

Exposing the Ten Inexcusable Excuses for Not Handling Conflicts

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There exist inherent problems in compensation in organizations where “VUCA” (vulnerability, uncertainty, complexity and ambiguity) goes unchecked. Among the specifics were increasing staff fears regarding job security, the inadequacy of communications about enterprise health, and a marked increase in the frequency of interpersonal conflicts, particularly within reporting relationships and between departments and generations. This article describes how differences and/or inconsistencies in how leaders handle conflict can have both direct and radial impacts on compensation and benefits, such as allegations of favoritism, complaints about inequities in pay, promotions, and benefits, assertions of unfair criteria for rewards, litigation-driven budget reallocations that negatively impact employees, and replacing leaders whose reputations have been irreparably damaged by any of the above.

During the last three months, managers from several client organizations have called to discuss the escalating impacts of one or more aspects of VUCA. Among the specifics shared with me were increasing staff fears regarding job security, the inadequacy of communications about enterprise health, and a marked increase in the frequency of interpersonal conflicts, particularly within reporting relationships and between departments and generations. All identi-

fied the disassembling as the primary contributing factor to reduced productivity, and all opined the seeming reticence of leaders to engage in conflict resolution.

“Hats off!” I said to each of them, “for recognizing fraying relationships as well as the potential for an array of negative consequences if conflicts remain unresolved.”

Albeit unintentionally, leaders who eschew conflict resolution can actually catalyze both a heightened level of disagreement and an expansion of the conflict beyond its original locus. Differences and/or inconsistencies in how leaders handle conflict can have both direct and radial impacts on compensation and benefits such as:

- Allegations of favoritism.
- Complaints about inequities in pay, promotions, and benefits.
- Assertions of unfair criteria for rewards.
- Litigation-driven budget reallocations that negatively impact employees.
- Replacing leaders whose reputations have been irreparably damaged by any of the above.

It is not unusual for those in leadership roles to disesteem what they view as “soft stuff.”

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Alternatively, they may be so drained by protracted periods of crisis management that they lack the energy for any initiatives they do not view as high priorities. But leaders cannot afford to ignore conflicts. Emotional and distracting, conflicts interfere with productivity, imposing negative impacts on business operations, to which considerable costs may append.

Below are five sanitized examples depicting the chaos that ensues when conflicts are not properly handled. Inevitably, professionals in compensation and benefits pay a heavy price for the unresolved conflicts of others:

- Mid-level managers in two different departments wanted to add a new position to their headcount, but the budget was sufficient for only one position. Though both did a great job of keeping their feud under the chief executive officer's (CEO) radar, each was inciting their respective fiefdoms toward ardent territorialism, and both established a veritable moratorium on responding to one another's communiques. When an uninvolved party made the CEO aware of the situation, he simply said, "Competition is a good thing. I'm not going to intervene." News of the CEO's stance made its way back to the affected employees, and morale in both departments plummeted. Several instances of undesirable turnover ensued. Worse, three among those who resigned posted negative reviews in Glass Door, citing adolescent, demotivating behavior among department heads and the CEO's lack of action. During the next two months, human resources (HR) spent a substantial amount of time and effort toward resolving the conflict and retaining the remaining employees. Indeed, doing so consumed the bulk of their time on site, leaving the administrative oversight of compensation and benefits staff virtually unavailable.
- A senior manager who had been coached toward a less abrasive management style believed he had complied. However, a key subordinate continued to complain to HR about the manager's demeaning remarks and the undeserved negative performance review ratings being assigned to her. Aside from 1:1 coaching with HR, there was no formal action taken internally to resolve the conflict. Eventually, the subordinate filed a complaint citing a hostile work environment, and then prevailed, costing the organization a six-figure settlement. She resigned and the manager was terminated. Those handling compensation had to overhaul the entire compensation strategy to accommodate the settlement. Promotions were put on hold, bonuses were reduced, two employees were laid off, and hiring was frozen. One is left to wonder what the impacts would have been had the conflict been handled properly to begin with.
- A highly skilled information technology (IT) person at a medium-sized organization was deeply engaged in various critically important, revenue-generating initiatives that required unique skills and a TS&C (Top Secret & Cryptographic) clearance. He suffered mightily whenever one of his internal management-level clients "visited" him. The manager regularly engaged in protracted, irrelevant monologues, interrupting the staffer's coding and delaying deadline achievement. These interruptions created considerable stress for the employee who was already hypersensitive by nature. Ultimately, the employee resigned. During his exit interview, the employee explained that he did not reach out to HR, fearing the situation could worsen if the manager became aware of the complaint. Since neither HR nor the folks in compensation and benefits had been made aware of the con-

flict, the sudden need to find a replacement of equal expertise and clearance level was a major challenge. The project was delayed for more than six months, during which time an extended deadline for the client deliverable had to be negotiated. To meet the newly established timeline, two contract hires were made. Their combined fees were more than double the salary of the employee who resigned. This unresolved conflict substantially reduced the profitability of the project.

- One controller was so rigid that his methods were suffocating innovation, which was the fundamental mission of the organization. Staff had become accustomed to their complaints falling on deaf ears and had given up hope of intervention from above. When leader behavior fails to align with mission, employees can experience disappointment and disenfranchisement, resulting in undesirable turnover. Not only does this result in additional costs related to recruitment and training, but it also increases vulnerability to expanded turnover, as more employees observe/experience/hear about the deviation from mission. HR must remain vigilant to notice indications of disengagement and conflict so that early intervention can take place. Doing so will also help prevent iterative revisions to compensation plans.
- After the need for a substantial budget reduction was announced, relationships among senior executives in a large firm became adversarial. Each fought relentlessly to preserve their original allocations, claiming that their deliverables were strategic imperatives that could not be achieved if funds were reduced. Their efforts impeded their own productivity and diverted the CEO's attention as each pled their case to

him. Those responsible for the planning and administration of compensation and benefits were veritable hostages, unable to finalize the fiscal plan well into the second quarter.

