



► Is your company's future secure? We can help you confidently answer "YES!"



► We guarantee our work – do your other advisors offer such peace of mind?



► We specialize in helping senior teams learn to recognize and achieve synergy.

RESOLVING

# conflict

● FOCUS | ● ALIGNMENT | ● EXECUTION



## Can You Afford to Lose Your Best Employees?

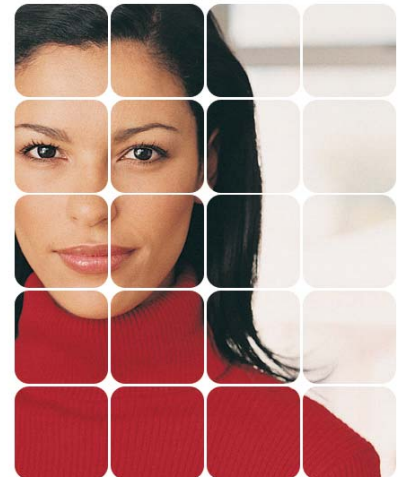
*Exit interviews reveal that chronic unresolved conflict acts as a decisive factor in at least 50% of all voluntary employee departures. Can you afford to have employees leave because they are unhappy, frustrated and/or anxious due to on-going conflicts between employees, between managers or between departments?*

Conflicts in your organization, from the board room to the plant floor, rob you of productivity, esprit de corps, superior results and profits. Stop avoiding conflicts and hoping they will disappear. Instead, start using workplace conflict, which is inevitable in every organization, as a means to developing lasting agreements among employees that foster shared commitment to important company goals.

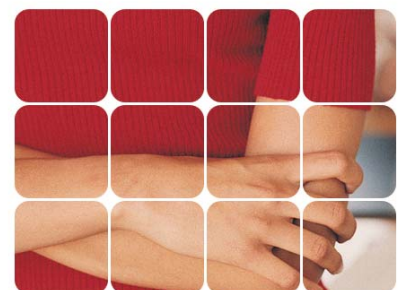
The principals of Catalyst Consulting Partners LLC have years of experience helping executive teams resolve conflicts at all levels. They frequently facilitate resolutions to complex disputes, teach public seminars on conflict mediation techniques, and have even done post-graduate work at the Harvard Negotiation Project.

### In this Executive Guide you will learn:

- The 3 levels of conflict
- How workplace conflicts can negatively impact productivity, employee retention and satisfaction, and your bottom line
- The secrets to Principled Negotiation, a framework for developing "win-win" solutions in all situations
- Why employees don't do what they're supposed to do



**"IN THE LIFE CYCLE OF EVERY CONFLICT, THERE IS A POINT WHEN IT'S LARGE ENOUGH TO BE RECOGNIZED, BUT SMALL ENOUGH TO BE RESOLVED."** – DANIEL DANA



### End Boardroom Discord

An Executive's Guide to Conflict Resolution

### Learn to Lead the Pack

Strategies for Leading the Leaders

### Change is a Good Thing

Five Steps to Coping with Major Change

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# The Three Levels of Conflict

We all experience conflict on a daily basis (unless we live and work in total isolation from other people). Some conflicts are barely noticeable as they ebb and flow through our daily social interactions. Others grow into intense interpersonal disputes, some of which may ultimately demand legal remedies. In his seminal work on conflict resolution, *Managing Differences*, Dr. Daniel Dana identified the following three-tiered framework for describing the severity of individual conflicts.

- **Level 1 – BLIPS:** Blips are inevitable. A co-worker uses your favorite coffee mug to water the plants. The boss forgets to thank you for a job well done. A colleague fails to refill the empty paper trays in the copier. The list goes on. Each of these minor annoyances share a common denominator: as isolated instances, they are easily forgotten and pose no long-term threat to our relationship with the other party. Common courtesy is usually the only skill needed to deal with Blips. But what if they happen routinely?
- **Level 2 – CLASHES:** When they occur repeatedly, we begin to perceive Blips as more sinister and more personal. We begin to ascribe negative motives to the other party's behavior, and our relationship with that individual begins to suffer. We are less cooperative, less trustful and more vocal about "them." We may even be – and act – angry. This is the tipping point in every conflict. With proper training, organizational support, emotional maturity and, if necessary, expert facilitation, most of us can work through our Clashes and restore valuable working relationships. Productivity can be restored. But what if we fail to resolve the conflict?
- **Level 3 – CRISES:** Crises are dangerous and represent real threats to the on-going viability of important working relationships. In Crises, the only resolution may involve the termination of one or more of the disputants. At this stage, conflicts often devolve into public accusations and legal posturing, and lawyers and/or therapists may become necessary to settle the matter.

## RECOMMENDED READING

Stone, Douglas, Patton, Bruce M., & Heen, Sheila (1999). *Difficult Conversations: How to Discuss What Matters Most*. New York: Penguin Books.

Tannen, Deborah (1994). *Talking From 9 to 5*. New York: William Morrow and Company.

