

Management Focus

dynamic intelligence for today's leaders



Featured article

From argument to dialogue –
changing the argument
culture at work



Guru interview

An interview with
Dr Michael Hammer

Interview by Debbie Read

Welcome to Management Focus

... and welcome to the May/June issue.

Dr Michael Hammer is the driving force behind the business process revolution. He is the originator of both re-engineering and the process enterprise, concepts that have changed forever how organizations around the world do business. Thousands of companies have turned his ideas into practice and profit.

In this exclusive interview, Dr Hammer disputes the negative reputation that re-engineering has gained over the years because of an association with projects ending in lay-offs. He also discusses how his ideas have changed since writing his first book, *Reengineering the Corporation*, over a decade ago, and how the dot-com crash has left many managers fearful of their environments and uncertain of their futures.

John Crawley founded Conflict Management Plus in 1989. He is now a co-director and works as a trainer, consultant, coach, mediator and facilitator with both private and public organizations. In his article, John highlights the lack of guidance and support in most organizations when arguments begin to surface. To counter this, John presents various options to help resolve conflicts within organizations, as well as suggesting three steps to effectively make the transition from argument to dialogue.

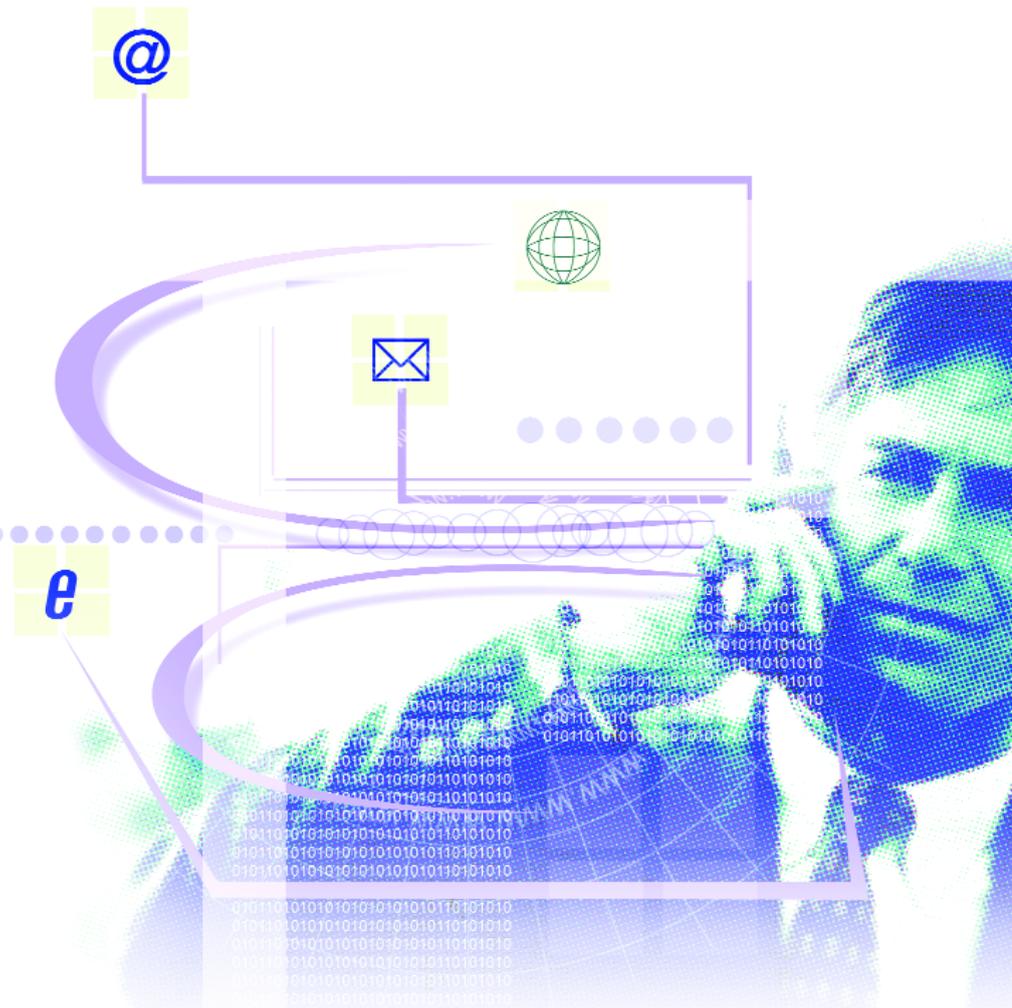
In this issue of *Management Matters*, our in-house web expert answers your question on the true value of site users to online businesses. With over a decade of experience in all aspects of web design and development, our expert discusses harnessing community building and social networking to give online businesses a competitive advantage.