In each of these examples, leadership absolved themselves of any accountability for resolving "such trivialities." As a result, the situations festered, quickly and continuously exacting what I call the "Seven Costs of Ignoring Conflict":

1. Project delays.
2. Cost overruns.
3. Rework.
4. Missed deadlines.
5. Consulting costs.
6. Productivity losses.
7. Opportunity costs.

That is quite likely millions of dollars in lost productivity and revenue. In the first example alone, imagine how much staff time was wasted while the combatants duked it out, while their respective staff members commiserated, and while gossip permeated the organization. Imagine the loss of respect for the CEO who refused to intervene.

None of us can afford such consequences. But the solution is not a spreadsheet or a strategy. Instead, it is a sustainable quality of leadership that stimulates emotional maturity and collegiality within even the most pressured and battle-weary organizations.

Our excuses for sidestepping conflicts are powerful and compelling, but they are also flawed. In reviewing the 10 inexcusable excuses for not handling conflict which are listed below, consider which may be contributing to your frame of reference regarding conflict:

- **Excuse #1: *I'm just not good at handling conflict.*** So, *get good at it.* Needing to improve your skills in handling conflict does not justify avoiding it in the present. When helping adversaries address each other, have each person use this four-step formula that helps the parties better understand one another, likely allowing a more collaborative relationship: "When you _____, I feel _____, because _____, therefore _____."
- **Excuse #2: *If I am not feeling it, it does not exist.*** *Your immunity does not invalidate another's pain.* Choosing not to act because you have experienced no ill effects from others' conflicts impugns your fiduciary responsibility. Facilitating solutions among feuding subordinates is part of being the boss, whether it is affecting you or not.
- **Excuse #3: *If I ignore it, it will go away.*** *In fact, ignoring it increases various types of risk.* I refer to this excuse as the ostrich mentality. You can certainly put your head in the analogous sand, but not without simultaneously offering up what, for most of us, is a much larger target—one that is easier to hit since you have tethered yourself to ignoring the conflict.
- **Excuse #4: *If I confront it, the conflict will get worse.*** *This perspective demonstrates the falsely fulfilling prophecy of negative fantasy.* Unless and until you have addressed the conflict, you do not know that doing so will make it worse. However, stubbornly choosing to believe that the conflict will indeed get worse if you address it lets you justify to yourself the choice to do nothing.
- **Excuse #5: *It is not urgent and I have other priorities.*** *A conflict does not have to be urgent to poison the work environment.* If you are feigning other priorities so you can avoid handling conflict, you are allowing the discord to continue unchecked. Doing so frees the conflict to infect other functional areas, likely resulting in considerable productivity losses.
- **Excuse #6: *Solving others' conflicts it not a good use of my time.*** *Then perhaps you might consider surrendering this particular management responsibility.* Though it may be possible to appoint ombudspersons/arbiters, doing so could cost you the respect of your staff.
- **Excuse #7: *Managers and executives should be able to solve their own conflicts without involving me.*** *Telling those at an impasse that they should be able to solve the conflict themselves is not helpful.* Try getting each party to briefly write their answers to the following questions privately and then come back to you and share their answers: "What's true right now?" "What would be the impacts if nothing changes?" "What are your recommendations?" Because their answers would be revealed in front of you, the content is likely to be substantive enough to enable you to facilitate a resolution.
- **Excuse #8: *I do not want to be the heavy.*** *Being the heavy is part of the weight your rank confers.* Be willing to carry it, or step aside and let someone lead who is willing to do so responsibly.
- **Excuse #9: *I do not care enough about the people involved in this conflict to want to fix it.*** *Then work somewhere else.* Do not kid yourself into thinking that others cannot sense your disdain. Realize, too, that such passive-aggressive behavior is a major contributing factor to the conflict. Worth noting is that your behavior is being rented by your employer. The rental pay-

ment you receive is your salary. In exchange for the rental payment, you have obligations and responsibilities, among which is helping others resolve conflict. The rental agreement does not include a clause that allows you to bail out if you do not care about them.

- **Excuse #10: *If I were to confront the conflict, I would not be able to control my emotions.*** *Maturity involves giving up the luxury of behaving the way you feel.* Learning to subordinate emotions to the achievement of targeted results is a key requirement for successful management and leadership. Further, as a leader, your behavior should serve as a model for subordinates to emulate. If you truly cannot control yourself, consider conducting the conversation via Zoom or Teams, ensuring that neither your audio nor your video is on

until you've sufficiently purged yourself of your emotions.

In conclusion, recognize that the degree to which employees trust you, strive to surpass expectations, and stick with you despite tough times, dramatic change, or more attractive options is directly related to how they think of and feel about you. But such commitments cannot be commanded; they must be earned and they must be the voluntary choice of each individual.

Establish a pattern of poised and early handling of conflicts. Your reliably available guidance through conflict situations is a fiduciary responsibility, a competitive distinction, and a compelling motivator for retaining talent. Choose to model a response to conflict that helps elicit mature collaborations, wisdom-infused behaviors, and a frame of reference that elevates enterprise over self.