too long, they had been cowered into submission.

By discussing the behavioral continuum, the CEOs quickly saw that different behaviors on the continuum can have very different consequences. For example, the overarching aggressive style of the CEOs had led to the formation of underground resistance armies that had quietly sandbagged divisional decisions. With this insight, the CEOs moved to a less aggressive, but more assertive point on the continuum and this, in turn, led to more open and honest discussion and debate.

Organizational Conditions

The conditions under which we work can be a significant conflict producer. Hierarchical structure, policies and procedures, performance reviews, reward systems, organizational culture, and even physical plant conditions can, on occasion, turn even the mildest-mannered employee into a raging bull.

Adding to the stress is the fact that today's companies are matter in motion, to paraphrase Thomas Hobbes. Downsizing, rightsizing, restructuring, reengineering, delayering” you name it” continue on as an unending parade of changes within most organizations. This constant churn increases the potential for disagreement. Executives frequently find themselves competing for resources, clarifying roles and procedures, setting standards, and establishing goals and priorities. Change, by its very nature, tends to put the status quo on trial. No sooner are resources allocated, roles clarified, and goals established then along comes a new change initiative, and the wrangling begins anew.

Conflict: Red-Hot or Cool?

Conflict is a multifaceted phenomenon. It can be manifest or latent, overt or hidden. Manifest conflict is in-your-face disagreement. It occurs when executives square off at a committee meeting or when someone comes into your office complaining loudly about next year's budget. Latent conflict is submerged disagreement. It occurs when people sit quietly through meetings plotting ways to sabotage their teammates when they walk out of the room.

It exhibits itself indirectly, through lack of cooperation between departments or procrastination on project deadlines.

Take, for example, a group of Chinese engineers from a consumer goods company in Shanghai. The team faced a raft of issues: Its decision-making process was downright cryptic; its manager never asked for anyone 's input; no one knew who was responsible for what; and a few extroverts dominated team meetings.

Did the engineers remain passive and stoically endure the dysfunctional environment? Not on your life! Although conflict never became manifest, it bubbled just below the surface. Some engineers offered the proverbial cold shoulder to colleagues. Other avoided interaction with fellow team members. And those who dominated the airwaves often found that their requests for support were blatantly ignored. The latent effects of not confronting conflict, it turned out, were not covert.

Whether conflict remains latent or is put on the table so there is a chance that it can be managed depends in large part on the culture of the organization and on the signals sent down by the senior management team. The example of the German team is instructive: When the leader signaled that disagreement was healthy, his employees obliged by providing candid feedback.

Conflict and the Fear Factor.

Ah, the family reunion. It is a time for relatives to reconnect and rebond. But pity those family members who fail to attend. Inevitably, they become targets of complaints and friendly fire.

The conversation is all too familiar. Someone relates the story about an absent relative's behavior, which he found to be offensive. There is considerable speculation about the relative's motivation, and then the behavior is interpreted in light of that presumed motivation. A guilty verdict is pronounced, everyone agrees, and the group moves on to the next absentee.

The point is clear: We are not comfortable, and even fear, dealing straight up with conflict. We are taught to run away from conflict: "to turn the other cheek," "to let sleeping dogs lie," and that "if you don't have something nice to say, don't say anything." And so we retreat to the least-trying option, which is turning to third parties for temporary relief.

Fear is a killer of effective conflict management. Ineffective managers of conflict are afraid of the consequences of bringing highly charged issues out into the open. They do not encourage people to speak up, to share their opinions, to tell it and to be told like it is. And by their refusal to discuss certain issues, they create an implicit environment that devalues authentic discussion and promotes subterfuge and double-dealing.

Options for Coping with Conflict

When you think about it, there are essentially four ways in which the players in a conflict-laden situation can deal with it:

1. Play the victim Say nothing, act powerless, and complain.
2. Leave Physically remove oneself from involvement.
3. Change oneself Move off one's position, shift one's view of the other party, or "let it go."
4. Confront Address the issue openly, candidly, and objectively; communicate with the other party.

Playing the victim is corrosive and often subversive. It leads to griping and sniping and tends to drive conflict underground. Playing the victim saps an organization of its vitality, as victims focus inward on their unresolved issues and reach out to recruit supporters to their point of view.

Let's face it. Walking away or leaving is always an option. We can turn our back on our friends, get divorced, or quit our job and head for greener pastures. But how many times can you run away? It is better to learn how to handle conflict.

Sometimes we can change ourselves by changing our perceptions of a situation. For example, you might try to achieve a positive outcome by changing your "story" or interpretation of another person's behavior.

Changing stories works successfully for some people, including the CEO whose company was acquired by the large consumer goods company, which was mentioned earlier. His original going-in story". Beware the corporate giant" put him on the defensive and kept him from taking advantage of the opportunities to leverage resources offered by the larger organization.

However, when he saw how effective the company president's cross-functional teams were, the CEO began to realize how self-defeating his story had been. Keeping the giant at bay might satisfy at least temporarily the need for autonomy, but it would not contribute to future growth and prosperity. The way to achieve these goals was to develop a cohesive sense of teamwork within his organization, to become more of a player within the corporate entity, and to confront issues relating to his unit by thrashing them out openly and honestly with his colleagues in corporate.

With this new story, he followed the president's example, creating cross-functional teams within his organization and training them in conflict-resolution skills. Now, when his team needs to take a stand vis--vis a corporate issue, the CEO negotiates with the parent company with greater confidence. He knows that his team speaks with one voice, that he has forged relationships with key executives higher up on the corporate ladder, and that he has the skills to advance his point of view.

