

Tough Times Tough Talk

A guide to
working life conflicts



by the Centre for
Effective Dispute Resolution

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Introduction

Difficult conversations are a natural part of human interaction and working life. Depending on how they are approached and how they proceed, they can present an opportunity to improve and make things work better, or they can lead to damaged relationships and lost business efficiency.

It is not hard to imagine that difficult conversations and the conflict that arises from them have been more common in UK working life recently. The events we have been through - and are still dealing with - such as the aftermath of the credit crunch, a recession and the Government's spending review have all added to the level of pressure we are facing. And one of the main consequences of that pressure is an increase in the number of difficult conversations we have - or maybe ought to have - with those we encounter in our working lives.

This is why we, the Centre for Effective Dispute Resolution, have conducted research (executed by Global Market Insight, September 2010) into the attitudes of 1,000 people working in the UK to find out how conflicts arise and if they are getting worse. In this concise guide we will look at the survey results and what can be done about difficult conversations, how conflict can be managed and how full-blown disputes can be resolved most effectively.

Research highlights

- Conflict levels in working life are high and are not any getting any better
- Conflict is more likely to happen within an organisation than outside it
- A lot of people prefer to ignore conflict and just hope it goes away
- Most people won't usually cooperate to sort out conflict

Definitions:

A '*difficult conversation*' is anything you find hard to talk about with someone else. It normally involves some or all of the following:

- What happened ('the story'): a mistake, a cancelled contract, insensitive behaviour, etc.
- Both sides' feelings: embarrassment, annoyance, etc.
- Your identity (I am a good person or I am a hard worker): "This was my mistake," or "He's treating me like an idiot" etc.

A *conflict* is a difficulty or difference that causes disagreement between individuals and/or groups.

A *dispute* is the eruption of conflicts into specific contests where those involved take opposing positions to each other.

(Summarised from the book *Difficult Conversations*, by Stone, Patton & Heen, 1999)

Some of the tips you may get from this guide

- Understand how to live in the 'conflict jungle' and that 'Ants' and 'Monkeys' act differently in conflict situations.
- Who you should turn to for help in a conflict.
- How you can make positive changes in your work.

Part 1: Understanding the issues

Why are difficult conversations and conflict in working life an issue for the UK?

From an unhappy customer to a disgruntled board director, in working life you can have the challenge of conflict come from any direction; and more often than not it is inadequately addressed. It is how you approach conflict that makes the difference, and the UK is failing to manage its conflicts successfully. Research by CEDR shows that conflict is costing British business at least £33 billion every year¹. Comparable amounts to the sum wasted on conflict each year are:

- Gross Domestic Product - If the cost of conflict to British business were a country, it would have the world's 57th biggest economy (out of 180 countries)
- Entertainment - Represents three times the amount that California makes each year from the television, film and entertainment business
- Government Spending - Amount equal to one-third the total budget for the National Health Service last year (£102.3bn)

The cost of business disputes includes not only amounts paid in legal fees but also the damage incurred by business as a consequence of those disputes. In fact the cost of this damage (£27bn) far outweighs the legal fees (£6bn).

¹: The CEDR *Cost of Conflict* Research, the first of its kind, conducted in 2006

Furthermore, 80% of disputes have a significant impact on the smooth running of business.¹

The GOOD NEWS from CEDR's 2010 research is that just over half of people (51%) say that the level of conflict hasn't changed in the last 12-18 months in spite of recent economic difficulties.

The BAD NEWS is that the majority of people do not see any improvement in levels of conflict. Furthermore, of those people who do perceive a change, respondents who have seen an increase in conflict (36%) outnumber those who have seen a decrease (8%) by a factor of more than four-to-one. Managers are also a third more likely to have seen an increase in conflict than other members of staff.

The costs of conflict

CEDR's recent research confirms that conflict is damaging: 88% of respondents said it had a negative impact on UK business. There are no significant differences in the views of management and employees. However it is clear that people feel even more strongly about this issue as they get older: whereas 80% of 25-34 year olds believe in the adverse consequences of conflict, this figure rises to 91% amongst the over 55s.



¹: CEDR Biennial Mediation Audit, 2005

The consequences of conflict include the following business headaches:

- Damaged business relationships
- Lost customers
- Increased staff turnover
- Failure to meet targets
- Damage to company reputation
- Exposure in the public domain
- Effects on company morale
- Effects on personal reputation
- Missed opportunities

Conflict can also have severe consequences for the individual. 78% of our survey respondents cited personal impact as being the most damaging consequence of conflict - with 42% citing a loss of morale and 36% concerned about the creation of stress.

