

Article

A Reflection on the Evolution of Corporate Culture and Conflict Resolution (Part II)

The Resonance of Individual Conflict Resolution on the Collective Organisational Psyche

Hilde Kroon and Marcel Baatsen*

1 Introduction

In Part I of their contribution to CMJ, the authors have discussed the conscious dealing with ego-based fears as a means to enable the development to maturation of individuals and the overall culture of the organisation, with the help of what they see as a universal, multidimensional three-step Evolution System.

In this article (Part II), the authors look at ways in which managers can develop themselves in management styles embedded in the Evolution System to support individuals and the organisation in their development to maturation, with the interventions from this Evolution System.

1.1 Subdued Power Struggle

Part II also starts with a real-life story of work-life experiences, recounting lessons learned about the Evolution of Corporate Culture and Conflict Resolution.

1.1.1 The Multinational Company – The Problem

Marcel: “Several years ago I was chairman of the Central Workers Council of a Dutch division of a multinational company. The Council had to negotiate with Dutch management and the American CEO ‘the CEO’.

Several times fierce disputes occurred, even involving lawyers. The battles were about such topics as the dismissal of

employees, winding up entire departments, freezing of wages, stripping secondary employment conditions and terminating lease car arrangements. The ultimate ongoing threat was closing down the whole Dutch division. The proclaimed reason was that the company was not profitable enough, but almost no numbers were given, not even when asked for.

The Dutch management was forced into subduing and pressuring the Central Workers Council to give in to all demands. The argument given for all this was reducing costs, to keep the Dutch division viable. At the same time, the management of the Dutch division did not want the Workers Council to take any issue to court or enforce transparency about the numbers, because it feared that the whole division might be closed/moved to a different country.

What would be my best pursuit as chairman? Give in, fight? How could the situation be elevated? The employees trusted the integrity of the Dutch management and asked informally not to push things too far.

Looking back the main problem was the fact that the CEO and the US management had covertly been plotting to sell the whole company. The CEO aimed to reduce expenses and liabilities at all costs, not because the profits were low, but to enlarge the value of the company to sell it. His bonus in the event of a sale was substantial. Not a chance this would have come up in the negotiations with the Workers Council. By giving in to some of the demands, but not all, the costs were indeed lowered and jobs were saved. From that point of view the mission of the Workers Council was accomplished. Later on, frustration arose, when the selling of the company with large gains for the CEO became known. The new owner of the company had to reduce costs as well because the purchase price was placed as a debt on the company, which

* Mr. Hilde Kroon is an independent mediator and trainer. Marcel Baatsen is a former engineer and a freelance trainer.

had to pay interest and off course dividend to the new owners. A part of the Dutch division was moved to India, after all.”

1.1.2 The Multinational Company – Resolution

In the multinational company case a starting point for change – how simple it may seem – could have been at CEO level. If it would have been possible to have an honest private conversation with the CEO about what was going on, the underlying issues could have been disclosed and be discussed. At that time however I felt powerless in the relationship with the CEO and I did not see any possibilities to get through to him. Now I see the ego-position of the CEO could have been unveiled and carefully disarmed, not by judging and opposing him, but by opening up to him and making clear wanting to appreciate what he really needed and wanted. This would have offered him options, a way out.

Even though at the time it might have seemed impossible to get through to the CEO, in his ivory tower, a simple request or invitation for a conversation with the right wording might have heated and bent the iron. Taking a look with a ‘helicopter view’ at all the possibilities of a worst-case scenario – even though it was not at all clear what might or might not happen – would have helped me to consider all the possible elements and options that *could* possibly happen and make these object for discussion and negotiation. What I could have communicated to the CEO is as follows, under the following captions:

1. Collect facts/arguments/interests:

Is it possible to visit, sit together and take a look at the numbers together so that we can be enlightened about the financial situation?

2. Distinguish and investigate the desires of both sides:

We all would like the company to be financially healthy. The company being financially healthy means that the management and employees will have job security and that the shareholders will receive proper proceeds.

