Conflict management essay sample

Life, Emotions

The aim of this report was to analyse the different type of conflicts occurring at my workplace and to provide a solution plan for them.

Understanding the nature and identifying the type of the conflict is essential to managing it. There are issue based or substantive and emotional based or personalized conflicts. We can make a difference between constructuve and destructive ones. Issue based constructive conflicts can drive the organization for development, but emotion based destructive conflicts can destroy the operation.

Differnt kind of conflicts require different handling types. I used the five handling type model. These are based on how assertive we are in expressing our own interests and how much we take other's interests into account.

According to the introduced methlogy, I analized a couple of conflicts in my organization.

Some of them are in my circle of resposibility some not. I choose four of them as follows:

·Unsatisfactory working attitude

This was deeply infected with emotions, so I have to be very careful with the solution. I used collaborating style to handle, I put the weight on communication, and tried to explore the unexpressed feelings under the surface.

·Too many brakes, late arriving – early leaving, mass in the dealingroom

The conflict was about issues. I had to change the bad habits of my subordinates. I used compromising style, and together with the guys we find out a middle way solution.

·Quarrels on internal pricing

It was between my subordinates, an emotion based destructive one. The two informal group was involved in the issue. This was the hardest to resolve. To avoid such conflict in the particular issue, with collaborating style, we managed to find out a role of internal pricing which fits for each group.

·Inadequate IT support

This issue based conflict was between my organization and the IT department. I used collaboration style, and explain the importance our operational safety to the IT department, I let them to feel the threats and we searched for an adequate solution for us together.

Emotion based conflicts are harder to resolve. The best way to handle is collaboration. It needs time and intense communication among the parties. We have to deal with the feelings and try to convert into issues. Than deal with issues, try to solve the problems and go back to the feelings again.

I have to recognise that several cases my behaviour in the beginning was not adequate for the situation. The way of communication between the group and me was the main problem. I failed to communicate properly my goals and incentives to the group members. The theoretical and practical methods in this material were very useful to establish the healthy climate of the

workgroup, which can determine the attitude of the members. On the other hand I have to develop my personal managerial skills, because some of the conflicts became worse as a result of my lack of managerial qualities.

I. INTRODUCTION

The aim of this report was to analyse the different type of conflicts at my workplace and to provide a solution plan for them.

The subject of the report is a retail bank's treasury. However this is a small part of the bank in forms of headcount, but for the time being this is the most profitable profit centre among the main divisions. The organization structure based on hierarchy .

1. FORMAL STRUCTURES

a. Treasurer (40)

The head of the division is the treasurer, he reports direct to the general manager. His role is to take part in the strategic decisions in the board of directors, to represent the division towards the other departments and to lead the treasury. In our case the treasurer is a newcomer. Since the last change his power has decreased and the weight of the treasury is decreased among the bank's divisions as well.

b. Chief dealer (29)

The previous chief dealer left the company last year, and myself was appointed for the position. I have been working in the treasury for 5 years.

As a chief dealer, I have to report directly to the treasurer, and the desk heads report to me. I am in charge of the operational tasks and liquidity, interest rate, and exchange rate management. I am the manager of the dealingroom, but I have a wide background of trading experience and knowledge in all sorts of products. However I am almost the youngest among the desk heads, but my experience and educational background makes me adequate for the position.

c. Desks

There are four departments inside the treasury, we call these desks. Every desk has a department head. They are the managers of the desks. In our case they are older dealers with many years of experience, their job is to give a lead to the group of dealers, represents the desks inside the treasury, and to consult the chief dealer in the most important cases. Beside these, they are doing the everyday dealer's work. Three of the desks have desk head (MM, FI and Sales).

There are seven dealers, most of them with more than 3 years experience in a dealingroom. The age of the dealers is between 25 to 35. Their job is to trade the desk's assets, currencies, interest rates, securities and other treasury products.

2. INFORMAL GROUPS

There are basically two opposite informal groups in the Treasury, we can call them: newcomers and oldies . The newcomers were hired in the last two years, they are younger, well educated professionals, with some years of

experience at other banks. The oldies have been working here for couple of years, from the beginning. They have no experience at other banks, and their educational background is lower. There are several deep friendships among them. Myself who worked years with the oldies before my current position, now I have better relationship with the newcomers, and the oldies are a bit suspicious about my lead.

3. PROBLEMS

We have to face several problems in the everyday operation. The climate in the room is stressful. There are everyday conflicts about the profit sharing between the different desks. There are too many cigarette and buffet brakes, unreceived and private phone calls. The dealers are always late, and leave the workplace before time. They are suspicious about my lead and do not fulfil my requests. And at least there is huge mass in the room.