Unsurprisingly, the next most common consequence of conflict was a parting of the ways between employer and employee.

The causes of conflict in working life

In CEDR's experience of over 20 years, most conflicts are attributable to at least one of six key causes:

- **Data or information** e.g. "We disagree about what caused the accident"
- **Communication** e.g. "She's just not listening to what I'm saying"
- **Relationships** e.g. "I can't stand even being in the same room as him"
- **Values** e.g. "It's just not fair that he's paid more than me"
- **Structures** e.g. "We just don't have the time to sort this out properly"
- **Interests** e.g. "There's only one promotion on offer, and I want it".

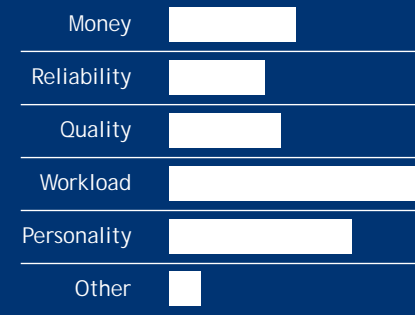
CEDR's 2010 research also shows where the conflict is happening, who it involves, and what happens as the process plays out.

When we asked "who in your work do you (or your co-workers) have the most challenging conversations with?" nearly two thirds of respondents (61%) cited management in their top two problem groups, closely followed by co-workers (at 52%) and customers (at 48%). This confirms another of our key survey findings, which is that conflict is far more likely to arise from within your organisation than from outside it.



And as to what causes these conflicts, surprisingly it's NOT all about the money: only 16% said that they would be most likely to get into conflict over this. What it is far more likely to be about is workload, with 58% citing this in their top two sources of conflict. This was followed by personalities (41%) quite a way ahead of concerns such as reliability (35%) and quality (34%).

Causes of conflict



It is interesting to compare the difference of attitudes of managers and staff. Although workload is by far the commonest cause of conflict for both groups, staff (with 63% listing it in their top two causes) clearly feel even more strongly about this issue than do managers (46%). Other key causes for managers are about quality and reliability, whereas staff are far more likely to experience personality differences.

Contributors of conflict - what is making difficult conversations worse?

We also asked people what factors had contributed to making conflict in their working life more frequent over the past year or so. This revealed that change and the communication of change in working life is by far the most significant contributor, being cited by nearly two thirds (62%) of all respondents. The state of the economy was also given as a factor by half of people (51%). Managers also thought the fact that people did not care enough was a problem, with apathy cited by over half (55%), although employees did not rate this issue as highly (48%).

Part 2: How should we respond?

Whether or not conflicts escalate into open warfare or, often worse, linger unaddressed and unmentioned depends to a large degree on how we approach them. Here are some basic ideas that may help.

The first, and probably most important point to make is that conflict doesn't have to be bad for business - if it is handled well.



Conflicts can be viewed as opportunities for deeper conversations, and some of the most well run businesses have an environment of healthy debate and discussion. For whilst differences might not always occur at the most convenient of times, conflicts can help create new ideas and processes and open individuals' minds (both management and employees) to new possibilities.

Indeed the difference between positive and negative conflict is often just about our mind-set.

Attitudes when getting into difficult conversations and conflict

When one encounters conflict at work, common sense might dictate that you look for a solution with the other side - a collaborative approach: "I am prepared to work with them to get the best I can". However CEDR's research shows clearly that in a conflict situation most people's normal reaction is NOT to collaborate: 59% would have a different reaction, of which 26% wished they could have avoided the dispute and 15% just wanted to win the rest would have capitulated (1%) or compromised (17%). Management might have been found to be better at solving conflict, but only half of them (51%) were willing to collaborate, with 49% choosing to do something else.

When looking at those who preferred to avoid conflict, there is a marked difference. Staff (at 30%) are almost twice as likely as managers (18%) to express this view; just as are women (at 32%) compared to men (19%). Conversely, when it comes to fighting, men (at 20%) are twice as likely as women (at 11%) to adopt a competitive approach to conflict. Managers (at 20%) also appear to be more combative than staff (at 14%).

So what's the problem?