3. Elevate the situation with new elements:

In an open conversation with the CEO, he might have been able to say: ‘I am considering selling the company.’ It would then have been possible to unearth the objective and the CEO would have been able to bring up the wish or at least the possibility to sell the company at any moment necessary or desirable, at a profit, resulting in bonuses and preservation of jobs.

Once even the very ‘worst-case scenario’ is brought into the dialogue, without judgement, there will be space for negotiation. Instead of being seen as a dictator, the CEO can be addressed as a patriarch leader, who is responsible for the well-being of his staff as a good father for his children. Of course, selling the company is always an option and clearly, there are bonuses involved. Then at least also this is something to openly talk about and discuss how to best deal with such a situation.

In this article we give our reflection on the evolution of corporate culture and conflict resolution, using the example described above.

We have explained – step by step – the background and working of the three-step method of the Evolution System in Part 1 of this article.

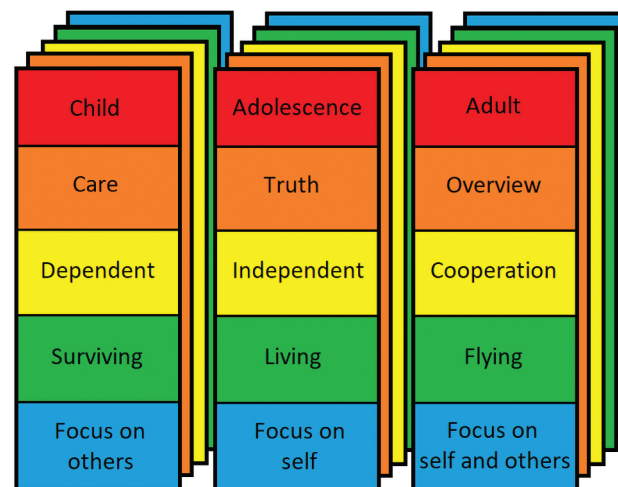
Now we will look at a deeper level at the mechanism of the Evolution System in relation to management styles and how the latter play roles are embedded within that system.

2 Management Awareness, Styles and Characters in the Evolution System

2.1 Management Awareness in the Pillars

As we saw in the examples of the power struggle, in the introductory story, the level of awareness of management has great impact on corporate culture. Based on this perspective, hereinafter a description of management awareness, styles/character is mentioned, and considered within the context of the Evolution System. The relevant styles differ considerably.

Figure 1 Overview Pillars Evolution System



A manager in the first pillar is focused on influence. In the most positive sense, he or she is the paternal monarch. The manager–employee relationship can in that case be compared to a parent–child relationship or care/dependency relationship: ‘I will make decisions and you should follow/trust me because I know what is the best for all. Let me take care of you’. In the most negative sense, this manager is a dictator. A manager who exercises power requires a social hierarchy and is therefore dependent on his or her followers. The manager and the employees need each other.

Power differs from authority. Authority is based on natural charisma, knowledge, agreements, appreciation of

learned skills and trust, etc., while power is based on fear of consequences.

Managers in the first pillar who use these specific positive first pillar skills will be able to work well with employees in all pillars. However, a more self-reliant employee (second pillar) working under a manager in the first pillar (see hereinafter) will experience a hierarchical management style as pressure and restrictive, although he can understand the perspective of this first pillar manager. When the first pillar manager is more dictatorial, he will have to convince these employees to be followers. This might be hard work, meeting with a lot of resistance. Subordinates in the first pillar have less problems with the more negative aspects of the first pillar manager since they deal with the same issues. They might even like a manager with some power. They do what is asked and are happy not to be responsible. Although they may not always agree, they feel accepted and save by following the imposed rules.

A manager in the second pillar is focused on autonomy. He or she expects the same from the employees. He or she does not give orders based on authority, but rather points out to the employee their responsibility to manage work by themselves.