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Best wishes

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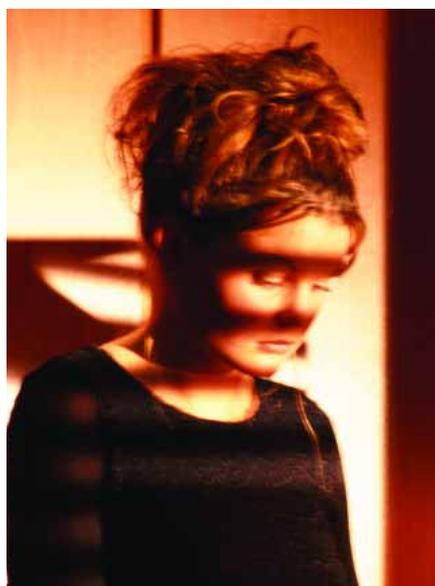
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From argument to dialogue – changing the argument culture at work

Arguments happen when we discover that our way of looking at the world is different from that of others. Argument at work becomes negative for individuals when it is divisive and disempowering; and it becomes a behavioural risk for the organization when it begins to affect working relationships and output.



Argument is popular and it is not going away

Most arguments at work should be settled by dialogue, but many are not. Staff surveys and the New Health and Safety Stress Indicator and analysis tools continue to highlight bullying, harassment and bad working relationships as major causes of dissatisfaction and stress. Argument flourishes in environments characterized by rapid change, stretched resources, shifting work patterns and roles.

There is still a strong sense of “them and us” in many workplaces, low trust between managers and employees, staff and unions.

In these circumstances individuals and groups in our more mobile, diverse working communities can feel un-linked, lacking rapport and empathy.

Technology has linked people electronically but it has not delivered the informed, co-operative teams we hoped for. Instead electronic argument is increasing, and people who sit side by side are now not talking, but having e-mail dialogues. Mobile telephone calls, interrupted by tunnels and broken signals, have become a metaphor for this age of interpersonal misconnection.

The challenge of dialogue

Dialogue is difficult because it involves a true exchange in the spirit of building understanding. We need to be open to others in dialogue, less mindful of our power and rank, and more prepared to work through differences than to fight through them.

Dialogue is the perfect antidote to unproductive argument and more appropriate in the work environment, where, in theory at least, we share the common ground of being colleagues, interdependent and working in partnership.

Three steps from argument to dialogue

1) Accept that conflict avoidance is not a realistic or effective approach

There is little guidance or support in most organizations when arguments begin to

surface. How they are handled becomes a lottery, and many interventions from third parties may settle the issue, but not resolve the conflict. Colleagues may try to damp the argument down or fuel it up with disastrous effects.

2) Critically analyse your conflict at work history

Look at HR files, investigation reports, staff surveys, HSE audit instrument findings, exit interviews, tribunal records. Much information can also be gathered anecdotally from union officials, welfare staff, key managers and staff members.

The aim of the analysis is to establish:

- a) What do these conflicts tell you about your organization and how you currently respond to conflict and disputes?
- b) What potential risks does ongoing conflict pose for your organization now and in the future?

3) Benchmark against best practice

To effectively make the transition from argument to dialogue, organizations should develop some infrastructure and build internal and/or external capacity in the following areas:

Conflict prevention

Creating confident, collaborative workers who lead happy, balanced working lives does, of course, prevent negative conflict. Good welfare measures, effective



consultation and communication processes build trust in the workplace and help people to raise and deal with difficult issues through dialogue.

Conflict diagnosis

When arguments arise at work it is often difficult for people at the centre of the conflict to describe to someone else exactly what is happening, and how the experience is affecting them. Their counterpart may see things very differently. People raising issues feel wounded and become determined and those responding feel attacked and take on a defensive demeanour. Under these circumstances the process of conflict diagnosis takes on major significance.

If people cannot resolve issues themselves, they are increasingly encouraged to look to others for advice and support – their managers, union officials, HR staff, welfare officers. There is often little consistency of diagnosis and great variations in responses across these “points of contact”.

Conflict management at local level

Many organizations have established teams of volunteer support officers who are independent, impartial listeners available as points of contact for anyone raising issues of bullying and harassment. They encourage people to raise issues early, and will help them consider options.

One of the most effective ways of responding to conflict is to enable managers, leaders and other points of

contact to learn and practise conflict management skills.

