



TenStep Supplemental Paper

5 March 2004

Healing Differences!

The success of an organization is the result of right decisions, hard work and of course the effective handling of differences. Without these elements, internal conflicts like quality-quantity issues or external issues like conflicts between departments can occur. Management needs to contain these conflicts and balance strategies with operations to ensure organizational success. The following steps could deliver desirable results.

Cause analysis

Company blunders rate high amongst the obvious causes of conflicts. These might result from inefficient management systems. For example, the rewards systems at a Cincinnati based consulting company led to inter-group conflicts.

Short-sightedness is a major cause of conflict. Lack of awareness regarding the impact of certain decisions and actions on the overall functioning of the company can aggravate the situation.

Communication is the most obvious and frequently cited cause of internal conflicts. Miscommunication or lack of communication wreaks the most havoc when people work in teams or in different departments.

Successful Strategies

Maintain healthy relationships. The intensity of employee-employee and management-employee relationships decides the potential for generating conflicts.

Implement effective incentive system. Differences in the incentive system have been a bone of contention for many employees. Jim Skutt of Skutt Ceramics, a ceramic manufacturing firm, implemented the "efficiency pot," which had Skutt investing a sum equaling the labor at the beginning of each year into an 'efficiency pot.' Reduced labor cost meant splitting the difference in amount amongst the employees. Employees were aware that substandard products would entail increased labor costs to remake the products to the specified standards. This would reduce the amount in the 'efficiency pot.' Skutt's strategy worked wonders - it ensured quality while ensuring efficiency.

Keeping business practices simple. Simplifying the complexity of running a business reduces the scope for conflicts. Simple business practices reduce conflicts, according to Bob Atkins, the vice president of Mercer Management Consulting (MMC).

Keeping communication channels open. Efficient communication systems can prevent conflicts. Communications can clear misunderstandings and help clarify expectations of departments and teams and between management and employees. Deschutes Brewery works hard to ensure clear communication channels. Apart from the regular newsletters, posters and e-mails, the management has weekly, monthly and quarterly meetings with everyone in the department.



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However, the bottom line is that the top management should identify brewing conflicts and take action to curb them and prevent their reoccurrence.