

Executive summary: Building organisational resilience through effective conflict management

This executive summary is for Chief Executives and Senior Managers who need to build organisational and strategic resilience in order to lead their people through intensifying risk, change and uncertainty.

Over twenty local authorities have contributed, representing councils at the county, unitary, district and borough levels and fire authorities.

"Local government employers should leave no stone unturned when working to ensure a workforce that will deliver strategic objectives whilst meeting the needs of the communities they serve. Establishing our internal mediation service is one of the ways in which we have been enabling workforce change and creating workforce efficiency whilst enhancing employee relations and supporting our people."

David Carter
Joint Managing Director
Warwickshire County Council

A growing number of employers are recognising the need to mitigate the risk of workplace conflict more effectively for strategy execution as well as everyday service delivery.

Local government employers must manage declining budgets and greater challenge for use of resources, as well as increased demand for public services and higher performance expectations. Alongside escalating external factors, these are driving evolution under pressure.

They need to create cost savings, maximise productivity, improve performance and execute strategy whilst maintaining stability. Workforces must be optimised and aligned to deliver strategic priorities. In associated people strategies, the employment relationship and lifecycle are being wrung tightly for productivity and efficiency gains.

Unrelenting pressure and change threaten an increasingly volatile employee relations climate, increasing the risks of disengagement and conflict. The potential impacts can impair or derail strategy. For example, conflict can:

- Consume time and resources
- Adversely affect motivation, productivity, wellbeing and engagement
- Encourage absence and turnover
- Provoke resistance to change
- Impede communication and erode trust
- Damage relationships and hinder collaboration
- Generate hostility and obstruct integration
- Damage reputation and undermine public confidence
- Impose significant direct costs, e.g. employment tribunal fees and pay outs

In summary: conflict disrupts productivity and compromises performance; conflict inhibits change and creates instability, and conflict costs money.

Legacy mitigation, i.e. grievance procedure, is widely recognised as an imperfect system. Its shortcomings are exposed when applied to the greater volume of scenarios typical today that can be resolved more efficiently and effectively through other means. It can:

"Mediation is an important tool that enables us to resolve natural dissonance without losing focus and momentum or descending into less healthy conflict. Some believe alternative methodologies are toothless, but the truth is you don't need 'teeth' to put things right and move on. There is greater strength in authenticity and understanding, and greater likelihood of fostering stability and respect. That's the distinct advantage of mediation in the current climate."

Penny James
Chief Executive
Taunton Deane Borough and
West Somerset Councils

"We have worked closely with our people to define our values, clarify the behaviours we expect to see and develop an approach to resolving challenges swiftly, safely and supportively. Mediation and our Restorative Framework have been integral to this, helping us to create an authentic and values-led culture in which relationships and interactions have become more positive and productive, and become a better organisation to work for."

Julie Fisher
Former Acting Chief
Executive
Surrey County Council

- Increase risks of lost time and litigation
- Adversely affect wellbeing and engagement
- Delay or deny recognition of lower-level issues until they escalate
- Prematurely formalise a situation
- Make the issue harder to resolve and increase the severity of impact
- Drive issues away from exposure owing to fear of consequences and/or mistrust of the system

To improve mitigation, employers are exploring alternative solutions. Workplace mediation has received a great deal of interest and attention. Public sector bodies are among those leading this trend.

Alongside general recognition of best practice and the benefits of mediation, in many cases specific drivers have catalysed the selection and adoption of mediation:

- Recognised opportunity to strengthen existing provision
- Severity of employee relations challenge
- Extent of grievance case impacts
- Growing appreciation of the impact of change
- Recognised inadequacy of traditional formal procedures

The benefits felt and recognised by mediation adopters are comparable. All agree that mediation has a much stronger success rate compared to traditional formal procedure, and that it saves significant and unnecessary costs, contributes to increased productivity and helps to improve motivation and performance.

The broader strategic value of mediation is also being realised. Adopters are finding they are able to:

- Pre-empt and resolve conflict more efficiently
- Keep potential conflict informal, in confidence and in control
- Drive ownership and autonomy around workplace issues
- Stabilise professional relationships and improve retention
- Deliver sustainable benefits for all stakeholders
- Improve workforce resilience and drive down absence
- Build trust, engagement and innovation
- Become an employer of choice

Managing workplace conflict is becoming more proactive and less a tactical afterthought. Without adequate provision for mitigating the risk of alienation, confusion, fear and hostility, employers may find themselves taking two steps back for every step forward.

