



Managing Organizational Conflict - No Pain, No Gain

by Leigh A. McGee

When people work together, there will be tension and conflict between individuals and groups from time to time. Even in the best of work environments, organizational tension is inevitable. Think of how much more inevitable organizational tension is in the world of Indian gaming.

The high energy, fast paced, 24/7 operations of Indian gaming can easily create an environment of organizational conflict. There is no service industry more demanding. Casino executives and staff are responsible for keeping the customer happy and coming back no matter what the challenge. To do so successfully, casino executives must keep their staff focused on customer needs rather than their own.

Now imagine a casino chief executive going into the boardroom to announce, "Conflict, tension, and pain are sometimes good for the organization. I will use organizational tension as the driver for my strategic plans. My vision is to build internal systems that manage conflict instinctively while fueling better customer service, product offering innovation, and continual business improvement."

What would you think of this announcement? Can organizational tension actually be good for a business, its employees, and ultimately the customer?

Internal conflict can be a powerful source for finding fresh solutions and making important business improvements. Leaders should acknowledge that the pain conflict causes through bouts of disagreement and heated debate can be a spark of opportunity to make the organization better.

The Nature of Organizational Conflict and Workplace Tension

Conflict is the natural outcome of disagreement often resulting from individuals or groups with differing values, desired outcomes, or frame of reference. Such workplace tension produces a situation where casino executives can spend time up-front by finding resolution through negotiation or spend time on the back-end trying to resolve a destructive battle. Left unmanaged, organizational tension and conflict will inflict unnecessary pain through internal struggles and in the worst scenarios cause long term strife to the organization or loss of talented employees.

Casino executives must acknowledge the reality that unresolved conflict is an unnecessary and costly business risk. When addressed early, most conflicts can be resolved timely and gracefully. However, if conflict rises to the level of battling, the organization will lose and everyone in it will suffer. Often-times in a long-standing conflict, no one even remembers how it began or why.

Manage Conflict Instinctively – No Pain, No Gain!



Accordingly, the best option for leaders is to design internal systems to manage conflict instinctively by 1) establishing ground rules for resolving differences constructively, 2) empowering the organization to embrace the opportunities that conflict provides, and 3) creating situations for continual and productive debate.

Design the Organization to Manage Conflict Instinctively

Organizational design experts notoriously say that every organization is perfectly designed to produce its outcomes, whatever they may be. In other words, nothing is an accident. Metaphorically speaking, design your business as an organism that expands and contracts as pressure valves reduce the opportunities for major conflict and discontent. Purposefully then, the organization will be designed to encourage thoughtful disagreement focused on superior outcomes rather than personal threats. To bring this design to your organization, time and money must be appropriated to produce effective programs, such as:

- *Corporate Direction* - A clear direction for the organization gives it purpose and helps its members to move in the same direction at the same time. The board should set an example for the organization with a unified vision, clear direction, and guiding principles for working together. With such direction, the management team can confidently set out to strategically design an operating plan that meets the expectations of the board.
- *Strategic Management* - Everyone likes to feel that they are a part, no matter how small, of controlling their destiny. Include as many managers and staff in the strategic planning process as possible. Open and inclusive

planning sessions create buy-in to the corporate direction at all levels. Additionally, periodic review of strategic plans at all levels of the organization brings insights for what is going well and what may not be going so well. Strategically managed organizations do not wait until the year-end financials fall short of expectations. They are reshaping plans and operations continuously to better meet business goals.

- *A Communication Plan with Ground Rules for Open Dialogue* - Design a communication plan that is free flowing from the bottom up, top down, and in between. Effective communication is planned, diligently executed, and tested for accuracy of messages. Casinos must create a culture that meets disagreement head-on with ground rules for open debate and professional behavior. Indian gaming executives should appreciate a differing opinion as much as a supportive comment. In fact, executives should worry when their management teams and employees agree with them all the time, rarely having an idea for how to change operations for the better.

- *Training and Development* - Today's businesses have a wide range of development needs at multiple levels of the organization. Start by ensuring that the entire organization (board, management, and staff) is trained in effective communication techniques and has the ability to recognize critical conversations and proceed with care. There is a direct correlation between successful organizational results, and the ability to successfully handle difficult conversations.

- *Facilitation and Mediation* - Professional facilitators are trained to ask the hard questions and push groups to make tough decisions. When appropriate, have a third party facilitate the discussion or mediate an important negotiation. Furthermore, if you have talented employees experiencing unresolved conflict, mediation through an executive coach may be just the solution. Executive coaches are trained to help teams and individuals see all sides of a situation, shedding light on better decisions and appropriate behaviors.

Outcomes of Successfully Managed Conflict

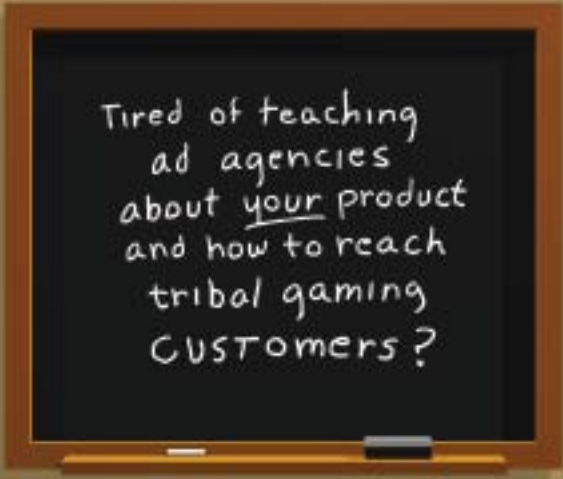
When purposefully designed systems with structure, procedures, and processes are in place, discussions are elevated beyond personal likes and dislikes. Conversations can be based on an already agreed upon strategy or framework. The discussion is more likely to be about standards and options.

Organizations designed to manage conflict produce executives who view creativity, adaptability, and innovation as

the keys to success. They also produce employees who feel free to disagree within boundaries and valuable to the outcomes of the organization. Managers and staff generally do not expect a perfect organization with orderly meetings, clear solutions, and no conflict. Even though uncomfortable at times, these individuals and groups confront conflict head-on, placing equivalent value on their own goals and the relationship/s involved.

Organizational conflict, when managed effectively, can improve decision making, illuminate varying options, and ignite the creation of innovative products. With thoughtful internal systems lead by executives who walk-the-walk, your casino can manage conflict instinctively. Through the pain that comes with conflict, the organization gains an opportunity to improve. Maybe that is what the scribe of "No Pain - No Gain," was talking about. ♣

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