Conflict Resolution:
Dealing with Disagreements

By Fred Kofman

Being human implies being in conflict. It's impossible to avoid conflicts in the family, work, social organizations and life in general. From relations with neighbors to relations with family members, interactions with friends, colleagues, bosses, employees, suppliers and customers, human interactions are fertile grounds for conflict. We are in conflict because we are human and as such we cannot escape from our needs, fears, selfishness and anger. It's impossible to choose **whether** or not to have conflicts, we can only choose **how** to respond in the face of conflict.

The first response is to **deny** them. There are those who find conflict so threatening that they prefer to pretend that it doesn't exist. This repression implies pretending that "it's all right" when it isn't. The dangers of denying reality in areas of conflict are similar to doing this in a mountain area full of cliffs. Closing one's eyes and moving forward assuming that "it's all right" generally ends with the climber at the bottom of a gorge.

The second response is to **avoid** them. There are those who are aware of the existence of conflict, but they do everything they can to avoid it. When facing conflict situations, they withdraw, or pretend, acting as though nothing was going on. Many organizations (and families) operate in this way. Avoiding "cliffs" is certainly better than falling in them unconsciously, but it imposes great constraints: there are few paths left.

The third possible response is to **give up**. Many decide to surrender when they realize that their desires are in conflict with someone else's. This makes them go through life without being able to satisfy many of their needs. Surrender, in general, generates resentment. This resentment undermines the relationship, perhaps slowly, perhaps

explosively but always inevitably. Giving up in front of the cliff means camping at the edge, perhaps for the rest of one's life, wanting to go on but not daring to do so.

The fourth possible response is to **overwhelm**. Those with strong character may try to impose their solution, attending only to their own needs, in detriment of the other's. At first, this response seems to yield good results, but it forces the other to surrender, hurts the relationship and triggers resentment. Also, in a process of creative negotiation it is possible that even the dominant person will find a better solution for his or her need. To conquer the cliff coming down on one side and then climbing back up on the other is probably a sub-optimal way to tackle it (especially if one of the travel companions knows of a nearby bridge).

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The fifth response is **compromise**. Compromise is an agreement product of mutual concessions, taking into account both parties' needs. But "splitting the differences" can be lethal, as illustrated by Solomon's proposal of splitting the baby between the two alleged mothers. In compromise everyone accepts somewhat less than they aspire to or need. Everybody loses a bit. Meeting half-way, in the middle of the ravine, may be better than not meeting at all, but it is a lot worse than walking up to the bridge and then choosing together how to go on from there.

The sixth possible response is the **creative and collaborative resolution**. That's the topic of this paper.

Components of conflict

There are three factors present in every conflict: a factual disagreement, scarcity or limitation and a process

disagreement (property rights). Each one of these three factors is necessary for conflict. Without this triple conjunction, conflict vanishes.

A factual disagreement is a difference of opinion. This difference may or may not have implications for action. For example, suppose that a manager thinks that it is necessary to add more people to better serve customers and another

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thinks that that is a bad idea, that the solution is to have current employees work harder. If these two managers have the power to decide whether they'll hire more people, their decision will determine future actions. We call this an operational conflict. If the managers don't have such power, their decision will only affect their relationship, each one's self-esteem and their individual emotions; the decision will have no operational consequences. We call this last situation a personal conflict.

All conflicts are personal, but only some of them are operational. The set of personal conflicts (equivalent to the set of all conflicts) includes the set of operational conflicts. This means that every operational conflict has a personal component, but not all personal conflicts have an operational component.

A difference of opinion is always based on a difference in desires, needs or values. Whoever believes that "it is necessary" to hire more employees, wants the company to hire more employees; whoever believes that "it is not

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necessary", wants to avoid any hirings. Beyond the decision power of the managers to transform these wants in realities, conflict is always born from the different images of desirable futures that the speakers have in mind. Even when agreeing about final goals it is possible to have strategic or tactical conflicts. One may want to pursue the common goal in a certain way, while the other wants to do it in another way. If there is agreement about a desirable future, and the paths to actualize it, there won't be conflict. If there is no agreement, the first condition is verified: existence of factual disagreement.

Scarcity means that there is a certain lack that prevents every person from obtaining what they want independently. If the

budget for salaried personnel is X, that's all there is to spend. Therefore, hiring more employees for sales means having less ability to hire employees in other areas. The scarcity of resources needed to satisfy the desires of the speakers puts them in a common space. Limitations and constraints generate interdependencies. If each one could have whatever he and she wanted without depending on the other (even if the two disagreed), there wouldn't be conflict. Each one would do whatever desired and both would be at peace.