## REFERENCES

The following sources were used in preparing this guide:

Dana, Daniel (2001). *Conflict Resolution*. New York: McGraw-Hill.

Dana, Daniel (2005). *Managing Differences*. Prairie Village, KS: MTI Publications.

Decker, Bert (1988). *The Art of Communicating*. Los Altos: Crisp Publications.

Fournies, Ferdinand F. (1988). *Why Employees Don't Do What They're Supposed To Do*. Liberty Hall Press.

Fisher, Roger & Ury, William (1981). *Getting to Yes – Negotiating Agreement Without Giving In*. New York: Penguin Books.

## THE COST OF CONFLICT

### How Much is Employee Conflict Costing You?

*Unmanaged employee conflict is one of the largest reducible costs in organizations today. Studies show that over 65% of performance problems result from strained relationships between employees, not from deficits in individual employees' skill or motivation.*

Workplace conflict affects quality of worklife and job satisfaction and negatively impacts your business' bottom line in a number of ways:

#### Wasted Time

A 1996 study revealed that 42% of a typical manager's time is spent reaching agreements with others when conflict occurs.

#### Reduced Decision Quality

Decisions made under conditions of conflict are always inferior to decisions made when cooperation prevails.

#### Loss of Skilled Employees

Unresolved conflict is a decisive factor in at least 50% of all voluntary departures.

#### Restructuring

Have you ever redesigned a process or workflow to reduce the amount of interaction required between employees in conflict? (see case study)

#### Sabotage / Theft / Damage

Studies reveal a direct correlation between prevalence of employee conflict and the amount of damage and theft of inventory and equipment.

#### Lowered Job Motivation

Job motivation and productivity can be negatively impacted by the stress of trying to get along with a "difficult person."

#### Lost Work Time

Absenteeism has been shown to correlate with job stress, especially stress associated with anger toward co-workers.

#### Health Costs

Workplace stress can be a psychogenic contributor to a host of illnesses and injuries, which negatively impact your organization's rate of claims, premium costs and overall healthcare tab.

# TEAMS AND CONFLICTS

Research has revealed the following effects of interpersonal conflicts on teams:

- The degree of conflict that a team member is experiencing within the team does not impact positively or negatively on that person's commitment to his or her organization.
- A team member's commitment to the team and the team mission decreases if conflict goes unresolved, but can actually increase if conflict is well-managed and resolved.
- If unhealthy conflict goes unresolved for too long, team members are likely to quit or search for alternatives.

## STRATEGIES FOR WORKPLACE CONFLICTS

There is no guaranteed way to avoid conflict, nor should complete avoidance of conflict be the goal. But you can do some things to minimize the negative consequences of conflict.

- Be sensitive to the relationships among your employees. Your job is not just to make sure your employees do their jobs, but also to be aware of *how* they do them.
- Encourage employees to come and talk with you. Don't take responsibility for resolving their conflicts, but do what you can to bring them out in the open.
- Analyze any conflict to determine the causes, both direct and indirect. The better you understand a conflict, the more effectively you can help resolve it.
- Model a healthy, appropriate approach to interpersonal communication in general (see skills list at right) and dealing with conflict in particular.

If your analysis of the conflict suggests that it is a Blip, doing nothing is probably appropriate. If, however, you believe the conflict is, or may become, a Clash, leading an appropriate conflict intervention is in order. If the conflict has already reached the Crisis stage, enlist professional and/or legal assistance immediately.



## PRINCIPLED NEGOTIATION

More than 25 years ago, Roger Fisher and William Ury pioneered a new approach to resolving conflicts. Their concept of Principled Negotiations, first made popular in their national bestseller *Getting To Yes*, revolutionized how business, political and interpersonal conflicts should be addressed.

### PROBLEM

Positional Bargaining: Which Game Should You Play?

#### SOFT

- Participants are friends
- The goal is agreement
- Be soft on the people and the problem
- Trust others
- Change your position easily
- Disclose your bottom line
- Yield to pressure

#### HARD

- Participants are adversaries
- The goal is victory
- Be hard on the problem and the people
- Distrust others
- Dig in to your position
- Mislead as to your bottom line
- Apply pressure

### SOLUTION

Negotiate on the Merits

#### PRINCIPLED

- Participants are problem-solvers
- The goal is a wise outcome reached efficiently and amicably
- Be soft on the people, hard on the problem
- Proceed independent of trust
- Focus on interests, not positions
- Avoid having a bottom line
- Reason and be open to reason

# KEY COMMUNICATION SKILLS

The key behavioral elements of effective interpersonal communication include:

### ○ | EYE CONTACT

When speaking with an individual, eye communication should last 5 to 15 sec.; to a group, 4 to 5 sec.

### ○ | POSTURE / MOVEMENT

How you hold yourself physically can reflect how you hold yourself mentally, so "stand tall."

### ○ | GESTURES / FACIAL EXPRESSION

Keep your arms and hands relaxed, gesture naturally, and learn to smile under pressure.

### ○ | DRESS / APPEARANCE

Impressions are formed during the first 5 seconds of interaction, so dress deliberately and appropriately.

