

The Strategic Advantage of Effective Conflict Management

Kenneth W. Thomas, Ph.D. & Gail Fann Thomas, Ed.D.

INTRODUCTION: THE POSITIVE IMPACT OF CONFLICT MANAGEMENT SKILLS

Economic conditions, rapid technological innovations, and a changing workforce raise the bar for strategic talent management in all organizations, whether they are for profit, non-profit, or government. Such changes have created an even stronger demand for soft skills such as communication, teamwork, and conflict management. CEOs, HR Directors, educators, and trainers recognize that conflict-handling is one of the most critical skillsets because of its impact on decision making, collaboration, engagement, and retention.

Effective **decision making** is the cornerstone of a successful organization. Research shows that decisions improve when people bring diverse perspectives, information, and expertise to bear on an issue. If diverse perspectives are not handled well, it can lead to deadlock and inaction. On the other hand, when diverse and often conflicting perspectives are handled constructively, ideas can be judged on their merits and incorporated into better, more innovative decisions.

Also, decision makers are likely to get accurate feedback on the results of decisions—in time to take corrective action. These decision-making benefits can be important for any organization on important, non-routine issues. They are especially vital for organizations that aspire to be learning organizations or compete on rapid adaptation and innovation. In such cases, it may take only one good decision on an important issue to justify the cost of a conflict management program.

Collaboration, one of the five conflict styles, is core to thriving operations whether you are working internally with cross-functional teams or externally with suppliers or customers. Collaboration requires a particular stance and set of competencies that need to be developed with employees at all levels in the organization. Effective collaboration requires good listening skills, an ability to identify stakeholders' key interests and concerns, and a knack for integrating diverse perspectives toward a common goal. Research shows that effective collaboration can have monumental positive results. A study conducted by The Institute for Corporate Production (i4cp) and Rob Cross, the Edward A. Madden Professor of Global Business at Babson College, found that corporations that promote collaboration are five times more likely to be high performing.

Effective conflict management is a means to employee **engagement**. When people are encouraged, and even rewarded, for sharing their diverse perspectives, they turn away from avoiding conflict and just going along with others. Research shows that engaged personnel who effectively manage conflict are more emotionally, cognitively, and physically connected to their work. So, when leaders promote psychological safety for sharing conflicting ideas, employees are much more likely to increase their organizational commitment and organizational citizenship behavior.

Finally, consider the effects of conflict on **retention** and turnover. Poorly managed task-related conflicts can easily become personal—generating resentment, antagonism, and hostility. These “emotional” conflicts interfere with work relationships, create stress, polarize teams, and are a major factor in absenteeism and voluntary turnover. Occasionally, they lead to grievances and legal actions.

When conflicts are managed constructively, on the other hand, people are likely to feel that they are listened to and treated fairly, which reduces personalization of conflict, absenteeism, turnover, and formal complaints. Here again, the financial savings from reduced turnover and absenteeism alone—not to mention the benefits of stable working relationships, organizational loyalty, and the retained knowledge of experienced workers and managers—may justify the cost of a conflict management program.

How, then, can an organization make conflict management a core competency in an organization? This paper describes five key pillars:

- Develop conflict literacy.
- Assess conflict-handling approaches.
- Build conflict management skills.
- Involve top management.
- Employ team conflict management strategies.

FIVE WAYS TO BUILD CONFLICT MANAGEMENT AS A CORE ORGANIZATION COMPETENCY

1) DEVELOP CONFLICT LITERACY

To manage conflict effectively, an organization should develop a common language that helps people think effectively and communicate clearly about conflict and its management. The foundation of this language is a useful definition of conflict and a set of alternative ways of dealing with it.