In the operational conflicts, the scarcity is of "truth" and of "position". In every human relationship there are issues of identity, self esteem and relative power. Seeking to "win", each speaker tries to **own the truth** as though it were a precious object that provides ascendancy over the other. This type of wining proves that one is "better" than the other because one "knows" more, one "is right" and deserves

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respect (from self and others). "Losing," on the other hand, proves that one is less than the other, that one "doesn't know", "is wrong", and does not deserve respect (from self and others).

It's revealing to observe the disputes of little kids (or adults that behave like little kids). The brother says: "I want to sit next to mommy", the sister replies: "No, I want to sit next to mommy". Mom tries to mediate: "no need to fight, there are two sides to mommy. You can both sit next to me." The brother says then: "but I want to sit between mommy and daddy", and the sister replies "no, I want to sit between mommy and daddy". There is an operational conflict here: there's only one seat between the two parents. The real issue, however, is not the seat; the real conflict is a fight for which sibling will be the "top dog", who will be triumphant over the other.

The same happens with a cookie. Any parent who has tried to intervene saying "don't fight, there are more cookies in the jar" knows that the inevitable reply is "but I want **that** cookie". By focusing on the particular cookie at stake, the children reinvent the necessary scarcity for conflict. The deepest issue is not to eat the cookie, but to prevail over the other and obtain the consequent feeling of power and self esteem. There are many analogies in the organizational world, where adults invent restrictions in order to engage in a battle of egos.

The **process disagreement** is a difference about the adjudication mechanism to be used when different people

hold different positions about the use of a limited resource. For example, there will be conflict when the two managers that argue about whether or not to hire more people are colleagues that need to decide by consensus. If one is a boss and the other accepts her authority, even though the disagreement still exists, there won't be a conflict. Furthermore, when there is a clear property right over a decision space, differences of opinions and scarcity can generate cooperation. The example of the market is the clearest. The seller attributes a higher value to the money (sales price) than to the good. (Otherwise he wouldn't sell). The buyer attributes a higher value to the good than to the money. (Otherwise he won't buy). There's disagreement about the value of the good. Also there is only one good and a limited amount of money (scarcity). But since there is an agreed upon mechanism for transactions (respect for property rights), the interaction is cooperative.

In operational conflicts, the best mechanism to resolve the differences is the consensus. A decision that has **material consensus** implies that each and every one involved agrees (no veto) and that everybody is committed to perform the actions required to implement the decision. When a group

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cannot attain material consensus, it is still possible to rely on a **formal consensus** or consensus about a specific decision mechanism. In politics, for example, there are strong differences between republicans and democrats which prevent any material consensus; there is also scarcity since only one party can govern. But democracy is a material consensus that enables the conflict to be solved peacefully. Another formal consensus mechanism is private property: the owner of a thing has the final word on its disposal (within certain social restrictions).

In personal conflicts, the property right over oneself, also called personal sovereignty, can dissolve conflict. Each person owns their opinions, so even if the speakers cannot reach a material consensus (about the content of the discussion), they can always agree to disagree and respect the right of each other to hold whatever opinions they want to hold. An example, perhaps trivial but still revealing, is an imaginary discussion between two ice cream lovers. "Lemon is best", says the first. "No, chocolate is best", replies the second. "You're wrong", insists the first, "lemon is much yummier

than chocolate". "You are the one who's wrong", counters the second, "chocolate is much yummier than lemon". If these two individuals realized that "better" or "yummier" are personal assessments and not facts, they could agree to be different. "While I like lemon best...", would say the first, "I like chocolate best...", would complete the second, "And both can respect each other in our difference" would conclude both together.

In fact, each can buy whatever flavor they want. In case they had limited funds and could buy only one flavor, the conflict would turn operational. The productive discussion, however, would never be about "which one is the best flavor". The conversation should deal with "what flavor are we going to buy". This is the question that opens the space of negotiation.

Resolving conflicts

The first step in any conflict resolution process is to take care of the personal component. It is crucial to consider relationships and the emotional concerns of every person involved. One of the most common errors in conflict situations is to forget about these two levels and jump directly to negotiating about the task. In human affairs, the shortest route is not always the fastest or most effective.

The non-operational conflicts are always an illusion, that's why it cannot be resolved; it needs to be dissolved. It looks solid, but if one goes beyond the surface, one can discover that there's no conflict, only differences of tastes and opinions. Expanding the concept of "the truth" to "my perspective" and "your perspective" allows conflict to vanish. Different people can have different points of view or different wishes, without this creating any problem. When we accept that there is no need to establish a final truth that trumps all others perspectives, the illusion of scarcity disappears and then conflict is gone. The solvent element is the respect for the other expressed through active listening.