### ○ | VOICE / VOCAL VARIETY

Your voice either transmits energy or absorbs it. Practice varying your tone, quality and timing.

### ○ | LANGUAGE / NON-WORDS

Expand your vocabulary, avoid jargon and learn to pause for 3 to 4 seconds when speaking.

### ○ | LISTENER INVOLVEMENT

Engage your listeners on multiple levels, both "right brain" and "left brain."

### ○ | HUMOR

Avoid jokes, but tell stories. Be genuine: personal, open, friendly, interested, confident and fun.

### ○ | THE NATURAL SELF

Be authentic, and develop confidence in your mental spontaneity to adapt as needed.

# Why Employees Don't Do What They're Supposed To Do

Conflict often arises out of nonperformance, which can stem from one or more of the following:

1. They don't know why they should do it
2. They don't know how to do it
3. They don't know what they are supposed to do
4. They think your way will not work
5. They think their way is better
6. They think something else is more important
7. There is no positive consequence to them for doing it
8. They think they are doing it
9. They are rewarded for not doing it
10. They are punished for doing what they are supposed to do
11. They anticipate a negative consequence for doing it
12. There is no negative consequence to them for poor performance
13. Obstacles beyond their control
14. Their personal limits prevent them from performing
15. Personal problems
16. No one could do it



## Case Study



“So, the difference between a ‘good’ relationship and a ‘bad’ one is not the presence or absence of conflict. The difference lies in the process by which conflicts are resolved”

– Daniel Dana, Ph.D.

**PROBLEM:** After being acquired by a private equity firm, a \$500+ million consumer products manufacturer found itself being led by three senior executives (two of whom were inserted into the business by the new owners) who seemed incapable of agreeing on anything. Conflicting directions were being given, mistrust was rampant and business performance was suffering. To quell rising frustration among the rest of the leadership team, these three executives formed an Office of the CEO. To appear coordinated (and to ensure that each could keep an eye on the others), these three highly skilled leaders attended all meetings together. They became known as the “Three-Headed Monster.”

**SOLUTION:** After interviewing all key company constituents, Catalyst prepared a comprehensive analysis of how this ineffective and counterproductive “work around” was actually muting the company’s growth prospects. We then conducted a series of confidential meetings with the three executives to surface differences in work styles, decision-making approaches, communication preferences, career goals, etc. This information was used to introduce them to new ways of conducting business among themselves so that they no longer needed to march in lock-step through the day.

**RESULT:** The level of respect and trust among these three key leaders eventually increased to the point that the Office of the CEO was disbanded. Each executive then accepted – and excelled at – more appropriate leadership roles (i.e., CEO, Division President and CFO).

## COMPONENTS OF PRINCIPLED NEGOTIATION

*Developed by Fisher and Ury at the Harvard Negotiation Project, the following framework is key to creating “win-win” solutions.*

### ○ | Don't Bargain Over POSITIONS

*When disputants focus on stated positions, instead of mutually acceptable solutions, “win-win” resolutions are very unlikely.*

### ○ | Separate the PEOPLE from the PROBLEM

*The relationship between the disputants tends to become entangled in the problem. Be “soft” on the people and “hard” on the problem.*

### ○ | Focus on INTERESTS, Not POSITIONS

*Stated positions are simply the manifestation of each party's underlying interests. Root out and reconcile interests, not positions.*

### ○ | Invent OPTIONS for Mutual Gain

*Identify shared interests, brainstorm possible options, present “yesable” alternatives, and make their decisions easy.*

### ○ | Insist on Using OBJECTIVE CRITERIA

*Frame conflicts as a joint search for objective and, ideally, quantifiable criteria by which to measure a “fair” solution. Reason and be open to reason.*

○ ANALYZING | ○ FACILITATING | ○ COACHING

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FACILITATING

**solutions**

● FOCUS | ● ALIGNMENT | ● EXECUTION

## Facilitating Solutions to Business Problems is our Passion

A problem with many consulting firms is that they frequently disregard Dr. Maslow's warning. If they happen to specialize in strategy development, for example, then they consistently see their clients' problems as strategy related — even if the real issue has little to do with strategy. Similarly, if they focus on traditional organization development interventions, such as team development and meeting facilitation, they've never met a client problem that can't be solved with a series of team meetings.

Catalyst approaches business challenges with our client's desired results in mind — not from the perspective of our particular set of tools. Metaphorically speaking, if your problem requires a hammer, we'll use a hammer. But if it requires a shovel, we won't try and convince you that a hammer will work just as well. In fact, if we feel that we do not have access to the "right tools" for your specific problem, we'll say so... and try to direct you to a more appropriate professional service provider. Helping you resolve your problem is our mission and our service commitment to you.

**Contact us today to explore how we can help you and your organization reach its potential. You'll be glad you did!**

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**"If the only tool you have is a hammer, you will see every problem as a nail."**

— Abraham Maslow

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**We know that finding professional advisors that you can trust to help you achieve real results is difficult.**

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