This manager feels autonomous, self-oriented and independent. This independency enables him or her to delegate well. He or she sees the perspective and goals of others and manages accordingly as it is in their interest as manager as well. An employee who is also autonomous experiences freedom and feels valued within this structure. A first pillar employee sometimes lacks guidance, care and feels the pressure of having to make decisions. A first pillar manager views an independent second pillar manager as selfish. An independent manager looks upon a first pillar manager as dictatorial and interfering.

A cooperating manager is a manager in the third pillar. He or she is independent but willing to cooperate with those who are seen as like-minded. This manager will be interested in what the employees want to achieve themselves, takes this into account, connects with it and will search for solutions that suit all involved. For this reason, a new idea or initiative of an employee is seriously discussed and considered as a potential added value for the organisation. This is beneficial for both sides. However, someone who does not want to contribute will not be supported by the cooperating manager. From a negative perspective, the third pillar manager considers a first pillar manager dictatorial, narrow-minded and not cooperative.

A second pillar manager is perceived as uninvolved and self-focused. The first and second pillar managers will experience the third pillar manager as elusive, vague and sometimes arrogant because he or she keeps situations open for initiative and thinks insights are so clear that it is overlooked to explain these insights. An employee seeking care finds the cooperating manager interested and open, but without clear directions. An autonomous employee experiences freedom but may misunderstand

the invitation to cooperate as a request to take charge. In a positive sense, the cooperative manager encourages the caring employee to develop independence and the autonomous employee to discuss and jointly represent the interests involved. This third pillar manager can humiliate employees who withdraw or do not join in with the flow. These employees may then be held responsible for a lack of insight, without given the chance to understand what is being asked of them.

2.2 Mediation Interventions

Due to the different perspectives between managers at different levels, there are several intervention combinations. The difference in perspective may be the cause of a conflict or stand in the way of a solution.

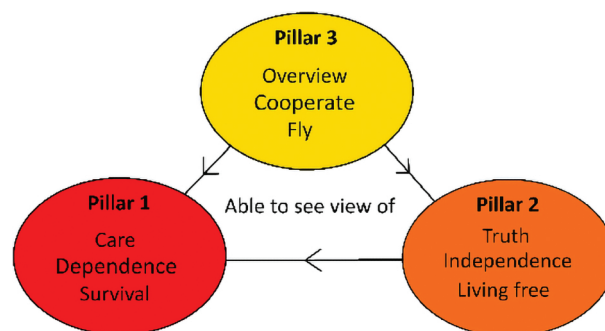
In line with the Evolution System and the mediation model as a third pillar conflict resolution method, the basic interventions are:

1. *Collect* and frame the differences in perspective.
2. *Distinguish* these perspectives and their effects.
3. *Elevate* perspective with new elements.

In general, a first pillar person has a one-sided perspective and therefore needs the most guidance. For the second pillar person, acting upon his or her alternative perspective can be challenging, because of the fear of loss of autonomy. For a third pillar person patience is the problem. The latter may be supported by outlining perspectives in terminology at their own intellectual level.

A third pillar person tends to acknowledge the values of a first and a second pillar person (see the yellow balloon hereinafter). A first pillar person (see hereinafter the red balloon) and second pillar person (see the orange balloon) often have opposing or conflicting values and both consider a third pillar person unconventional.

Figure 2 Evolution System Pillars and their perspectives



A first pillar person relates to terms of care and responsibility. A second pillar person relates to terms of autonomy, ownership in conflict and a dual perspective. A third pillar person is receptive to terms of perceiving different perspectives and seeking new elements. In this latter case, the source of interests involved and desires can be identified and acknowledged by all parties. The main challenge (in mediation) is to address all three levels. There are however several challenges.

One challenge is for instance that the majority of the population has Pillar 1 and Pillar 2 levels of awareness

and therefore are usually not able to see more than one or two perspectives simultaneously. Nevertheless, due to training and experiences, many more managers are nowadays able to function in Pillar 3 in the professional environment, as long as their personal issues are not triggered. They can also guide the others towards a third pillar perspective.

