

THE DOWNSIDE OF CONFLICT

Rosie Steeves, PhD and Scott Comber, PhD

Is unhealthy conflict eating away at your bottom line? Audit yourself and find out.

In a past columns, I talked about the importance of healthy conflict—the kind that generates the energy your company needs drive significant growth. When handled correctly, healthy conflict fosters an environment in which employees feel safe enough to speak their minds, challenge the status quo, and spur on their co-workers to great things.

But what about that far more prevalent unhealthy conflict? We all know what that looks like. It usually manifests itself in unwanted, unproductive behaviours, namely people reacting to their differences with anger, avoidance, frustration or confrontation. Left unchecked, unhealthy conflict can cost organizations tremendous amounts in staff disengagement, lost productivity, sick time and turnover. Would it surprise you to know, for example, that recent research suggests leaders spend about 25% of their time dealing with conflict? Many a bottom line has been chipped away at by unhealthy conflict. Yet, in a time when organizations are diligently measuring everything in an effort to save money and increase productivity, few know conflict's true cost.

It's almost impossible to fix a problem you don't fully understand. That's why I strongly recommend that the organizations I work with carry out a "conflict audit." We audit various areas of business, so why not conflict? The results can be eye opening. Better yet, you'll be on your way toward ending profit-draining, unhealthy conflict. In fact, depending on the size of your organization and the size of the problem, you could be on your way to saving hundreds of thousands of dollars.

Step 1: examine unhealthy conflict indicators

A conflict audit is carried out much like a financial audit. As a first step, take a close look at common indicators of unhealthy conflict in your organization. Key indicators include absenteeism, employee grievances, union disputes, engagement/productivity, and stress leaves. Most companies already track many of these indicators, so this step should largely involve gathering data from various resources. Be sure to include any indicators that are particular to your company or industry.

Some objective indicators may be linked to more subjective ones. While these indicators may not yield hard numbers, their impact on the bottom line can be just as detrimental. For example, ask your company's leaders how much time they spend trying to prevent, manage, or resolve unhealthy conflict; then follow up by asking what opportunities are lost as a result of this wasted time. Compile these responses along with your hard numbers.

Step 2: attach a cost to each indicator

Attaching a cost to each indicator will likely involve some amount of estimating. For example, let's say absenteeism is costing you \$200,000. If you believe that 5% of that cost is attributable to employees not showing up as a result of conflict at work, then the cost associated would be \$10,000. Make your way through the list and you'll eventually arrive at your total cost of unhealthy conflict.

Step 3: turn numbers into action

The ultimate goal, of course, is to not just talk about unhealthy conflict, but to communicate its costs to leaders. Once you've got your total cost of conflict, it should be easy to make a business case for creating systems and processes to curb it. When leaders are engaged in the issue, a productive dialogue can begin. Here are a few key questions to get the discussion started:

- How does upper management respond to conflicts inside the organization?
- Do leaders have the skills and tools to deal with unhealthy conflict?
- What organizational systems are already in place to support resolution?
- What might be done to prevent conflicts or resolve them sooner?

As your organization gets a handle on unhealthy conflict, you can begin to focus on encouraging the healthy kind. It's well worth the effort. Just as unhealthy conflict deflates the bottom line, healthy conflict can have the opposite effect. Increasing healthy conflict empowers employees to channel their diverse thinking and collective energy into something great. Teams will function more effectively, people on the periphery will re-engage, and innovation will emerge.

Rosie Steeves is co-principal at The Refinery Leadership Partners Inc., an organization committed to helping progressive businesses develop exceptional leaders and leadership strategies. This article is written in collaboration with Dr. Scott Comber. They can be reached at info@refineryleadership.com.