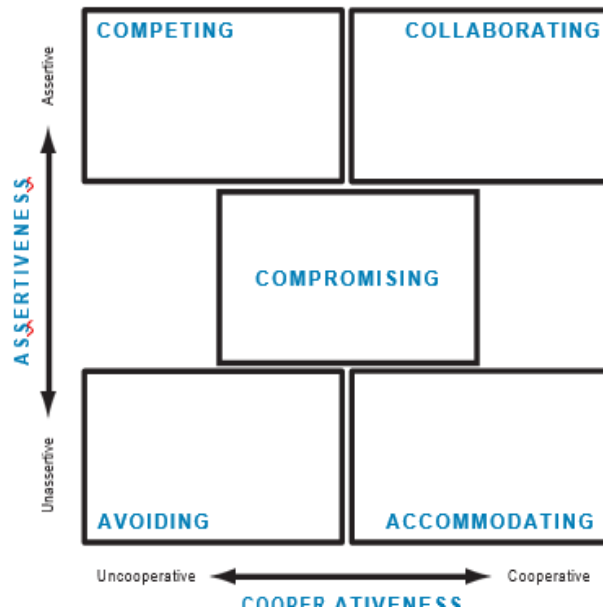
Define conflict

People often think of conflict as fighting. It's important to realize that fighting is only one way of dealing with conflict. A more useful definition of conflict is *the condition in which people's concerns appear to be incompatible*.

A concern is anything people care about. In an organization, people's concerns might center around such things as deciding how to allocate resources, determining what facts bear on an issue, and supporting different strategies.

Introduce the five conflict-handling modes

When people find themselves in conflict, their behavior can be described in terms of where it lies along two independent dimensions—assertiveness and cooperativeness. *Assertiveness* is the degree to which you try to satisfy your own concerns, and *cooperativeness* is the degree to which you try to satisfy the other person's concerns. The figure below shows the main choices you have in a conflict—the conflict-handling modes.



Competing is assertive and uncooperative. You try to satisfy your own concerns at the other's expense—to win.

Accommodating is unassertive and cooperative—the opposite of competing. You sacrifice your own concerns to satisfy the other person's.

Compromising is partially assertive and partially cooperative. You look for an acceptable settlement that only partially satisfies both your own and the other person's concerns.

Avoiding is unassertive and uncooperative. You try to sidestep or postpone the conflict, satisfying neither person's concerns.

Collaborating is assertive and cooperative. You try to problem-solve to find a solution that completely satisfies both your concerns and the other person's.

This deceptively simple framework helps people think more clearly about the choices they have in a conflict. Many are surprised to realize that collaborating is possible in conflict—that they don't have to compete to get their needs met, and that they can be cooperative without being "soft." The collaborative process, in fact, can be quite passionate at times, with people expressing their views strongly so as to be heard and taken seriously.

But what differentiates collaborating from other conflict-handling modes is that people are listening to others' views, not just focusing on their own, and are trying to incorporate them into sound decisions.

2) ASSESS CONFLICT-HANDLING APPROACHES

People and organizations can best improve their conflict management competencies by first getting an accurate reading of their conflict approach—their pattern of reliance on some conflict-handling modes over others. Assessing one's conflict-handling pattern makes explicit people's unconscious habits and assumptions about conflict, so that choices can be re-examined and made more thoughtfully. Measurement also provides a baseline against which to chart change and improvement.

The most useful measures seem to be those that reduce defensiveness by recognizing that each of the conflict-handling modes is appropriate for certain kinds of conflict situations. This contingency approach enables people to see their style as a set of strengths and to approach change as a way of building on their strengths rather than correcting their flaws.

Making conflict-handling measures available online makes it easy for organizations to collect aggregated data on conflict styles. The organizations can use this data in identifying their “conflict culture” and as a benchmark for change efforts.

3) BUILD CONFLICT MANAGEMENT SKILLS

Once individuals learn their styles, they can receive training and coaching to help them develop three levels of skills that supplement the skills they already have.

Choose the right conflict mode

The most fundamental conflict skill is the ability to select the conflict mode that will be most productive for a given situation.

Ken Thomas's early research found that groups of company presidents were able to agree on a set of situations in which each mode would be especially useful. Since then, many research studies have assessed the effects of the conflict modes in different organizational settings. These studies led to some practical lessons regarding when each mode is likely to be most effective.

Here, we mention two important and frequently supported findings involving **collaborating** and **avoiding**, respectively.

Research consistently shows that collaborating produces superior decisions on complex and non-routine issues. The problem solving required by collaborating can be time consuming, however, so collaborating is usually reserved for important topics. In negotiations over resources, collaborating is more likely than other modes to result in integrative or win-win outcomes. In disagreements over decision making, collaborating is better at combining diverse insights into more accurate understandings and more innovative solutions.