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Even if one of the speakers wants to impose her view on the other, the other can always withdraw without loss. Whoever is attacked by "I can't believe you're so stubborn! Don't you see chocolate is better than lemon?", can answer: "I understand you like chocolate best, but that does not mean that I have the same preferences. The issue is not which flavor is best but which one tastes best **to me**. And I like lemon better than chocolate."

The following diagram illustrates the steps of a process for the resolution of personal conflicts:

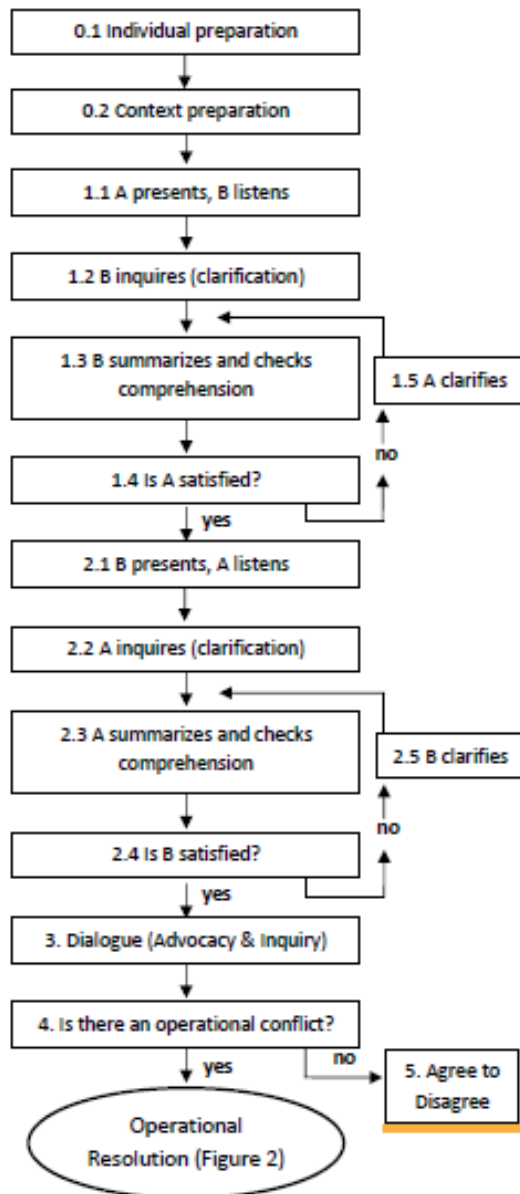For the description of the steps we will assume that the reader is "B".

Figure 1 – Personal Conflict Resolution

0.1. Individual Preparation. Before starting the conversation, take a minute to center with a deep breath. Investigate your own position: what are your true needs and desires. Verify your emotional state and make sure you are balanced. Consider your situation, evaluating what are the differences you have with the other, where is the scarcity and who has authority (property) over what. Determine your negotiation limit developing your BATNA (best alternative to a negotiated agreement). Another name for BATNA is point of autarchy since, if the possible options do not improve upon this point, the best outcome is to split apart and have each person do the best in isolation. Sometimes the most important part of a negotiation is to invest resources to improve one's BATNA.

0.2. Context preparation. At the beginning of the conversation, explain to the other your intention to resolve the conflict creatively and ask if he is willing to use a structured process. Explain the steps and make sure that you get a commitment to follow the rules. It is not necessary to explain in full detail, it is enough to establish the general outline. For example, one could say: "First you speak and I don't interrupt, after which I ask a few questions to understand your position. Lastly, I summarize your ideas to

> **Determine your negotiation limit developing your BATNA (best alternative to a negotiated agreement).**

check that I got them right. If you're not satisfied with my summary, you correct me and I try summarizing them again. When you are satisfied, we switch places and I explain to you my ideas without interruption, then you ask me the questions necessary to understand my position. Lastly, you summarize my ideas to check that you understood what I was trying to convey." Check that the situation (time, place and context) is adequate for the conversation. If the moment is not opportune, try to set a date to deal with the issue when it's more convenient.

1.1. A presents, B listens. A presents her position while you listen without interruptions. Invite A to present her position. The best format for this presentation is the one described in the paper "Advocacy and Inquiry". If A is not familiar with the format, you can help her in the next step through skillful inquiry. Let A present her point of view, her reasoning, her ideas, desires and recommendations for action. During this time remain silent. It is very important to provide A with an uninterrupted space for expression. In the majority of

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conversations the participants keep interrupting each other. Acting like this they cannot understand each other and, furthermore, they demonstrate lack of respect.