External independent dispute resolution processes

When conflicts cannot be resolved locally, by the parties themselves or their manager, a range of dispute processes is needed. Ideally, if you apply the six principles of appropriate dispute resolution, outlined below, conflicts will still be resolved as close to the point of incidence as possible by a mediation-style approach. If this is not possible, then effective dispute resolution processes will also ensure that any formal process is delivered fairly and skilfully.

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Dispute resolution options

Advice and support

This could involve independent support for any or all of the parties, including coaching, training, mentoring or counselling.

Negotiated settlement

The parties directly involved are encouraged to resolve their differences by working out a settlement between themselves.

Mediated agreement

The parties are encouraged to work out their differences but have more support around

how they communicate and about how any power issues are dealt with between them. The third-party facilitator is impartial and has no stake in the solution.

Neutral assessment

An independent, experienced, appropriately skilled person has a look at the situation, listens to all sides and produces a no-blame report which suggests a way forward.

Investigation and adjudication

A more senior, experienced, appropriately skilled independent person formally conducts an investigation seeking evidence about what has happened, to what level of seriousness, and with what impact. A detailed report is compiled, presenting the evidence to a decision-making adjudicator or panel of adjudicators.

Appropriate dispute resolution

Our advice is to apply the six principles appropriate to dispute resolution when responding to workplace conflict:

- (1) Match the response to the situation – make it proportionate and appropriate.
- (2) Select the least formal approach first where possible – dialogue first, discipline as a last resort.
- (3) Foster partnership-working towards mutually agreed outcomes where appropriate.
- (4) Move on to more formal approaches if this does not work.
- (5) Aspire to consistency, fairness and equality of dispute resolution opportunity.
- (6) Seek ways of evaluating how these situations have been handled, and of gathering together the learning from “casework”.

John Crawley, January 2006.

John Crawley founded Conflict Management Plus in 1989. He is now a co-director and works as a trainer, consultant, coach, mediator and facilitator with both private and public organizations. For more information, visit www.conflictmanagementplus.com

An interview with Dr Michael Hammer

Interview by Debbie Read



Dr Michael Hammer is the driving force behind the business process revolution. He is the originator of both re-engineering and the process enterprise, concepts that have changed forever how businesses around the world do business. Thousands of companies have turned his ideas into practice and profit.

Dr Hammer is the author of four books, including the international bestseller Reengineering the Corporation, which Forbes ranked as one of the three most important business books of the past 20 years. His latest book is The Agenda: What Every Business Must Do to Dominate the Decade. His articles have appeared in periodicals from Harvard Business Review to The Economist, and his work has been featured in every major business publication.

Dr Hammer is a founder of several high-technology companies, and he was named by Time as one of the USA's 25 most influential individuals.

Q: You are known as the originator of business re-engineering. This discipline has gained something of a negative reputation over the years because many projects have often resulted in a number of lay-offs. What would be your response to the critics?

A: The association of re-engineering with lay-offs is a persistent myth. Most real re-engineering projects do not lead to lay-offs and, to the extent that they do, those lay-offs were inevitable with or without re-engineering. The essence of re-engineering is to eliminate unnecessary work, not jobs. By doing so, a company's operations become faster, less complex, and less labour-intensive. Companies want growth, and freeing people of unnecessary work allows them to do more productive work for customers that will help to grow the business. The term "re-engineering" became very popular in the 1990s, and some companies used it to describe projects that were nothing more than downsizing. As a result, the term acquired some negative baggage. I suggest that those who persist in equating re-engineering with lay-offs should look at the real experiences of companies which have done true re-engineering, rather than base their opinions on second-hand reports.

Q: According to an article on Fastcompany.com, your first book, Reengineering the Corporation: A Manifesto for Business Revolution, has been "widely interpreted as getting rid of human beings". What is your response to this?

A: My response is that I would urge whoever made this assertion to read my books and other writings; I am hard-pressed to imagine on what they base this statement.

Q: Reengineering the Corporation was written over a decade ago. Have your ideas changed in this time?

A: On the one hand, there is almost nothing in *Reengineering the Corporation* that I would now reject. The principles, ideas, and techniques in that book are as relevant today as they were then. On the other hand, there is much that I have learned since that book was published. Perhaps most importantly, I have learned that re-engineering (or business process redesign, as it is often called now) is just part of an even larger undertaking: orienting and managing an enterprise around its end-

to-end business processes. This entails creating a process-centred management structure, familiarizing all personnel with processes and inculcating in them process thinking, measuring processes on an ongoing basis, and taking appropriate interventions (of which re-engineering is only one) to ensure that these processes continue to perform well. The reorientation of enterprises around their processes is in many ways a reversal of the Industrial Revolution, or at least of the principles that underlay it, and so will take decades to play out.