Collaborating also helps build trust which enhances communication and learning. For these reasons,

learning organizations emphasize collaborative skills and strive to build collaborative norms into their culture.

In contrast, research shows that avoiding conflict can have negative consequences if it is overused. While some situations may call for a “time out” or postponement of a decision, individuals who consistently avoid conflict may be shunning important discussions that are needed to move the organization ahead. People who avoid often think that the issue will just go away given time or that others will handle the problem. Others may think that people who avoid just don’t care about an issue or have no good input to offer. Avoiding can also lead to destructive conflict that can damage relationships and negatively impact outcomes.

Implement a mode effectively

The second level of skill involves successfully implementing the conflict-handling mode you have chosen. Because collaborating is especially important for decision quality, conflict management programs tend to ensure that people learn key skills for collaborative problem solving.

Consider two key skills related to collaborating—distinguishing between **concerns and positions**, and using “**firm flexibility**.”

Concerns are the things people care about in a conflict—what they are trying to satisfy. In contrast, the *positions* people take are the solutions they recommend as a way of satisfying their concern (“what we should do”).

When people frame an issue in terms of positions (“We should do X”), it is impossible to find a collaborative solution. The only logical possibilities are competing (“Do X”), accommodating (“OK, we won’t do X”), and compromising (“How about doing X halfway?”). Finding a collaborative solution requires identifying the concerns behind people’s positions (“I’m concerned about this project because it might take us over our production budget, while you see the project as a way of improving sales. Can we find a way of reducing the costs of this project or of increasing sales in another way?”). When collaborating, then, it is important to begin by identifying underlying concerns rather than “jumping to positions.”

The term “firm flexibility” was coined by Professor Dean Pruitt of the State University of New York, Buffalo. This strategy is useful when you are trying to find a collaborative solution but another person is competing, pushing a position that won’t meet your concerns. In this situation, most people realize that some firmness is required to stand up to the other person.

However, they often take a hard line that prevents collaborating. Firm flexibility clarifies what you need to be firm about. The idea is to be firm about meeting your concerns, but also to signal flexibility about choosing a position: “Fred, I can’t agree to your plan if it goes over budget. Let’s see if we can find a way of bringing it in under budget.” “Sally, your recommendation ignores the patent problem. Can you find a solution that addresses that problem as well?”

Reduce the costs of a mode

The third level of skill involves reducing the costs, or negative consequences, of the mode you have chosen. Managers who are less skilled at conflict management often accept some collateral

damage as normal or inevitable, rationalizing that “You have to break some eggs to make an omelet.”

In contrast, more adept managers find ways to minimize these costs. For example, managers can learn how to compete when necessary without antagonizing people, how to avoid an issue without being evasive, how to accommodate without looking weak, and so on.

4) INVOLVE TOP MANAGEMENT

Human resources departments can take responsibility for developing training programs on conflict management that can improve decision making, collaboration, engagement, retention, and more. Alongside the implementation of conflict management programs, though, top management must be actively involved in building openness into the organization’s culture and modeling constructive conflict management.

Build openness into the culture

Each organization’s culture has a built-in mindset about conflict. As a result, different cultures seem to favor different conflict modes.

The prevailing mind-set in some organizations is that conflict is a threat to relationships and team cohesiveness, so people should do what they can to accommodate others’ views and needs. Some organizations view conflict mostly as a potential drain on time and energy, so conflict issues should be avoided whenever possible. Other organizations see conflict as a challenge to a person’s credibility and authority, so people need to counter it strongly—that is, take a competitive stand and protect their position. Still other organizations see mutual concessions and compromise as the only pragmatic way to settle conflicts.

In contrast, CEOs who champion the usefulness of substantive disagreement see this as a way to reach creative decisions. These CEOs eschew superficial congeniality and encourage employees to tell the truth in respectful ways by harvesting conflicting views and incorporating that information into novel and complex decisions. They might promote a “boundaryless” organization that encourages the free flow of information, and they might model open behaviors themselves, providing visible examples to help seed this culture.

