

GETTING CREATIVE WITH CONFLICT

Managing conflict is a key to success for finance directors and others, argues **Patrick Dunne**. Here, he offers advice for turning disputes into productive discussions

In building Leap Confronting Conflict - a national youth charity that trains young people in managing conflict - our working assumption has been that 'conflict is inevitable - it's how you deal with it that matters'. In my experience the same is pretty much true in every walk of life and for whatever stage you may be at in your career.

Many of the core elements of finance's role are rich in potential conflict. Just think of budgeting, financial control, forecasting, cash management, analysis and reporting or managing relations with the bank or suppliers. The ability to manage conflict well is likely to increase effectiveness. Moreover, it is also likely to enhance prospects for getting the top finance job.

It may be natural to focus on managing conflict with others. However, when dealing with tough choices, sometimes the trickiest conflict to manage is the one within yourself. For example, the age-old dilemma for those in the finance function: "Should I challenge this or keep quiet?"

For obvious reasons conflict gets a bad press. But it is also true that, managed well, conflict can be a good thing. It can produce the creative spark for innovation or provide the opportunity to reset a relationship, making it more robust, healthy and productive in the process. When it comes to decision-making the absence of conflict might also lead to groupthink or complacency, undermining judgement.

I've yet to see a high-quality board that doesn't enter the zone of uncomfortable debate from time to time. However, their

ability to focus on the outcome, to respect and manage differences and to know when it is right to move out of that zone is also central to success. Matthew Syed's excellent book, *Black Box Thinking*, contains some wonderful examples of this.

THE CAUSES OF CONFLICT

Some examples of causes of conflict are:

- lack of clarity on roles or responsibilities;
- misaligned or unclear objectives;
- competition for scarce resources;
- personality differences - an example, covered in Susan Cain's book *Quiet*, is the challenge for an introvert in a group of extroverts;
- cultural differences - Erin Meyer's *The Culture Map*, is full of tips on being culturally adept;
- different approaches to decision-making - Daniel Kahneman's *Thinking, Fast and Slow*, provides useful insight into our susceptibility to bias;
- different views on what the situation is;
- pressure - there's a natural relationship between effectiveness and pressure. Imagine a bell curve with 'snoozing' at one end and 'headless chicken' at the other; high performance represents the top of the curve;
- external threats increasing pressure on a team and between individuals; and
- lack of self awareness.

This last point may be more significant than first thought, as a recent Harvard Business School study shows. Understanding your red flags - what



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In my experience, CEOs tend to generally exhibit competing and avoiding approaches. Sophisticated CEOs may start out with a collaborative approach - "Morning, I'm really interested to know what you all think" - but if the team doesn't look like it is coming up with the right answer the CEO might flick the competitive switch if the issue is important to them, or they may disengage. In high-change or turnaround situations this can be highly effective, but it may not be the best way to build a high-performing leadership team.

The best CEOs tend to be low on avoidance and to have developed strong collaborative instincts. They may also recognise that sometimes a compromise is the best way forward, but there will be situations where they will die in a ditch before they yield to pressure.

The most effective chairs and non-execs, in my experience, tend to be more chameleon-like, having the ability to 'cuddle or kick' at the right point. They also use humour well or deftly ask a challenging question to shift the mood. Their antennae and good judgement seem to enable them to listen to what people think as well as what they say.

Apart from becoming as self-aware as you can, respecting differences, understanding red flags and responding rather than reacting, what else might be worth thinking about? Language, perhaps? After all, many a conflict escalates through a misunderstanding or a jarring choice of words.

As a way of generating sustainable income at Leap and providing valuable opportunities for our young trainers we train people in a wide range of organisations. A common light bulb moment for participants is the discovery that starting a sentence with 'I' or 'we' in a tense situation tends to be far more effective than 'you' or 'they'. They also discover that the art of giving and receiving feedback is another important conflict management skill and that body language plays a key role.

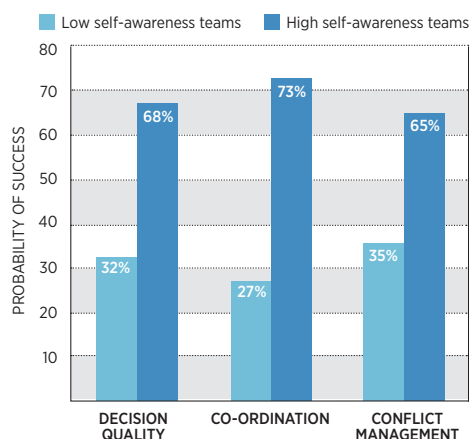
Finally, the important thing to remember is that the ability to manage conflict well will also make the job a lot more fun and a lot less stressful. ■



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HIGH SELF-AWARENESS LEADS TO BETTER TEAM PERFORMANCE

A simulation shows how it affects decision-making, co-ordination and conflict management



SOURCE: ERICH C DIERDORFF AND ROBERT S RUBIN

triggers anger in you - is just one thing you need to do to become more self aware, enabling you to respond rather than react (see diagram, left).

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A renowned tool for understanding our instinctive preferences is the Thomas Kilmann test. This cunning test establishes how strong your current natural urges are to "compete, collaborate, compromise, avoid or accommodate" in a conflict situation. The premise is that all of the above approaches have their uses. Masters of the art are able to avoid instant reaction, reflect and then choose the most appropriate one to deploy, depending on person, group or situation on a given day.