- We tend to ignore conflict
- We don't investigate all the facts
- Not everyone gets a get fair hearing
- We are not good at problem-solving
- We are not good at difficult conversations

Whereas we might have expected one or two possible weaknesses to dominate in our survey, there is surprising uniformity in that ALL of the points listed here are perceived as weaknesses in working life, generally by around two thirds of respondents. The fact that 60% of respondents admit to a tendency to ignore conflict is particularly worrying.

Staff are even more likely to perceive these weaknesses than managers. Yet managers clearly accept a difficulty in having difficult conversations as being their main challenge, although employees are most concerned about the adversarial aspects of conflict management (i.e. whether they get a fair hearing, and whether all the facts are investigated).

What can individuals do?

A: Explore the 'conflict jungle': know what kind of conflict creature you are in difficult conversations or conflict situations

The questions in the CEDR survey covered five different types of response to conflict, ranging from wanting to win, to wanting to avoid.

As research shows, we each have a natural preference in the way we behave in conflict situations, but with increased self-awareness, and practice, we can learn to adopt our styles according to circumstances, including the likely approach of our 'opponent'.

Building on long established academic theory in the conflict field (such as the Thomas-Kilmann Model), CEDR has observed certain types of animal behaviours into which most of us can be categorised:

Turtle	=	Avoiding
Dog	=	Accommodating
Monkey	=	Compromising
Tiger	=	Competing
Ant	=	Collaborating



If you can recognise how you are likely to react in a difficult conversation or conflict situation as well as how the other person will respond, then it is more likely the resultant conversation will go well and have a positive outcome, particularly if you can modify your approach to the conversation based on this insight.

For example: a 'Tiger' might 'win' in a conflict with a 'Turtle', that retreats into its shell. But it is unlikely that the 'Tiger' will ever find out what the 'Turtle' wanted, and as a consequence, the 'Turtle' may be unlikely to do business with the 'Tiger' ever again. Or consider what happens when two Tigers go head-to-head - maybe so much fighting to win that neither gets any real business done?

B: How to have a difficult conversation

There are a number of steps which individuals can take to help ensure that a difficult conversation does not become a full-blown conflict or an existing conflict does not become an open or formal dispute.

- Pick your moment. Don't try to deal with an issue if the other person is wrapped up in something else that is important to them. For you can be sure that if they are busy or distracted, they'll resent your intervention, and certainly won't be interested in listening to what you may have to say.
- Instead, signal to them that you need to have a serious conversation and try to agree a time when you can both give it your full attention. They'll probably appreciate it, and be better prepared, if you also give them a decent flavour of what you want to talk about.

- When you have the conversation, don't look backwards at what has happened in order to place blame but instead seek understanding and look forward to find possible solutions together.
- Don't confuse what is being done or said with what was intended, as they are not always the same (e.g. "This is a real mess," does not necessarily mean "This is all your fault").
- Understand what you personally need to get from the discussion. Help them understand why this is important to you.
- Try to understand what it is the other person really wants and why this is important to them. Don't assume they see things from your point of view.
- And finally, when the going gets tough, be patient and ask more questions about the other person's point of view. And try to talk about the future rather than the past.

In addition to these concepts, the normal principles of common sense also apply, such as listening to what is being said (and not talking over someone), responding clearly but tactfully, and being respectful of each other.



The employer or organisation's role

In order to function effectively, organisations need processes in place to manage conflict constructively as it arises, whilst resolving individual disputes on a case by case basis. This is, however, far easier said than done, as our survey reveals a significant lack of workforce confidence in formal conflict mechanisms put in place by management.

Who is best at sorting out our conflicts?

In our survey, we asked people who they felt was best at sorting out conflict situations in working life. Perhaps unsurprisingly, the highest answer at 38% was in favour of managers. However, given that this group are generally responsible for sorting out problems this figure might be regarded as disappointingly low.

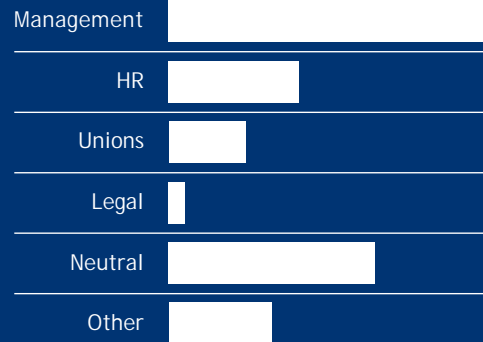
And what is even worse is that only 28% said that a manager would be informed if conflict did arise. Instead, 50% of staff would prefer to settle it alone, or even do nothing rather than go to a manager.