Improve strategic decision making

When top managers manage conflict constructively, they do more than provide examples for others. They also improve their own strategic decision making.

Stanford professor Kathleen Eisenhardt and her colleagues studied top management teams in high-tech companies and found that the more productive teams were able to manage conflicts without getting involved in personality conflict.

Executives in the less productive teams got bogged down in personal animosity and described each other using words such as “manipulative,” “burned out,” and “political.” In contrast, members of the productive teams, even though they hit conflict issues head-on, described each other as “smart,”

“best in the business,” and “team player.”

What made the difference?

The effective teams framed the conflicts as collaborations to find the best solution for the organization as a whole. They were given lots of information on the issues and, to avoid “jumping to positions,” generated multiple possible solutions. CEOs guided team discussions without either imposing their views on their groups or abdicating leadership. Members used humor to keep perspective.

Finally, the team used a philosophy of “consensus with qualification.” Essentially, the team members tried to reach a collaborative, consensual decision. If they were unable to reach consensus, decision-making authority was given to the most relevant senior manager, guided by input from the rest of the group.

Coming at the topic from a different angle, Dartmouth professor Sydney Finkelstein studied business failures—that is, highly unsuccessful strategic decisions. His team of researchers identified 51 companies that had suffered a major business failure, collecting extensive interview and documentary evidence. They found an impressive consistency across all the cases. These organizations operated in a way that stifled dissenting views, allowing bad decisions to be made and then dismissing evidence that things were going badly.

Surprisingly, the failures all involved organizations and CEOs with a strong track record of success, which was part of the problem. These top managers’ assumptions and mindsets had worked so well in the past that they shut off dissenting information in new situations that didn’t fit their pre-conceptions. Particularly risky situations included new business ventures, innovation and change, mergers and acquisitions, and unexpected moves from competitors—all of which introduced new uncertainties. Rather than welcoming new information in these situations, the top managers shut it out and seemed more focused on demonstrating their superior expertise.

Essentially, then, they adopted a competitive style that pushed their own positions. They tended to intimidate others, acted as though they knew it all, often got rid of people who weren’t wholly supportive, and stubbornly clung to ideas that had worked in the past. Finkelstein’s major recommendations, then, involve creating a culture of openness and open-mindedness where people can safely tell each other the truth, as well as creating multiple arenas for debate, feedback, and critical thinking.

5) EMPLOY TEAM CONFLICT-HANDLING STRATEGIES

Today, more decisions are being made by teams—including cross-functional teams and committees. Members of these teams are often selected for their diversity of experience or as representatives of different functional areas, so conflicts are frequent.

In addition, team conflicts come with their own unique sets of challenges. So even when top management is actively involved in setting an example and people throughout the organization have received training in the basics of constructive conflict management, teams will still need help transitioning to the new behaviors. Organizations need to have the capacity to help new teams set

appropriate norms for themselves and to intervene in established teams that have trouble managing conflict effectively. Three kinds of lessons are especially important here.

Appreciate different members' styles

Team members often resent and misunderstand teammates with conflict styles different from their own. Each conflict style comes with an underlying set of values, and people with a given style tend to see other styles as neglecting or opposing their values. People who tend to value support and generosity may see some others as insensitive, mean-spirited, or selfish. Similarly, those who tend to value tough-mindedness and the courage of convictions might see others as soft or wishy-washy.

Team members can benefit from learning that teammates with all five conflict styles have positive values and are trying to make a positive contribution to the team. For example, people who use competing are trying to champion courses of action that they believe to be sound and to move things along. People who use accommodating are trying to maintain and build team goodwill and cohesiveness. The other conflict styles have their own positive values, too.

Each style tends to address different aspect of group performance and be especially good at dealing with certain kinds of situations. Understanding the positive intentions and contributions of each style reduces resentments over style differences and makes it easier for team members to listen to each other. They can then learn from one another's insights.

Reduce "excessive" behaviors

Each conflict style can help a team be more effective when used in appropriate situations. Avoiding, for example, is appropriate with relatively unimportant issues, with dangerous issues (including personality issues), and when postponement would allow the team to collect more information to make a better decision.