Q: In your most recent book, *The Agenda*, you claim that "just as a generation of investors was permanently scarred by the Great Depression, a generation of managers has been transformed by the collapse of the bubble of the late 1990s. They have become fearful of their environment and uncertain about their futures." What do you mean by this and how will your book help these managers?

A: For a time in the 1990s, there was a widespread attitude that succeeding at business was actually quite easy: all it took was a good idea and the gumption to implement it. The dot-com crash dispensed with this fiction and reintroduced a healthy reality into how businesspeople thought. Most of the managers with whom I speak no longer take success for granted nor as a natural right. They are constantly peering over their shoulders; they recall how some of the most highly regarded companies of recent years have been brought nearly to the point of extinction. Even the most successful executives now recognize that they are at the mercy of customers with unprecedented power, of determined competitors, of constant technological change, and so they are resolved not to rest on their laurels. This is very healthy for them, their companies, and their economies. My work offers managers like these tools for ensuring that their companies constantly raise the level of their performance and so do not fall victim to the relentless challenges of today's business environment.

To read the full, exclusive interview with Dr Michael Hammer, log on to www.managementfirst.com and click on the "Change Management" community.

Management Matters

Welcome to our Q&A section – *Management Matters*, where you can find actionable advice on current management topics. In this issue our in-house web expert answers your question regarding the true value of website users.

Q. Are site users your most valuable resource in an online business?

At home the other night, I passed my girlfriend (I hate “partner” – it sounds like someone you shake hands with) at the computer and glanced over her shoulder to see what she was doing – I’m nosy like that. She was in a forum she joined recently, asking some guy about an episode of *Star Trek TNG* that had been on earlier – Data had grey hair – how can he age, seeing as he’s an android? Five minutes later the guy had responded with a lengthy explanation.

Here we have someone who isn’t into computers, doesn’t care about the technology (doesn’t even like *Star Trek*, truth be told), using the Web to talk trivia with anoraks around the globe. So I asked why she had bothered asking the question when she didn’t really care about the answer –

just because it’s *so easy*, she says. I promised I’d buy her a plastic phaser and a *Klingon* dictionary for Christmas. Then dragged myself off into the kitchen to try and extract the mouse ...

Community, involvement, information and choice, and it’s so easy – this is the Web we have now. The traditional boundaries between producer and consumer, products and services are breaking down. Human networks, built on technological ones, have emerged as the real “killer app” of this phase of the Web.

Harnessing the community-building and social networking power of the Web can give an online business the edge by making users a valuable and integral part of the service itself. Encouraging a culture of participation helps services evolve,

improve, to have increasing value, the more people use them, and can result in a site being seen as a trusted resource. Even a bad user book review on Amazon that stops a purchase being made has value, as it fosters a relationship of trust. Even if users do not explicitly become active participants, their opinions (expressed through their behaviour) can still be used, a simple example being “customers who bought this item also bought that item” information.

Some of the current highlights include: Stumble Upon, del.icio.us and Flickr are pioneering, user-led, open-ended, and non-hierarchical ways to categorize information (“folksonomies”). Where knowledge was once handed down from on high, now we have accurate collaborative works such as *Wikipedia*. Sites that combine existing resources and material together to form new services, such as Frappr which uses Google Maps, or Virtual Places which brings together information from Amazon, Weather.com, Flickr, MSN Search, Feedmap and GeoURL. The peer production process of the Open Source movement has given us some of the best and most innovative software – software that powers the Internet infrastructure itself.

Early online business methods were recognizable facsimiles of real-world processes. The real interesting times are now beginning, as we start to see genuinely new practices that build on the emergent properties of the Internet. It’s human nature to find new ways to use technology that the builders never dreamed of. To paraphrase William Gibson, “the Web finds its own uses for things”.

Graham Dallas, our Senior Web Developer, has over ten years of experience in all aspects of web design and development. If you would like to send him a question, write an e-mail to Web Content Manager Debbie Read at dread@managementfirst.com and the best submissions will be featured in a future issue of *Management Focus*.



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Final thought ...

“Good leaders make people feel that they're at the very heart of things, not at the periphery. Everyone feels that he or she makes a difference to the success of the organization. When that happens people feel centred and that gives their work meaning.”

Warren G. Bennis

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