There was clear divergence of view between managers and staff about the effectiveness of internal procedures (i.e. management, HR and legal) in managing conflict. Unsurprisingly, management are more positive (66%) about their organisations than their staff (51%) but there is a message for HR professionals here in that only 16% of all respondents regard them as being the most effective in managing conflict. This perhaps reflects the often common HR practice of leaving responsibility for resolving issues with managers, or it might reflect a lack of respect for this function in some organisations.

Only 2% opted for the Legal Department as the people to go to manage conflict (however not all organisations are large enough to have legal or compliance functions).

It is interesting that when it comes to sorting out conflict, of the external agents, neutral advisers outscore unions and other representative groups by a factor of nearly three-to-one. However whilst collectively these resources enjoy 33% support as being the most effective in handling conflict situations, only 14% use them as the first port of call in practice.

Most effective in managing conflict



Even more worrying is that only 44% of managers believe they are effective in managing conflict. This fits with CEDR's earlier *Cost of Conflict* research which shows that only 37% of managers feel trained to cope with business conflict.

- Over a third of managers would rather parachute-jump for the first time (35%) than address a problem with their team at work; and just under a third would rather shave their head for charity (27%). Some even said they would rather eat 'bush tucker' bugs for a week (8%).
- Half of managers (49%) would rather attend an event at which they knew no one, than tell a client a home truth.
- Two thirds (69%) would rather send back a bottle of wine in a restaurant than confront a boss's underperformance directly.

So what can organisations do differently?

Damaging conflict within an organisation usually needs to be addressed on two levels: at a corporate culture level where there may be important issues about what behaviours are and are not regarded as acceptable, or at least normal, within an organisation; and at a procedural level where employees need clear mechanisms to access when problems do arise. There are of course official rules as well about how later-stage disputes should be dealt with, such as the Civil Procedure Rules for lawyers and the 2008 Employment Act which covers workplace disputes. In this guide we look however mainly at earlier-stage conflicts.

Usually a combination of strategies will be required to achieve an organisation which is truly 'conflict intelligent'. Invariably, however, the first step is to understand where you currently are.

A: How to diagnose what might be going wrong

If things are going wrong - and your organisation's difficult conversations are regularly developing into gruelling disputes - it is important to understand why. Some of the questions to ask are:

- How frequently is this happening?
- Who is normally involved?
- What are the causes and how are they handled?
- What is your attitude to conflict and its related behaviours?
- How do these measure up against your organisation's values?
- Where do people turn for help?
- Are there any obstacles (lack of skill, resource, knowledge, understanding, etc.) to resolving the conflict?
- What are the costs and the benefits of changing the way you do things?

B: Address the cultural issues

Far easier said than done, but nevertheless an essential step if an organisation is determined to address endemic conflict. Almost certainly giving staff and managers training in conflict awareness and issues such as how to have difficult conversations will be part of the process, but equally important will be for the management team to set the tone, by 'walking the talk' in their own approach to conflict situations, particularly those involving internal issues.

C: Design and implement a system

In parallel with culture change, employers need to establish mechanisms so that they can manage conflict proactively and effectively, and thus reduce the negative impact that so frequently ensues. To illustrate, here are some examples of a few of the system tools used by a company such as GE (General Electric) to help manage their conflicts:

- Early Warning System - to flag up to everyone that there is an issue to be addressed
- Early Dispute Resolution - to sort out the problem early on
- After Action Review - to learn from the mistakes of the past and avoid repetition.

One approach that merits particular consideration is the use of a neutral third party, normally referred to as a mediator, to help address individual conflict situations. Mediation has a successful track record in formal legal disputes, but it can also be of great value in the earlier stages of workplace conflict as it can be quick to set up, enables confidential dialogue in a safe environment, and invariably helps to both preserve and rebuild relationships.

D: Promoting the benefits of the new dispute system

Dispute systems (such as mediation) can have many significant benefits, not least of which is cost savings. However, no system yields benefits if it is unused, and therefore an employer needs also to consider questions such as how to bring the system to the attention of staff and, even more challenging, how to set up mechanisms (or incentives) which encourage them to make full use of it.

