

# Conflict resolution avoids power struggles

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BY GARY T FURLONG

TWO SUPERVISORS who can't agree on a solution to a problem have brought the dispute to their manager.

This is another battle in an ongoing war between these two supervisors. The manager has had to make a decision in a number of situations like this in the past, inevitably leaving one or both of the supervisors upset. The manager has spoken repeatedly with both of them about co-operation but to no avail.



This issue is especially heated and under a tight time pressure, and the manager is not surprised it has hit her desk. What should the manager do? If she has developed core competencies in conflict management skills, she will probably seek an interest-based solution.

More and more managers are taking this approach to conflict resolution, which can greatly improve the ability of an organization to adapt to and implement change. In an interest-based approach, a solution is reached by meeting the

interests of all parties involved. When all parties agree to an outcome, commitment and follow-through tend to be very high.

While there must always be a rights-based fallback - such as a manager making a decision unilaterally or following a formal appeal process - defaulting to a rights-based solution first is usually more costly to the organization and the people involved.

Below are three common situations to consider:

### **The Manager as Judge**

In handling the dispute between the two supervisors, the manager would probably take one of the following approaches:

- 1.** Since this is an established pattern and time is tight, the manager should act swiftly to listen to the issues, make a clear decision, and enforce it firmly to prevent any opposition from either supervisor. They need to learn to accept her decisions if they bring them to her.
- 2.** The manager should call a meeting, hear both sides' views in depth and make an informed decision, clearly explaining the reasoning behind it and enlisting the supervisors support for the decision.
- 3.** The manager should order the supervisors to have an agreed solution for her review in 24 hours, with a strong sanction for both if they fail to comply.

**Analysis:** The problem with options 1 and 2 is that the manager is reinforcing a "rights-based" approach. The manager has set herself up as a person who will decide what or who is "right". Similar to litigation, an outcome is imposed on the parties. There are winners and losers and this can be extremely detrimental to the teamwork, empowerment and trust-building so important in organizational settings.

Option 3 is a bit different in that it requires a solution from the supervisors, but orders it in a way that will try to force co-operation, something that rarely succeeds. Most likely, the decision will come back to the manager with much finger-pointing, and sanctions must result.

A conflict-management approach would be to firmly specify the application of an interest-based solution, as opposed to a rights-based process. This could be done by calling a meeting in which the manager facilitates a discussion of the issues leading to a solution that is devised and agreed to by both supervisors, a sort of "mediated" solution where the manager helps them with the process rather than the content of the solution.

Called immediately, this also addresses the time constraint.

Regarding a longer-term solution, this interest-based approach can be taken over by the supervisors themselves, potentially breaking the adversarial cycle in place today.

### **The Escalating Client**

An insurance claims adjuster receives a call from a client, the third this week. The claim is for a damaged car, probably to be written off.

During the first call on Monday, the adjuster told the client it would take about a week to get a valuation of the car and cut a cheque. The adjuster told the customer to call back later.

During the second call two days later, the adjuster patiently explained that these things take time and suggested the client call early in the next week.

Now, on Friday, just before the adjuster is due at an important meeting, the client wants an explanation of why the cheque isn't ready. The client is getting upset and so is the adjuster. What should the adjuster do?

1. Patiently explain the process again, apologize for the delay, and invite the customer to call back some time on Tuesday. In a friendly way, explain that nothing moves as fast as anyone would like, but he'll do his best.
2. Firmly tell the client that this has been discussed already, there will be no news before Tuesday, and please don't call before then.

**Analysis:** While choice 1 is often what adjusters do in an effort to provide good service, many times, under pressure and out of frustration, choice 2 is what actually happens. This typically leads to an escalation of the file, with the customer demanding to speak to a manager. Getting the manager involved takes even more of the adjuster's time explaining the file and then expediting the file at the manager's request to satisfy an angry client.

Even with choice 1, an anxious client will typically call again the following Monday, and even if the adjuster is "nice," the client will now accept only the actual cheque as a solution. Often, by this stage, the customer won't be satisfied with the settlement value either, but will want more money paid on the claim to somehow compensate for the company's alleged "incompetence".

A third option is to apply some basic conflict-management skills. After the first phone call, sensing the customer was anxious, the adjuster should take ownership of the phone call, telling the customer that the process could take until

Monday or Tuesday of next week, but the adjuster will call the customer back "on Friday at 10 a.m. to give you an update. Is that time okay with you?"

This is called "contracting," and once a contract is made with the customer, the odds of that customer phoning before the agreed time are next to nil. This also allows the adjuster to make a call when it is convenient for the adjuster, rather than having to react whenever the phone rings.

Another thing the adjuster can do is take two or three minutes to ask the customer why the settlement is needed so quickly. Perhaps the customer needs the car for a special event and another solution, such as a low-cost rental, could meet the customer's needs. Determining needs and interests and using conflict resolution skills such as contracting can turn a frustrating situation into a positive outcome for both parties.

### **Banking on a Good Result**

In a bank, an account manager for small business receives a request from a client for an increase in its line of credit. This has been a good client who is expecting a slowdown in business. She submits the request to the risk manager, who has the final approval, and is turned down.

When she talks to the risk manager, she is told it doesn't look good on paper, and the answer is "No, end of story." The account manager should:

1. Go to the client, explain that the request was denied, and explain that while she thinks highly of the client, risk management is more numbers-driven and it simply didn't meet the criteria.
2. In spite of the small dollar amount, invoke the official appeal process of the manager's decision in order to get more of a voice in the process.
3. See if her manager can approach the senior risk manager, and get him to informally review his subordinate's decision.

**Analysis:** Option 1 clearly conveys a negative message to the customer, it is simply a variation on the "pass the buck" approach.

Options 2 and 3, while "valid" responses, eat up valuable management time over a rather small issue, and certainly aren't conducive to increased co-operation between the account manager and her risk manager.

A fourth option is to pursue an interest-based outcome, spending time exploring the risk manager's interests in refusing the increase.

Perhaps other issues, such as a large loss on another file, are driving the decision. Perhaps there are valid reasons the account manager is unaware of that make the decision correct and explainable to the client.

An even better outcome is a jointly developed plan of action that the bank recommends the client follow to receive the increase, thus meeting both the bank's and the client's needs.

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