In the last year the negotiation power of the department decreased among the bank's departments. We do not manage to receive the additional resources from the management. In the short run the most important problem is the lack of IT support.

II. CONFLICT THEORY

Before I try to explore and analyse the conflicts in my workplace, we need to understand what workplace conflicts means, what kind of conflicts can occur, how can we analyse them and find out the most appropriate solution.

1. DEFINITIONS

Generally a conflict situation contains following four ingredients :

·Communication: A condition between goups or individuals…

·Emotion: …who feel angry,…

·Perception: … who perceive the other as being at fault,…

·Behaviour: …and who act in ways that cause a problem.

There are several theory in the literature, which emphasizes one of these aspects.

Communication aspect defining conflict as " the tension between two or more entities – individuals, groups or organizations – which arises from the incompatibility of actual or desired responses"

Perceptional aspect focuses on personal conflicts: " Interpersonal conflict occurs between two or more persons when attitudes, motives, values, expectations or activities are incompatible and if those people perceive themselves to be in disagreement"

But there are different types of conflict that fit these definitions. We need to understand what kind of conflict we're dealing with before we can select the appropriate conflict-resolution tool to resolve it.

2. TYPES

a. Substantive vs. Personalized Conflict

According to the source of conflicts, in the workplace generally we can find two forms of conflict.

·Substantive Conflict or Issue based

This kind of conflict deals with disagreements about the substance of issues. These can be about decisions, ideas, directions and actions. This conflict can occur about any issue, when the two parties simply disagree about an issue. Handled correctly parties in conflict can create, for themselves and those around them, the ability to resolve an issue with something creative, something better than either party's original position.

·Personalized Conflict or Emotional based

Personalized conflict is fuelled primarily by emotion and perceptions about someone else's personality, character or motives. When conflict is personalized and extreme each party acts as if the other is suspect as a person. In this case problem solving never works, because it is about emotion and not issues. These kind of conflicts almost always get worse over time, if they cannot be converted to substantive conflict.

b. Destructive vs. Constructive Conflict

An other useful differentation is the categorisation of conflicts according to its impact to the organization. Constructive conflicts can lead to more creative solutions for problems, but destructive ones can harmfully damage the operation.

3. ANALYSIS

We must understand the structure of a conflict to decide how to resolve it successfully. Different kinds of conflicts have different structural properties, depending on six dimensions .

a. Interdependency

How much do the parties need each other to act cooperatively? If interdependency is high, then the costs of not resolving the conflict are also likely to be high. If interdependency is low, then avoiding may be an appropriate conflict-management strategy. If there were absolutely no interdependency, then conflict wouldn't exist at all.

b. Number of interested parties

How many distinct parties have an interest in how the conflict is resolved? As the number and size of parties increase, there are more people to please and the difficulty of resolving the conflict increases.

c. Constituent representation

Do the parties represent the interests of other people, who are not personally and directly involved in the process of resolving the conflict? Reaching an agreement that is acceptable to everyone who is affected by how the issue is resolved, especially those who are not personally involved, is more difficult.

d. Negotiator authority

If the parties consist of more than one individual, is the person who represent the interests of that group able to make concessions? If negotiator authority is high, then resolution is easier. If negotiator authority is low, then the process of resolving the conflict will take longer and will be more difficult.

e. Critical urgency

Is it absolutely necessary that a solution be found immediately in the very near future, or there is no immediate crisis at all, allowing people to interact with each other in ways that prevent conflicts? The greater the critical urgency, the less likely a consensual solution.

f. Communication channels

Are the parties able to talk to each other face to face or any of the online communication forms? Or is it necessary that they communicate back and forth using an asynchronous technology, such as email? Same-time-sameplace dialogue nearly always produces far better solutions than lesser communication channels.

4. RESOLVING

As a result of a conflict sometimes people fail to work together or even to communicate. When things descend into conflict situation, it is a hard and intensive work to restore the peace in the workplace.

a. Handling methods

After the analysis of the current situation according to the previous chapter, the next step to find out the most appropriate style to deal with the problem. At this point we know lots about conflicts, now we have to consider the different conflict styles we might use in different situations and with different types of people. There are five styles based on how assertive we are in expressing our own interests and how much we take other's interests into account.

These five styles are:

·Confrontational style, forceful and confrontative. Confrontation is dangerous, it can cause the conflict to escalate and the second party may try to retaliate.

·Accommodating style, going along with what the other wants. Accommodation is appropriate only when a party recognises that he is wrong. Otherwise it is dangerous because the second party may lose credibility and influence.

·Collaborating style, discussing each other's concerns and interests. Collaboration offers a chance of a double positive result, a win-win situation.

·Avoiding style, avoiding or delaying the dealing with the conflict. It may be the best solution if it is clear that doing something is destructive.