Benefits to promote include:

- Prompting people to consider a process which is voluntary and confidential that may not otherwise necessarily occur to them.
- Saving them from a great deal of stress and anguish as grievance procedures can often exacerbate problems and make issues that are already difficult even more complicated.
- Give people a clear framework for exploring different forms of resolution and settlement in a safe and objective way.
- Keeping and/or moving discussions out of the public arena through the confidentiality of a mediation process which allows people to explore options and outcomes with a sense of freedom and safety.
- Providing substantial savings in legal and management costs and freeing up the organisation for more productive endeavours by achieving an early resolution to disputes.



- Achieving a binding solution - around 80% of mediations reach an agreed and binding solution, despite any earlier impasse.

As to the question of encouraging usage of a system, the usual approach is to combine three key techniques:

- Having formal policies and procedures which specify that individual disputes will be handled in a particular way. The most common instance of these is to have formal contract clauses which specify that mediation will be attempted before any more formal proceedings such as litigation are launched.
- Providing staff with a very clear route to access the dispute system. Many larger organisations go so far as to nominate an internal 'ombudsman' to fill this role, whilst others prefer to outsource to a professional service provider organisation.
- Adopt a policy of continuous education and profiling of the dispute scheme, placing particular emphasis on its individual successes (subject to confidentiality constraints).

E: Some quick tips on using a dispute resolution process such as mediation

- It is important for an organisation to think in advance about the circumstances in which a dispute resolution process might be 'triggered' in their new system.
- There is no one right answer to this question. An approach such as mediation can be an option throughout all the stages of a dispute, but it is best to try and solve matters as early as possible and certainly before any adversarial or litigious process develops.



- Don't forget external interests when designing your system. For any new policy to be effective it should reflect the interests of major customers and any collective or representative groups - for example, trade unions, professional organisations, etc.

- Organisations may also wish to identify a 'custodian' of a scheme or service, which is a named role within the organisation or an external body responsible for setting up a

case, and clarifying their authority to do so. This may be particularly important where an organisation is paying all the costs to ensure that the service is used sensibly and not abused.

- Many organisations will have reservations about the appropriateness of mediating in disciplinary and capability situations, particularly if they believe their processes have been fairly applied. There might, however, still be a role for mediation if the goal is to achieve an agreed programme for future action.
- There will, however, be situations (for example, cases of gross misconduct), in which an employer's stance is clearly non-negotiable and a process, such as mediation, aimed at co-operative resolution may be inappropriate.
- The advantage of using neutrals from an independent provider is that they will always be more experienced in handling difficult disputes. As they are external to the organisation, these neutrals are completely uninvolved in the conflict, and objective in any dispute situation. Many organisations therefore, will only use external people to mediate or resolve disputes when matters cannot be resolved through normal management channels.

- Alternatively, some organisations prefer to try and resolve matters 'in-house' through the use of internally trained mediators in the first instance. Guidelines will obviously need to be produced for this which should clarify the circumstances where such a mediator might be appointed.
- Where there is a dispute system in place, organisations should cross-reference this with other relevant policies and documents, such as employment contracts and staff handbooks.
- Consideration should also be given to widening the scope of a dispute policy once it has become established. For example, once employees have seen and experienced the benefits of a mediation-based approach for dealing with internal disputes, they are likely to be more supportive of adopting a similar approach in other types of dispute, such as dealing with customer and supplier complaints.

Conclusion

By not managing conflicts well we create major costs - both personal and organisational. At times of economic crisis the impact of this can be even greater. Developing better 'conflict intelligence' may challenge our natural tendencies to 'just react', but could form a fundamental pillar of effective social and economic development.

Some valuable points to remember are :

- to recognise the issues and diagnose the problem
- where appropriate address the need for culture change
- design an effective system to manage conflicts and educate staff and managers in how to make challenging conversations productive and not obstructive.

About CEDR

CEDR is a not-for-profit body, founded in 1990, that campaigns for better resolution of disputes and management of conflicts.

The CEDR Foundation promotes awareness of the need for more effective dialogue and how to achieve it.

CEDR's commercial arm comprises:

CEDR Solve

Europe's largest independent major alternative dispute resolution service, which has helped over 40,000 parties in disputes to date, and

CEDR Skills

Leading negotiation and conflict management trainer, internationally acclaimed for its Mediator Skills Training of over 6,000 mediators.

CEDR can work with an organisation and its stakeholders to produce effective policies, processes and guidelines which are aligned to the organisation's conflict challenges. It can also advise organisations on resolving disputes and drafting agreements and settlements.

For a discussion and guidance on difficult conversations and conflict issues please contact CEDR's team on +44 (0)20 7536 6000 or email info@cedr.com.



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