

The Leaky Bottom Line; the Hidden Cost of Human Conflict in the United States of America Workplace and the Low-Cost Way to Cure it.

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Is there a hidden cost associated with human conflict?

Human conflict happens in any situation and in any part of the world in where facts, desires or fears push or pull participants against each other or in divergent directions. Conflict can be unpredictable and is inherently part of what happens when you have multiple people interacting at any given time, especially in the workplace. Human relations in the workplace are a major part of what makes a business work. Workplace conflict can happen unbeknownst to the boss and upper management, and it can run its course until it indirectly affects a system in the business. Sometimes, if lucky, indicators of issues among personnel can be experienced at the earliest stage of the situation, showing up as conflict that can get out of control, be unbearable to parties involved, and can no longer be ignored. This is when organizations have an opportunity to identify what to do when the damage to the organization is still preventable. Let's clarify that not all conflict is bad; some conflict can actually be a source of energy that fosters creative and resourceful problem solving. Unmanaged conflict, however, can have detrimental effects on the overall net earnings of an organization.

How costly is negative conflict if not detected in time?

Conflict among co-workers and leaders in an organization can lead to a leaking bottom line. A 2008 study done by the CPP Global Human Capital Report found that in United States, employees spent 2.8 hours per week dealing with conflict. This amounts to approximately \$359 billion in paid hours (based on average hourly earnings of \$17.95), or the equivalent of

385 million working days. This and many other statistics represent a serious skills gap among the workforce. Many people do not know how to deal with conflict effectively. They also have not paid any attention to how they handle conflict. Competency in handling conflict is not usually taught in the educational system; therefore, individuals mimic what they have learned throughout their lives from people they have observed handling conflict. Unfortunately, these role models – their parents, teachers, relatives or even T.V. – are not positive role models. For example, reality shows on television have the highest ratings, and most of what the actors do is fight, creating lose-lose, lose-win or win-lose situations. Talk about the blind leading the blind. Employees using very limited skills when dealing with conflict are dangerous to an organization. Organizations with positive cultures tend to succeed in any economy because employees exhibit high morale and loyalty. A proactive and smart step for any organization would be to name a line item in the budget that addresses the preventive approach to human conflict. A company that increases its net earnings and reduces its costs is said to be "improving its bottom line." Therefore, what would be the most cost-effective way to mitigate the negative effects of human conflict?

Let's show how conflict is toxic to an organization

The talent development or human resources department of a company is commonly focused on the leadership skills of its upper management, yet all employees are the soul of an organization and contribute to the culture. Conflict prevention skills should be taught across the board, to every employee in an organization. Such skills help create a better culture, assist in change management, and can contribute to productivity.

This is a representation of a scenario that depicts a hidden conflict that can easily affect a company. Let's pretend co-worker A is having issues with co-worker B. They both have personality clashes on each other. The co-worker B is noisy and likes to talk on the phone inside the workspace that both shares with each other. Co-worker A does not complain to his manager or human resources about the situation. He is concerned that co-worker B will know that he complained and will make her upset,

making it unpleasant for them to work together in the shared office space. This can create a very negative atmosphere among the co-workers. Co-worker A experiences frustration every day because he sees that co-worker B does not respect the fact that they both use the same office space. Eventually, co-worker A, using avoidance as a conflict resolution strategy, starts taking days off from work because he does not want to be in the same office as co-worker B. Also, co-worker A uses 45% of his time at work to look for a new job. He is so upset about the situation that he experiences fogginess and loss of focus on his projects. Co-worker A also starts developing health issues due to stress and starts asking for time off to go to doctor's appointments. Most likely, co-worker A is only working approximately 2-3 hours at work a day instead of the full 8 hours. If you calculate the hours this employee is not working, for which the company is paying his hourly wage, you can see how money is leaking out of the pockets of the company.

Now, let's say that co-worker A gets trained in conflict resolution techniques and learns that being an avoider is not the best way to confront a problem. He then understands how to be assertive and self-determined and learns strategies to address the issue first with his co-worker regarding the company, before taking the issue to his supervisor and the human resources department. It sounds simple and cost-effective, and it is.

Managers' jobs are made easier if subordinates are competent to manage conflict among themselves or if miscommunication arises from the leadership. However, conflict between employees and managers is not easily dealt with, especially if there is a power imbalance. If the conflict involves a subordinate and an abrasive manager, then it is better to bring in a neutral third-party with the knowledge to facilitate the conflict in this situation. With a good manager who responds constructively to criticism, this is rarely a problem, but a conflict involving a bad or insecure manager can seriously impact the working situation of any employee working under his or her supervision.

Low cost to cure the problem

When it comes to human conflict dynamics in the workplace, who is the most cost-effective expert to hire? In other words, who are you going to call? One 2013 Stanford University study revealed that a lack of skills when it comes to handling conflict in the workplace is the highest area of concern for CEOs. This study showed that the traditional go-to professionals (consultants such as: leadership and business development, risk management, organizational psychology, employment engagement, change management, human resource talent, and human capital management, among others) do not make a significant impact when addressing this particular need and end up funneling the majority of human disputes processes to the human resources department, leaving it to them to opt for either discipline or termination. The alternative dispute resolution (ADR) field and its sub-fields, which include conflict management consultants, conflict management coaching and conflict engagement specialists, exists to build a bridge between the relationship aspects of the human capital in organizations and the need to continually work together towards a common goal at the workplace. The field of ADR is not bound by specific contexts or disciplines of studies; this field was developed through practical insights from a variety of disciplines (i.e. psychology, neuroscience, law, criminal justice, organizational development, leadership, sociology, business, etc.). Regarding the problem between co-workers A and B, a possible solution could have been to provide effective and adequate training given by an expert in conflict resolution, which is the key to a cost-effective intervention. What makes a qualified “expert” in the field of human conflict dynamics? The level of expertise has to do with the educational degree level and professional experience. There are certification programs, bachelor’s degrees, master’s degrees and PhDs in the field of ADR, conflict resolution, and conflict dynamics. Conflict resolution specialists are similar to specialist doctors, providing adequate attention and the expertise to know what interventions are necessary to eradicate the issue. Interventions such as training, mediation, and conflict management coaching are some of the tools available to prevent and resolve issues in the workplace with efficiency, low costs, and diplomacy.

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Author Biography

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Ms. Durazo received a Master's in Conflict Resolution, Negotiation and Peacebuilding from CSU Dominguez Hills and an undergraduate degree in International Business with an emphasis in Latin American Studies from SDSU. She also received her mediation certification from the San Diego Restorative Justice Center and National Conflict Resolution Center (NCRC) in where she gained invaluable experience working with them as a mediator. She is also an Associate Certified Credential Coach (ACC) through the International Coach Federation with studies in Ontological philosophy. She has studies various energy modalities, such as Reiki, Matrix Energetic and practice transcendental mediation and mindfulness.

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