·Compromising style, both party giving up a something to resolve the problem. The compromise method offers more results, but usually leaves unanswered question.

b. Three step model

We know lot's about the conflict and if we managed to find the best style to handle it, there comes the real work, let's sit down and communicate and try to solve the problem. There is a simple three-step approach called the ERI model, which can help us.

1st STEP: Seeking to calm the emotions in the situation. Since a big obstacle to resolving any conflict is feeling negative emotions, like anger, jealousy, and mistrust, we want to get them under control first. Once we have our own emotions in check, we can help the other person deal with his or her own emotions. For instance, if someone is angry, let's suggest a cooling-off period or listen to the reasons why to show we want to understand and help resolve the problem.

2nd STEP: Using reasons to assess, understand, and evaluate the situation. Consider the factors contributing to the conflict, so we know where to intervene to make changes. For example, there may be communication breakdowns or misunderstandings, hidden agendas, or unexpressed feelings, reflected in discrepancies between nonverbal and verbal communication.

3rd STEP: Using intuition to think of possible solutions and alternatives. Let's look for the underlying source of the problem. It won't always be on the surface, since people often want to hide their feelings or may not be clear them on what the problem is. In some cases, we may find the solution is relatively clear-cut, such as when we clarify misunderstandings and work out a dispute between two people. But at times, we have to make changes in the

workplace as a while, such as reassigning people to different work areas or divisions or changing an ineffective work process that is producing conflict.

III. TREASURY'S CONFLICTS ANALYSIS

1. Unsatisfactory response to my requests

a. Conflict

In several cases I have to realise that dealers do not fulfill my direct requests. They are late with my deadlines, and the quality of their work is not appropiate. Basicly I am satisfied with their professional performance, but I have problems with their attitude. Everyday's argument with them, destructs my reputation in front of the others, and it has negative impact on the room's climate.

b. Analysis and solution

This is a destructive, emotional based personal conflict, between my old colleagues and myself. They still do not feel the change in my position, and they do not want to handle me as a boss. They are a bit suspicious about my lead, there should be some kind of disappointment and unexpressed feelings behind their behivour.

I have to be very careful with handling, because the wrong method shold male the situation worse. The best way is collaboration with intense communication. First of all I have to remove the emotional part of the conflict and transform it into an issue based one.

I will sit down with all the dealers together and I have to explain the change in my and their role in the new constellation. I have to fix that I am the same person as before, they can rely on me, but we have common goals and my role is to distribute, control the tasks and also to help them.

Later, I will have separate discussion with them, one by one. I will declare the things I wait from them. On the other hand I have to know what they request from me. I will listen their opinion, and I will be open for new constructive ideas. I will have to find out, what is the reason for their disappointment, and we have to find a solution together.

2. Too many brakes, late arriving – early leaving, mass in the dealingroom

a. Conflict

In the last couple of years the dealers get to used a loosy leadership style in the Treasury. There were no chief dealer, the treasurer had no time to manage such issues. As the result of this, the coffee and cigarette brakes became very popular among the dealers. It happens every day, that the desks are empty, the phones are ringing, and the dealers are somewhere in the buffet. An other serious problem is the working time. The majority of the dealers are late in the mornings and it is hard to find somebody in the room after 4 o'clock in the afternoon. Furthermore the mass in the dealingroom is unbeliveable. Despite of my continous arguments I have to realise, that this kind of attitude doesn't want to change under my lead.

b. Analysis and solution

This is an issue based conflict between the dealers and myself. My role is to take order in the department, but the dealers get used and like this loosy kind of working style. I have to find a solution, which fits everybody's need, so the best way to find a compromise.

I understand their feeling about these short coffee or cigerette brakes. Sitting hours in front of monitors in stress is not a pleasant thing, they need some minutes to relax. On the oher hand there are several customer compliant because of the inreachable dealingroom staff. I dont want to ban these brakes but I have to decrease the frequency and duration significantly.

Late arriving, early leaving based on the fact, that the official start of a workday is at 7: 30 and the end is at 16: 00. But in the treasury, life starts at 9: 00 and sometimes there are still deals at 18: 00. According to my official role, I have to press for the exact 7: 30 start. But it is much more important to do business after the official 16: 00 close, than to have everybody reading newspapers from 7: 30 to 9: 00.

The mass in the room is not so important thing, I can be more flexible on this issue. To declare a Clean Desk Policy is too confrontational method, maybe some kind of positive feedback shold be better idea.

I will arrange a meeting with the dealers together and evaluate the current situation. I will prepare some compromise proposal and ask for their opinion. The proposals:

·Everybody can have 10 minutes brake in every two hour, but there must be somebody at each desk during the brakes, so there won't be unreceived calls anymore.

