

Conflicts, problems could be helped with solutions from mediation work

Conflict is a predictable challenge that we face as managers and supervisors. During a given day, it is likely that two or more employees will be in conflict.

In addition to the management challenge that conflict presents, conflict is very costly to our banks. According to Dr. Daniel Dana, President and CEO of the Mediation Training Institute, "Unmanaged conflict is perhaps the largest reducible cost in organizations today – and probably the least recognized." Listed below are some of the costs associated with conflict:

Productivity and morale

When employees are in conflict, they are not likely using time productively and experience erosion of motivation. This cost grows when others get involved in the dispute, including managers and supervisors who may spend 30 – 40 percent of their day attempting to resolve conflict. As an example, if two employees lose productive time of four hours per day because of ongoing conflict, and the employees' salary is \$10 per hour, the direct cost of the wasted time is \$80 per day, plus the time invested by the manager or supervisor.

On a related matter, unresolved conflict can often escalate into costly legal battles. The cost of attorneys and associated court costs can be daunting, however, there is also a direct correlation between morale and ongoing legal battles.

Loss of skilled employees

When we hire employees, we invest in their training, salary and benefits. When those employees choose to leave our banks, we must invest again for training, salary and benefits for the newly hired employee. The cost of this turnover can represent 100 – 150 percent of the employee's salary.

According to the Mediation Training Institute, unresolved conflict represents 50 – 90 percent of the cause of voluntary resignations. Based on this statistic, employees are choosing to leave an organization because of chronic, unresolved conflict. As a result, our banks experience the cost of turnover that could be prevented.

Restructuring

How often have we reassigned or changed an employee's reporting relationship to avoid conflict? Although this cost is difficult to calculate, there are likely inefficiencies with the restructure that have a direct relationship to productivity.

Increase in errors

When employees are in conflict, they are less likely to focus on performing work duties accurately, therefore, conflict can result in increased errors. If this emotion grows into anger as a result of unresolved conflict, employees may even sabotage work processes and management decisions. In some cases, this sabotage becomes very serious and may result in theft, damage or workplace violence.

Absenteeism and health costs

"Calling in sick" may be a symptom of unresolved conflict and the job stress associated with it. In many cases, job stress may be creating health problems for the employee, resulting in higher health care costs.

How do we resolve conflict and reduce the level of costs to our organizations? The traditional method for resolving conflict is for managers, supervisors and HR professionals to "play referee." In some situations, we may choose to ignore the conflict situation, hoping it will simply go away, or resolve itself. Rarely does conflict subside without some form of intervention. In many cases, unresolved conflict can result in employment litigation.

Alternatives for resolving conflict

When conflict inevitably occurs, we have several options to resolve the conflict. One option is for the manager to directly intervene. According to Dan DeStephen, author of "Mediating Those Office Conflicts," when managers intervene directly, "there is high probability that one or both of the subordinates will be dissatisfied with the manager's decision." As a result, the immediate conflict may be resolved, but there is lingering anger and resentment among the parties in conflict, which may then escalate into more serious conflict situations.

Another option is to allow the parties in conflict to "fight it out." While this may appear desirable for a manager or supervisor wanting to avoid getting involved, rarely are employees equipped with the skills to effectively resolve conflict. Generally, when individuals are

involved in conflict, each has the perception that he or she is right and the other party is wrong. Such polarization generally leads to further distancing and escalation.

In recent years, mediation has been recognized as an effective conflict resolution tool. Mediation has long been useful in handling labor union disputes, and for negotiating labor-management decisions, but is growing in its acceptance in the private and public sectors, including its application for conflicts between co-workers.

The mediation process involves a neutral third party who assists individuals in conflict to agree on a mutually satisfying solution to the conflict. Banks may contract with an outside certified mediator, or may train someone on staff to perform ombudsman responsibilities for employees and managers.

The mediation process is powerful. The mediator acknowledges the issues, emotions and concerns of the disputing parties, but without making any judgment as to values or beliefs. As a result, mediation has the profound effect of empowering those in dispute to reach their own conclusions and solutions.

Sometimes the person just wants to be heard and the manager, employer or co-worker isn't listening. Engaging in workplace mediation can allow the parties the chance to get things off their chests in a non-threatening, objective format.

From the employer's perspective, mediation is a chance to identify issues before they become crises. In "Turning Around Polarized Mindsets in Workplace Mediations", Jack A. Hamilton & Elisabeth Seaman identified 5 things that successful workplace mediators need to do: 1) encourage parties to listen effectively; 2) guide the parties on how to give feedback to each other; 3) help parties take responsibility for their actions and feelings; 4) help parties clearly explain their positions to the other and 5) help parties blend their interests to reach common ground.

Conflict is a part of all of our professional and personal lives. Unresolved conflict is a negative and disruptive force that affects our banks' costs, productivity, morale, customer service and turnover. Through mediation, employees can learn productive conflict resolution techniques to apply to future conflict situations.

References:

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