Another challenge is to appreciate that at a different level someone may hold a rather absolute point of view. For example, if one appreciates two or multiple perspectives, it can be annoying to have to communicate with someone who has only a one-sided perspective. The other way around is even more challenging.

The biggest challenge – as we have seen – is the fear-based ego status blurring the awareness of the true, underlying desire(s). If one can understand the level of awareness of a person and connect with him or her, and appeal to their positive intentions, one will have the best chance to get past the ego and show a person a way to give up resistance and seek a win-win for all.

In the Evolution System a comprehensive and specific set of characteristics, identifying intentions, desires, norms and values, is available to empathise with all three levels and connect with their positive elements.

Notwithstanding all of the foregoing, there is another main challenge besides one's basic intentions, desires, norms and values, which can trigger the fear-based-ego: one's character, which may have become influenced by experiences in the past causing fear-based responses.

Although the distinction between style and character cannot always be strictly applied, both the style of a manager and his or her character will have an impact on an organisation. 'Character' is more of a given, but everyone can choose his or her management style.

54

3 Management Characters and Styles

3.1 Management Characters and Styles in Group Dynamics

Since in his or her own position everyone has a level of responsibility for themselves, everyone has internal leadership, and can be considered a manager. Regardless of one's position of awareness within the Evolution System and position within an organisation, everyone has the option to evolve his or her manner of management. Everyone has a natural preference for a certain management style, which can be adjusted and evolved within group dynamics.

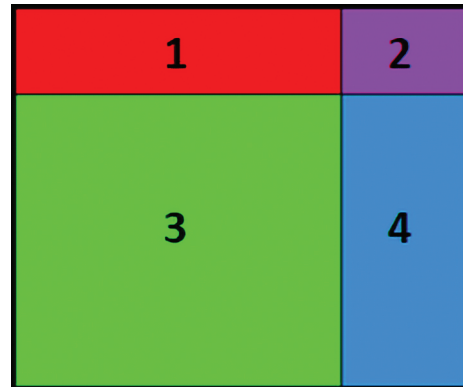
The way a person is aware of the way he or she performs and evolves his or her management style is described by the Evolution System.

What are the most common types of managers' styles/characters and their interactions?

We distinguish four styles/characteristics of managers:

Strategic Manager	Visionary Manager
Operational Manager	Executive Manager

The best teams are put together as a balanced composition of these four types:



3.2 Styles/Characters in Conflict

Even in the best teams problems between various characters arise.

An operational manager follows a strategic manager only if the goal is a common one and stalls otherwise. He or she can become jealous of the natural charisma of the strategic manager. He or she will not always give in to the fact that the 'bigger picture' cannot be seen by him or her and that he or she feels uncomfortable speaking in public.

The strategic and visionary manager, on the other hand, will not always give in to the fact that he or she cannot see the details and find it difficult to develop and execute the plan equally well as the operation manager can or realise how important this is for the best results. This is of course annoying in the eyes of the operational manager.

The strategic manager does not always appreciate the corrections by the visionary manager, while the visionary manager often does not understand why the strategic manager stubbornly clings to a certain way of reaching a goal, while there are many more ways of achieving that goal. Both of them have trouble to accept or even listen to the considerations and details given by the operational and executive managers. The executive manager feels often overlooked and not appreciated and can become, just like the operation manager and the visionary manager, jealous of the natural charisma of the strategic manager.

In case of e.g. the consideration to remove a forest, a visionary manager might advise to choose another forest or question the need of wood. An operational manager will organise cutting down a forest in the best way. An executive manager will evaluate the various ways to chop and a strategic manager will decide to cut down which forest in what way.

3.3 Characters/Styles Working Together

To solve and avoid problems it is effective to take the aforementioned characteristics and styles into account by framing these expressively with their positive aspects and so guide the parties to mutual understanding.

The mission is to try to have strategic and visionary managers to appreciate that details are important because without these the plan will not be realised in the best manner with the best results.

Equally so to have operational and executive managers understand that setting goals and framework is making a choice without having to immediately consider all details.