·Everybody have to be in the office before 9: 00, and they can leave only according to the workload after 17: 00.

3. Quarrels on internal pricing

a. Conflict

Desks are profit centers, and there are lots of internal deals between them. These deals should have to be priced on the actual market price, but the dealers have the right to quote their price. This is the source of conflict. In several cases they want to earn more on the deal, than it would be nessesary and it hurts the opposite party's interest.

b. Analysis and solution

The conflict is between desks. Every desk wants to reach the highest profit on a deal, but it is much better to get extra profit from the opposite desk. This is the method of the less profitable desks (MM and FX) to acquire extra dollars from the others (Sales, FI). The overall profit of the dealingroom is unchanged, so it is about the issue internal profit sharing. We can recognise, that the quarrels are between basicly the two informal groups, so we can find emotion and personalisation into it. The conflict is highly destructive and can lead to serious problems and need urgent solution.

The removal of the emotional part is not easy. There will be always opposition between the two informal groups. The only thing I can do, is to reduce the possibility for quarrels on this particular issue. We have to create a rule, which is acceptable for all the parties. But the emotions will be under the surface, and it will be a much harder work to solve.

First of all I will sit down with the desks separatly, and listen their opinion. I will have to find out the emotions behind their behaviour and to find the way how can I bring the parties closer. I have to emphasize, that our common goal is the overall profit of the division, and the only way to improve, is the smooth cooperation between the desks.

With the participation of the desk heads we will evaluate the situation, and find out the best pricing method of internal deals. An automatised pricing method without any human interaction, or declaration of a sensibility criteria to the market price would be good idea. These ideas should prevent all arguments on internal pricing.

4. Inadequate IT support

a. Conflict

There is no trained operator from the IT division for our mission critical applications. The IT help desk is unreachable or incapable. In several cases I have to use my only dealer who has some IT experience, to solve operational IT tasks. I have several arguments with the help desk. The relationship is not good between the two division, the IT does not want to understand the

critical urgency of the problems. I tried to make pressure on the help desk, but they are outside of my circle of power.

b. Analysis and solution

This issue based conflict is between the Treasury and the IT division. I want IT support for my people, the IT division does not want to allocate the adequate resources. This issue has destructive effect to my department's operation. The basis of the problem is, that IT division does not feel the risk of their behaviour, they do not know the Treasury operation. I have to explain the situation at a higher level and build up a correct and helpful relationship with them. The only way to collaborate.

First of all, I will collect the most common IT problems in the Treasury. I will rank the tasks according to importance. With the Treasurer on my side I have to meet the head of IT, we have to discuss the situation, I have to interpret my list and the possible effects of the lack of IT support. I have to achieve, that the IT feels the weight of our problems. Together we will find out the way of effective IT support. I can advice to arrange the training of an IT people for the treasury applications, who in the future become our dedicated support.

IV. CONCLUSION

The mentioned conflicts were all different. There were two issues based, one is about the difference between the working habits of the subordinates and the official rule, the other was the different priority of the IT department. These were easily resolved with proper communication, one by

compromising and one by collaboration handling method. It was easy to analyse the situation, evaluate and find out the best way with analytic thinking. At the end, the result was a constructive new way of operation.

The situation was harder and destructive in case of emotional based conflicts. The conflicts were only the surface of the real problem and needed intuition to explore them. The unsatisfactory response of the dealers was fuelled with unexpressed disappointment, mistrust and jealousy. The quarrels of the dealers, based on rivalry of informal groups, and jealousy also involved. The resolution was more complex, we should have to be very careful. The collaborative way of handling requires lots of time, flexibility and patience. With intense communication and intuition we had to find out the exact feeling under the surface.

We had to take the emotions into account first, and convert into issues. In the fist case I could explore the real feelings of my old colleagues, and establish good and trustful relationship with them. In the case of internal prices, it was quite easy to find a way to avoid the conflict in this particular case, but it was only a healing for a surface symptom. There were feelings under the surface, and the opposition of the two informal groups still exists. I can expect other conflicts in the future based on this fact. I have to make several discussions with the groups, explore the source of their emotions and try to move the two opposite group closer by pointing on our common goals.

It seems that emotional based conflicts are more dangerous and it is worth to resolve it first. But we should must not forget, that neglected or improperly handled issue based conflicts easily turn out emotion based ones.

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This scenario happened exactly in the fist case, when I failed to communicate properly my goals and incentives to the group members. This resulted mistrust, and it was the source of conflict.

After this report, I had to recognise that the way of communication between the group and me was the main problem. In several cases I did not see the real sources of problems, and tried to heal the surface. The theoretical and practical methods in this material were very useful to establish the healthy, open climate of the workgroup, which helped the easy express of feelings for the members and myself.