Another successful story-changer is the executive vice president of a personal care company, who happens to be a person of color. After the turnover in her division began to rise, she was sent for personal coaching. It soon became apparent that the major problem was in her style: She was viewed as a model of efficiency who was disconnected emotionally. When her coach suggested that she try to show a more human side, to relate to people emotionally as well as intellectually, she countered with her story: "People are always uncomfortable around someone who's different from them. They feel disconnected from me because I am a woman and an African-American. This is always going to put me at a disadvantage in the relationship game, no matter what I do."

The coach's response to her was, "That's your story. Your story is that race plays a role in this, and that's a story you need to let go of." And she did. She realized that she alone had created her story, without any empirical evidence. Once she replaced this negative story with one story that said, "They are as comfortable with me as they are with anyone else," she was able to focus on the real issues and attain a higher level of impact. But make no mistake about it. This option may come with a price, especially if changing your perceptions entails compromising basic values, having needs go unfulfilled, or bending reality.

The option of changing oneself can be an effective tool for minimizing stress and increasing effectiveness. But what happens at those moments of truth, when all the attempts to reframe your perceptions simply do not work? The only option left is to confront conflict.

The fourth option, confronting conflict directly, is ideal. We like to use a colorful metaphor for allowing disagreement and conflict to go unresolved: It is like having a dead elephant's head in the middle of the room. The elephant head is unsightly, distracting, and takes up a lot of space, but no one is willing to acknowledge that it is there. Trying to ignore it distracts members of the team from focusing externally on markets, customers, and competitors. The longer the elephant head remains, the worse its effect will be and it is unlikely that the elephant head will get up and leave. Only when team members acknowledge that the distasteful object is there and needs to be dealt with will they be able to remove it. By ending the conspiracy of silence, they can arrive at a solution for sweeping it away, giving it a proper burial, and moving on to activities that are more productive.

When thinking about figurative dead elephant heads, one team immediately comes to mind. Its problem was a minority executive in the finance division. The executive had been with the company for twenty years and lacked the managerial skill to be effective and, as a result, the organization's diversity efforts floundered. His colleagues tiptoed around this "dead elephant head." They feared that, because of his long tenure, the executive was untouchable. Consequently, they avoided confronting him. The situation deteriorated. As executives throughout the organization learned to work around their colleague, they began to show him less respect. Eventually, the executive was terminated and away went the dead elephant head. If the issue had been confronted honestly and openly from the outset, however, it could have been resolved much sooner and without the prolonged agony.

Outing Conflict

Confronting conflict head-on is one of the hardest things an organization will ever do. To do so, executives must first puncture the many myths that exist about conflict. Most people believe that conflict is caused by contentious people congenital malcontents who cannot or will not change; that teamwork requires a conflict-free environment; that people cannot separate disagreements over business issues from personal attacks; and that confronting another person or group always leaves bad feelings. But not one of these myths addresses a fundamental truth about conflict: It is and always will be.

Conflict must be brought out into the open and confronted. Left alone, elephant heads will rot and contaminate the organization's performance. John Doumani, president-international, Campbell Soup, put it best:

> In every organization, the important business issues are talked about behind closed doors, in the corridors, and in other places where senior management can't hear. It worries me when you meet to discuss an issue and everyone says, "Yes, yes," then walks down the corridor whispering, "That was a bunch of nonsense; it will never work." They are whispering because they fear that if they say it out loud, their heads will roll. What every company needs to do is make it okay for those corridor conversations to happen in the formal environment: in the meeting rooms and in the boardroom. Because, inevitably, those corridor conversations tend to be right. To do so, senior management must constantly reinforce, and demonstrate, that it's okay to raise those issues, that in fact it's obligatory to do so and that you are a "player" if you do.

Effective executives like Doumani take conflict out of the closet and treat its resolution as an opportunity to build deeper, more productive business relationships. The key issue is how to put disagreements on the table so that the executives involved can work toward the best resolution without destroying relationships. Resolving this issue is the key challenge, which the remainder of this book will address.

Testing Your Conflict-Management I.Q.

How effectively is conflict being managed in your organization? The more questions to which you answer yes, the greater your organization's need to examine its behavior and take corrective actions.

- Is your business strategy fuzzy or unclear?
- Does the senior team frequently debate its meaning?
- Do people arrive for meetings late or not at all?
- Do meetings frequently devolve into chaos?
- Do meetings multiply because closure is never reached?
- Does the atmosphere become tense when a certain executive enters the room, or a particular issue is raised?
- Can you feel the tension?
- Are postmortems, especially following decision-making sessions, de rigueur?
- Are priorities constantly changing?
- Are people unclear about who owns issues? A
- bout what they are authorized to do?
- Do lists of action items never get completed?
- Is decision hang time the time span from making to implementing decisions increasing?
- Are decisions made by a select few? Or, at the other extreme, are executive committee meetings run by plebiscite?
- Do disagreements between executives require a referee or a third-party Solomon to be resolved?
- Are discussion and debate discouraged?
- Is silent agreement the norm?

Notes

1. "Expert Advice on Setting Up a Conflict Resolution Training Program," Managing Training and Development, September 2000, p. 1. 2.

2. Litton Industries decided to exit the professional services business, and at the end of 1999 sold most of Litton Enterprise Solutions to Acxiom. Litton Industries was acquired by Northrop Grumman in 2001.

3. 3. Richard Pascale Tanner, Managing on the Edge: How the Smartest Companies Use Conflict to Stay Ahead (New York: Simon and Schuster, 1990), p. 256.