Each style also comes with "temptations" that should be guarded against. These temptations involve behaviors that are excessive in some way and create problems for the team. For example, the excessive side of avoiding might be to not return emails or phone calls, withhold information, or procrastinate. The excessive side of the competing mode might be to monopolize a discussion, not listen to others, attack others, or actively block a decision that is going against them. And the excessive side of the collaborating mode might be to overanalyze problems that don't require it, take up too much group time with decisions they could make themselves, or to continue to try to find consensus when it isn't working or there isn't enough time.

The compromising and accommodating modes have similar lists. It is important to help team members become aware of these temptations so that they can guard against them in their own behavior and give feedback to teammates when they slip into these patterns.

Monitor the effect of members' conflict approach on team dynamics

Individuals' different conflict-handling profiles will impact the team's interactions and ultimately the team's performance. A team's conflict-handling profile depends on the styles of its members—especially those of its formal leader and any other members who are particularly influential.

Even though each conflict style is an attempt to make a positive contribution to the team, these styles often have unintended consequences at the team level. For example, a group with several individuals who use the competing modes may end up in lengthy unproductive debates or deadlocks—the opposite of what its members intended. Likewise, if several individuals are overusing the accommodating mode, these people may suspend some of their critical thinking to support each other, resulting in poor decisions that create frustration for their members.

As mentioned earlier, research consistently shows that collaborating produces superior decisions on important and non-routine issues. A key question, then, is how can teams with very different preferences develop their ability to collaborate well with one another?

With help from facilitators, teams can identify their unconscious conflict-handling preferences and move to more choice-based conflict-handling behavior that can inform better decision making for the team. This method can be used to adapt interactions as team members join or leave a team.

Facilitators can also help teams recognize predictable challenges that will interfere with team performance because of their team conflict-handling profile—challenges like over asserting one's needs or inappropriately avoiding. Challenges and remedies would be different for each team so, to become more effective at conflict management, teams need to take different routes depending on their starting points.

SUMMARY

This paper explored five key elements of a strategy for making conflict management a core competency in an organization: develop conflict literacy, assess conflict-handling approaches, build conflict management skills, involve top management, and employ effective team conflict-handling strategies for high performance.

These elements can be applied in a flexible manner, so that they can be adapted to the special conditions and needs of a given organization. Organizations can focus these elements on issues that have a special priority for them, such as innovation, retention, and productivity. They can introduce them in ways that fit their culture and overall strategy. They can also combine them with other training and team-building initiatives that are already under way.

However they are introduced, these elements provide powerful concepts, skills, data, insights, and constructive norms that can make conflict management a strategic advantage for an organization—with resulting improvements in decision making, collaboration, engagement, and retention.

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Kenneth W. Thomas, Ph.D., is the developer of the following tools with The Myers-Briggs Company for conflict management training and intervention:

The Thomas-Kilmann Conflict Mode Instrument (with Ralph H. Kilmann). The TKI® assessment is the most widely used measure of conflict-handling behavior for training and intervention. It has sold over 10 million copies worldwide and is available in booklet and online formats.

Introduction to Conflict Management. This booklet supplements the TKI report for management development and other individual skill-building applications. It provides detailed guidance on when and how to use each conflict mode effectively.

Introduction to Conflict and Teams (with Gail Fann Thomas). This workbook supplements the TKI assessment for team applications. It helps team members understand how their individual styles show up in a team setting, recognize excessive behaviors connected with their style, and appreciate the positive intentions and contributions of team members with other styles. It then helps the group identify how they address conflict, how that style affects team performance, specific challenges that interfere with effective problem solving, and remedies for those challenges.

Gail Fann Thomas, EdD., is a consultant, coach and educator focused on communication, conflict management, and collaboration. She has co-authored more than 60 academic articles and reports and is co-author of the following products with The Myers-Briggs Company:

The TKI Team Report (with Kenneth W. Thomas and Ralph H. Kilmann). This report helps teams understand how the five TKI conflict-handling modes affect interpersonal and group dynamics, and helps teams select the most appropriate approach for a given situation.

Introduction to Conflict and Teams (with Kenneth W. Thomas)

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