

## **Why is Managing Conflict so Important?**

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Every business that employs people regardless of size and industry experiences interpersonal and organizational conflict. This conflict is caused by multiple inter-related variables and circumstances. For example, some of these causes include constant changes in the competitive environment, increasing diversity among employees, and limited resources. As a result of these changing variables managing conflict is important in many ways. First, it is important because unmanaged conflict can have expensive legal consequences as people seek litigation as a way to resolve disputes. Second, managing conflict is important because high level of negative conflict can cause employee dissatisfaction and expensive turnover as well as decreased productivity. Lastly, managing conflict is important because when done well it can become a catalyst for creativity and innovation as well as organizational learning. It can become a strategic advantage as a company becomes a learning organization capable of benefiting from different points of views. Employees of a learning organization feel open to express opinions and make suggestions that lead to improvements without the fear of conflict.

Conflict is usually a symptom of an underlying problem and not just a problem in itself. It can be a symptom of weak organizational design, ineffective communication, bad leadership, dysfunctional organizational culture, or poor selection of employees. When a consultant is called upon to address organizational conflict, these underlying causes are often addressed rather than the conflict itself. Conflict mediation is only an immediate intervention for acute negative conflict that needs to be resolved before these underlying issues can be safely addressed. This is very similar to the work of a psychotherapist. An individual who sees a therapist for depression or anxiety is often not directly treated for these symptoms outside of some immediate medication stabilizing mood to give strength to deal with therapy. Rather, the issues of dysfunctional relationships, ineffective lifestyle choices, and lacking coping skills are address in the course of therapy. Similarly, when a patient sees a physician for high cholesterol, the underlying lifestyle issues such as lack of exercise and bad diet are addressed. Cholesterol medication alone is not sufficient remedy if these underlying causes are not addressed. Conflict that is resolved through legal action at courts never works as the underlying causes are not addressed and parties are left with resentment. Only a systematic process of management consulting with some immediate conflict mediation can resolve the issues permanently and in a sustainable fashion.

The causes of conflict can be addressed in a business organization and thus negative conflicts can be managed, resolved, or even transformed into a positive force. Since people are often the main reason for interpersonal and organizational conflict, the way people interact and make decisions together must be addressed. Increased knowledge of differences between people in terms of cultural attitudes, conflict management styles, and psychological types is the first step. The second step is for people to learn skills and techniques to communicate more effectively and focus on issues rather than personalities. When these people skills and abilities are supported by matching organizational structure and culture, as well

as effective leadership, increased productivity and profitability occurs. Expensive legal costs are minimized and employee retention improved. Quality of the services and products is increased as people communicate better and make better decisions. This is why conflict is such an important issue in business organizations of all kind, and should be managed, resolved, or transformed.