Strategic and operational managers will benefit from accepting from both the visionary and the executive manager an explanation of both purpose and details, while visionary and executive managers may learn that operational and strategic managers keep things moving.

In this way the managers will make a great addition to one another and they will evolve as described within the Evolution System by combining their relative assets and qualities, distinguish what to best leave to someone else and work together to get the best results.

4 Practical Translation and Reflection

If all of the foregoing is applied to the case of the multinational company mentioned in the introduction to this article, this translates into the following reflection.

4.1 The Multinational Company, Management Awareness, Styles and Characters Involved

A bold second or third pillar visionary manager on the Works Council or in the Dutch management team might have considered, together with an operational manager to arrange a meeting with the first pillar CEO, the strategic manager in character, acting in a dictatorial disruptive manner. Having a meeting with this strategic manager would probably have ended up in more power struggle since the CEO would feel challenged. A visionary manager would be able to nudge from the sideline rather than 'become an obstacle'. The visionary manager would be open to hear the CEO and be mindful of the undercurrent in his point of view. The operational manager can be of help to the visionary manager by filling in details.

The CEO in this case was a first pillar, sensitive to being accepted by others. He hoped to earn respect from his peers, as being able to make tough decisions and to earn a lot of money, aiming to secure his position in society.

Showing the CEO that he can achieve his objectives and gain respect by being seen as a paternal leader, rather than as a tough dictator, would be the best itinerary for progress and evolution. He then will be able to understand the perspective of the employees as well (second pillar) and take that into account (third pillar). A more equal attribution of money can then be achieved. Noth-

ing would have been lost and a lot would have been gained. The CEO however was an executive manager. He could not oversee the total picture and felt influenced and overruled by the power of his superiors. The Dutch management team was afraid of losing their jobs and felt stuck and powerless as well. And so did the Works Council, including Marcel as its Chairman.

It is clear that initiating an open conversation as intended hereinabove requires a lot of courage on all sides of the spectrum. However, not accepting the challenge in a relevant situation will keep all parties locked up in their imaginary trenches.

5 Positive Example of Bending Fear-Based Ego

Another case demonstrates how fear-based ego was managed better by the manager and employees than in the case of the multinational company. It must be said that in this case the manager and employees had engaged help from outside. They were open to guidance and eager to perform well. The power play, in this case, was of less significance due to a more insignificant financial issue at stake, but to the parties involved the 'ego-struggle' felt the same and all of the principles discussed earlier in this article were applicable. It concerned the shift work flow in a steel factory.

The authors were called upon to discuss the workflow within a plant of a large steel factory with the manager in charge.

One part of the plant worked in shifts and each shift had its own schedule to start up the installation they are working with. Each shift used different start-up times, believing they had the best approach!

The different start-up times in itself were not a problem, because the teams always entered their own settings during the changeover of a shift, which did not cause a major problem, because there was only a marginal loss of efficiency as a result. The teams had more than proven their merits: they had been nominated for performance rewards and had become a showcase for the business partnership programme in place. Yet, there was a certain tension between the shift teams and rivalry.

The manager in his turn was looking for further optimisation and saw another possibility for improvement in the output of the relevant installations.

The approach chosen renders a good example for what has been discussed in this article.

5.1 Culture

Many employees generally could be considered to be within the first pillar of consciousness. They were very loyal towards the company now that they received appreciation and recognition for their efforts and they were happy to deliver the best they could in return. Mutual rivalry occurred between the shift teams, but outwardly they formed one front.

The manager was the one who was able to guide the employees in the relevant situation through the process of raising awareness of the rivalry (first pillar), taking a look at the situation from different angles (second pillar) and uplift the situation with an innovative solution (third pillar). The manager took everyone's point of view seriously and helped the teams to search for a win-win option. He gave guidance from the sidelines and was not challenging or pushing things. He took a very laid-back approach by stimulating the employees to find a solution for improvement themselves and so empowering them.