Throughout the UK, many organisations are gaining ground through the introduction of mediation, either in the enhancement of HR and managerial capability and confidence, the establishment of an internal mediation service or by engaging an external mediation service provider.

All adopters need to partner with a third party specialist who can provide workplace mediation training or a workplace mediation service. For local government employers, there is a growing opportunity to source third party expertise from within the public sector. Regional Employers' Organisations are acutely aware of the challenges facing employers and the environment in which they operate. Many provide strong professional advice and mediation expertise to support rising demand.

How workplace conflict can jeopardise plans for the future as well as public services today...

...and how public sector employers are already mitigating that risk through workplace mediation



Declining budgets and greater challenge for use of resources



Increasing demand for public services and higher performance expectations



Economic risks, changes and uncertainties

Political risks, changes and uncertainties

Social risks, changes and uncertainties

Environmental risks, changes and uncertainties



Need to create cost savings, maximise productivity, improve performance and execute strategy whilst maintaining stability

Causes of conflict

- Personal issues
- Performance issues
- Poor communication
- Inappropriate use of power
- Perceived unfair treatment
- Lack of clarity for roles and responsibilities
- Organisational change
- Culture of blame
- Weaknesses in strategy execution, e.g. inadequate definition of vision

Potential impacts

- Consumes time and resources
- Adversely affects motivation, productivity, wellbeing and engagement
- Encourages absence and turnover
- Provokes resistance to change
- Impedes communication and erodes trust
- Damages relationships and hinders collaboration
- Generates hostility and obstructs integration
- Damages reputation and undermines public confidence
- Imposes significant direct costs, e.g. employment tribunal fees and pay outs

- Conflict costs money
- Conflict disrupts productivity and compromises performance
- Conflict inhibits change and creates instability

Drivers of mediation

- Opportunity to strengthen existing provision
- Severity of employee relations challenge
- Extent of grievance case impacts
- Growing appreciation of the impact of change
- Recognised inadequacy of traditional formal procedures

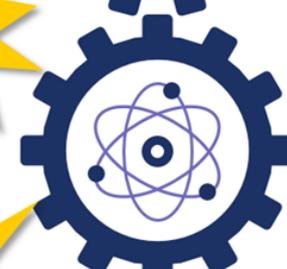
Potential benefits

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Traditional procedures for dispute resolution can increase risks and intensify impacts

CONFLICT



People strategy



Employee relations



Cost savings
Increased productivity
Improved performance

MEDIATION



About South East Employers

South East Employers (SEE) is an independent and not-for-profit centre of excellence, advising and supporting employers. They are a leading provider of high quality consultancy and learning in areas of organisational change, leadership, compliance with employment law, governance and local democracy. As a central 'hub', they are a forum for networks, partnerships and shared learning. They aim to add value through their wealth of local knowledge, experience and professional expertise regarding the challenges and opportunities facing organisations today and tomorrow.

Since 2010 SEE has trained over 300 mediators and delivered successful mediations for a range of employers. They are regularly called upon to deliver mediation training and complex mediations in other regions.

The SEE mediation programme is designed and delivered to take account of real and increasingly complex workplace situations. It develops confident and mediation-ready mediators who can gain an ILM certificate on successful completion of the course and assignments.

"I'd trained with SEE before and knew they were good. They have strong public sector contacts, local government expertise and a good relationship with our county council where they were helping to deliver mediation training. It gave me confidence and helped validate my thinking. We didn't just learn how to run a mediation, we learned how to think, communicate and facilitate objectively in order to preserve the integrity of the process."

Kate Ivackovic
Strategic HR Organisation Development
Manager
Mole Valley District Council

"SEE have supported our efforts at every stage, providing training and ongoing development support for the entire network. As well as being experienced mediation practitioners they have a strong and versatile training capability, which has enabled the creation of our Mediator, Fairness Champion and Restorative Facilitator networks, and the flexibility and depth of understanding to help us create and deliver the right, complementary solutions to meet our needs."

Abid Dar
Senior Equality, Inclusion and Wellbeing
Manager
Surrey County Council