1.2. B inquires (clarification). Ask clarifying questions. Inquire about A's position and complete the information you need to understand it. The crucial idea here is to not fall in pseudo-questions such as "don't you think it is wrong to...?" or "how can you say something so dumb?" The questions should help A express her position in the clearest possible form. Remember that the goal is to understand, show respect and satisfy A's legitimate desire to be heard.

1.3. B summarizes and checks his understanding. Once that you believe you've understood A's position, summarize what you heard. This summery has three goals: (a) it indicates A that you've listened carefully, (b) it indicates A that you are interested in checking that your understanding is correct, (c) verifies that what you understood is what she wanted to convey.

1.4. A declares satisfaction (or not) with the summary. It is A who needs to evaluate your understanding. It is not enough to summarize what you heard, it is necessary to give A the chance to accept this summary or to reject it and correct or complete it (step 1.5.). After A's comments, you need to try again until A declares herself satisfied with your summary.

2.1. B presents, A listens. B presents his position. The steps 2.1 to 2.5 are analogous to 1.1 to 1.5 but reversing roles. Now it is you who presents and she who listens, inquires and summarizes. If A does not follow the rules, you can remind her (with gentle firmness) of her initial agreement and her commitment to listen without interruptions.

3. Dialogue (advocacy and inquiry). Once that both are satisfied with the other's summary and feel understood, it is possible to open the conversation to a spontaneous exchange of questions and answers. The tone of this dialogue is of mutual learning, not manipulation, and its objective is to compare positions to find the root of the differences. This is not a time to resolve anything. The focus is on reaching a deeper understanding.

4. Is the conflict operational? This question points to the nature of the conflict. After the dialogue, check if there are material consequences that derive from the conversation. If the conflict is about who's right, you can propose to agree to disagree and end the conversation in peace. If the conflict has operational consequences, it is necessary to move on.

11. Design and agreement on an alternative decision mechanism. Before discussing the issue, it is convenient to establish (if it is not established beforehand) a formal consensus mechanism. The goal is **not** to use this mechanism, but if it turns out that reaching material consensus is impossible within the necessary timeframe, this will be the emergency exit that will enable a consensus when the main gate is closed. Some examples of such mechanisms are: authority, majority, arbitration, delegation on third party, random, etc.

In hierarchical organizations the regular mechanism to resolve conflict is authority. The "owner" of the decision space can choose what to do. This is a reasonable option, as long as one remembers that the goal is to use the mechanism only in extreme cases. A manager who makes decisions arbitrarily will never attain the commitment of his employees. At most he will get compliance.

Figure 2 - Operational Conflict Resolution
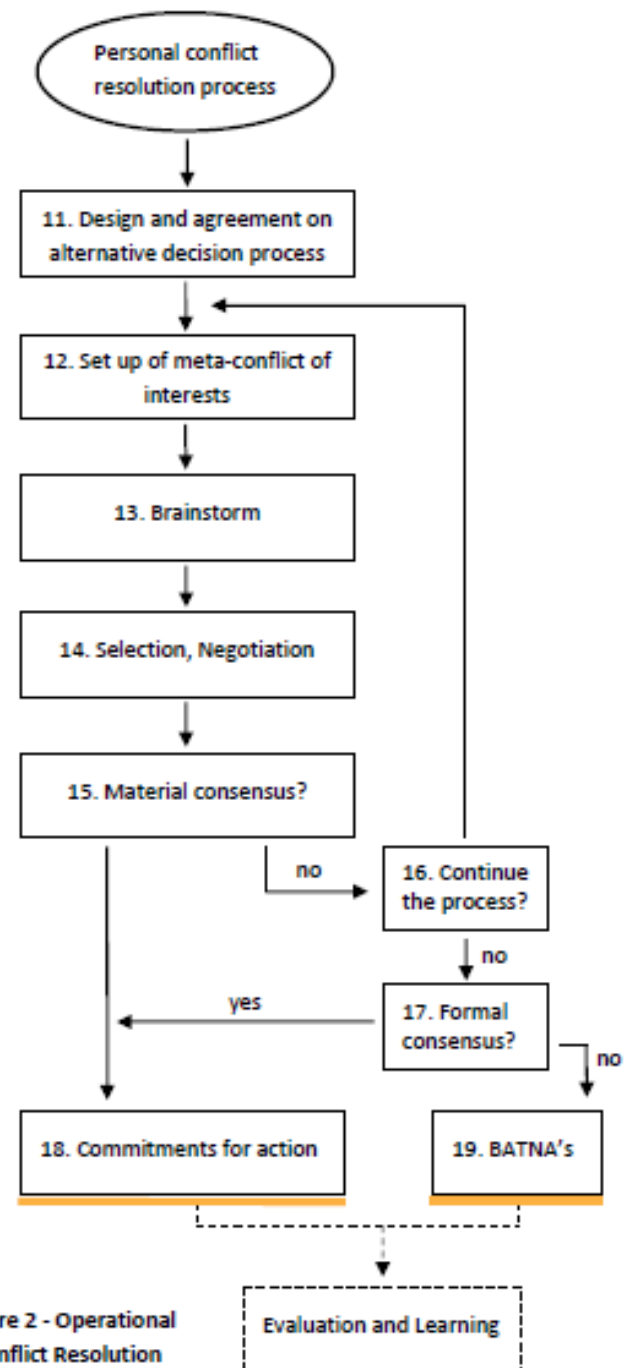
On the other hand, a manager that does not participate in the decision process is resigning to her authority and responsibility. Such abdication does not produce learning but strife. Consensus demands the participation and energy of all the team members including the leader. If any of them, including the leader, vetoes a proposal, the team does not achieve consensus and needs to continue with the analysis of the problem until reaching a unanimous decision. This is how the leader can share with the followers the decision space without losing authority.