The question was raised why the start-up settings of the each team was rendering the best result in order to establish what might be included in the optimal approach for the future. Also what might plead against adopting any changes was investigated. The overall objective of this process was to together investigate which improvements might be applied.

5.2 Communication

The manager addressed what was happening and asked where the team members thought improvements could still be discovered and applied. The approach taken used the following questionnaire:

1. *What is happening?* Each shift uses different start-up settings for the installation.
2. *Why is it happening?* Why are the start-up settings of each shift the better than the other? (What works well can be included in the optimal solution.) What is the downside of it? (Here is the space to see the 'other side'.) For example, loss of time resetting the installation during a shift changeover.
3. *How can it be done differently?* Strive for further optimisation. Win-win for everyone. For example, time savings due to uniform settings, even tighter planning as improvement, leading to (external) appreciation. Prizewinning instead of only a nomination!

5.3 Conflict Resolution

To find a sustainable solution, it was wise of the manager to look at the underlying basic motivation, desire for appreciation. The key here was to look for the best practice of each shift and let the teams add something new together, so that the ultimate solution could be accepted by everyone. By jointly seeking new possibilities, have everyone contribute to a new schedule for start-up settings and an optimal workflow.

Amongst the employees the following underlying issues played a role:

1. *Arguments:* *We* have the best start-up settings (Team A). No, *we* have the best start-up settings (Team B). No, *we* have the best start-up settings (Team C).
2. *Interests:* We want to have the best start-up settings, because if our team is the best, we will be acknowledged for being responsible for the performance award.

3. *Desire and new elements:* recognition and validation. This is the common denominator when it comes to interest and motivation.

The importance of being recognised as having 'the best start-up settings' was acknowledged by incorporating a part of everyone's expertise of start-up settings. The new element was every one's desire to win respect.

The overall desire was to maximise turnover in a sustainable and safe manner (including third parties), such as reuse and reduction of CO2 emissions. The interest of the factory was served because the teams became more autonomous working on the continuation of the optimisation of the workflow, which further improved the production process.

5.4 Conclusion

Whether or not a power struggle is a battle between the pillars or manager characteristics, ego is always involved. The way around the ego is attention to the positive aspects, which will lead to relaxation of the ego-mind, by following the Evolution System interventions:

1. Collect facts.
2. Distinguish interest and desires.
3. Elevate the situation with new elements.

In almost all power-struggle issues the solution is guiding, coaching, inviting and nudging the search for new perspectives to reconcile all interests involved.

The ego-position at the core is always the same: dealing with the controlling ego-mind based in fear of loss of something.

6 Overall Summary Parts I and II

People find better solutions when they are able to acknowledge what their true desires are and able to manage their fear-based ego. Waiting until the ego runs out of possibilities is a harder and more time and energy consuming, often more costly way, than to recognise and accept fears for what they are. Fears originate from basic intentions and natural development of all human beings: from care, via freedom to insight (to collect, to distinguish, to elevate). To appreciate the relativity of the fears stemming from early childhood will facilitate the possibilities to work with ease in co-operation.

To ease, speed up, accelerate this process will bring about a reduction of costs, prevent loss of energy and help implement innovation smoothly.

The universal, multidimensional three-step Evolution System provides:

- more perspectives through a clear 'bigger picture' of basic cultural norms and values, actions and positive reactions;
- interventions to deal with and relax the fear-based ego;

- a clear process for resolution and prevention of conflict and implementation of innovation,

which consists of:

1. *Collecting* information, arguments, interests, desires by asking: '*What is happening?*'
2. *Distinguishing* the positive, constructive, and negative, destructive elements involved as well as the relevant interests by asking: '*Why is it happening?*'
3. *Elevating* the situation by searching for new elements and new perspectives by asking: '*How can it be done differently?*'

An organisation is a compilation of individuals and the overall culture of the organisation is, ultimately, determined by the collective wisdom of the people who form it. The roadmap described in this contribution to the Corporate Mediation Journal may be of help for both individual growth and eventual maturation of an organisation when it comes to preventing conflicts as well as helping to solve conflicts.