If it is impossible to agree on an alternative decision process, the participants can still go on, but they will not have an

emergency exit. If they cannot reach material consensus, the only option will be for each one to revert to their BATNA independently. Even in this situation there's a legal context that ensure certain basic agreements are held.

12. Study the underlying conflict of interests. A fundamental distinction for conflict resolution is the one between positions and interests. A position is the explicit demand that each participant brings to the negotiation. For example, one wants to hire John and the other wants to hire Sally. Interests are the desires and needs that are at the root of the positions. For example, one wants someone with experience and the other wants someone with a creative spirit. The key question to uncover the interests underlying a position is "what would you attain through X, that is even more important to you than X itself?" where X is the position. For example, "What would you get through hiring John that is even more important to you than hiring John itself?" An alternative question is "What makes X important to you?" For example, a manager could ask her employee: "What makes flex time important to you?"

The importance of interests is that they open new degrees of freedom on which one can structure win-win solutions. For example, it's impossible to hire John and Sally to do the same job. So if one wins, the other loses. But if one wants someone with experience and the other wants someone creative, perhaps it may be possible to find a candidate that fulfills both requirements, or, it may be useful to ask John to gain some experience before taking on the new job.

13. Brainstorm. After understanding the underlying interests, the participants can invent all sorts of options. The key rule of a brainstorm is that every proposal is acceptable. It is forbidden to criticize, evaluate or debate any suggestion. The goal is to make the longest list of alternatives. Even the "craziest" options are useful; sometimes, with slight modifications, they provide an innovative solution.

14. Selection and negotiation. Once the list of options is created, the participants can discuss their relative merits. It is possible that new options arise in this dialogue. This process can have two outcomes: either the participants reach a material consensus or they don't. If there is material consensus, the next step is to agree and commit to the necessary actions. If there's no consensus, the speakers can choose to explore deeper interests and brainstorm again. They can use the alternative decision mechanism (formal consensus) or pursue their BATNA's independently.

15. Evaluation and learning. At the end of the conversation, it is convenient to evaluate jointly the reasons for the conflict, the outcome of the negotiation and its process. This assessment can clear any emotional residue that may still be left and improve the relationship and the prospects for future collaboration. Some useful questions are:

- What can we learn from this conflict?
- What could we do in the future to minimize the chances for re-occurrence?
- How did we behave in the negotiation?
- What could we have done (and could do in the future) to reduce friction?
- How are our moods? Is there something we need to repair in this area?
- How's our relationship? Is there something we need to repair in this area?

One of the most dramatic results of this conflict resolution method is its effect on the emotional dimension of the relationship. The method encourages the participants to express their emotions and ideas authentically, directly and respectfully. When the other's truth is heard and validated (even if not agreed upon), emotions lose intensity and people can have much more reasonable and productive conversations.

A second benefit is that, by raising the understanding and lowering defensiveness, people can discover new information and, if they choose, modify their positions. Nobody possesses the absolute truth, and it is perfectly possible to pool knowledge and creative energy to invent new possibilities. Also, through respectful challenges, each participant can sharpen his or her ideas.

The focus is on reaching a deeper understanding.

Through this experience of emotional well being and the feeling of success for a creative resolution of the task issue, the ties between people become stronger and deeper. Effective negotiation brings people together mentally and spiritually. Organizations capable of resolving their conflicts creatively can invent new realities, generate authentic relationships and satisfy the emotional needs of their members.