

RELEVANT TO ACCA QUALIFICATION PAPER P3 AND
PERFORMANCE OBJECTIVES 7, 8 AND 9

Conflict management and the accountant as project manager

Project management is a critically important activity for most organisations in increasingly turbulent times. Organisations have to manage significant change initiatives with respect to new product introductions, technology upgrades and revision of working practices as a result of business process re-engineering evaluations.

The significance of this topic is recognised in Paper P3, *Business Analysis* with an entire section devoted to project management issues. Given the multiple constraints of scope, time and cost (Section F1 b), which must be reconciled by a project manager, there are many areas of potential conflict that can threaten the success of a project. Setting the scope of a project is a key activity for the project manager at the outset as different parties will have different priorities for a project.

Managing the potential external conflict between stakeholders requires high order negotiating skills to ensure that there is effective commitment to the project. Ensuring that projects are delivered on time and within budget will require the project manager to be able to identify and manage internal (team) conflict (Section F3 c and d) that can arise when projects extend over lengthy periods of time and where team members have potentially conflicting demands to satisfy.

Accountants in their role as department/section managers, or in the specific role of project manager, need to be skilled at managing conflict. It is widely accepted that an effective manager must use a mix of 'hard' and 'soft' skills to promote team working to achieve desired outcomes. Mintzberg's (1973) classification of 10 managerial roles is widely accepted as a useful framework for analysing managerial work. He grouped the 10 roles under the following three headings:

- Interpersonal roles: figurehead, leader, liaison
- Informational roles: monitor, disseminator, spokesman
- Decisional roles: entrepreneur, troubleshooter, resource allocator, negotiator.

Accountancy training is particularly strong in supporting the informational/decisional roles while the interpersonal roles (plus negotiation) are more difficult to address in the context of conventional approaches to study and professional exams. Team leadership and relationship management, particularly learning how to use conflict to build a team rather than to tear it down, is a subtle skill that can be developed with observation and practice in everyday work situations. Observing how project teams work, and particularly the role of leader, is a very fruitful arena to consider such issues.

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Potential conflict exists within any department but become particularly acute in the area of project management, which involves bringing together individuals from different departments. The project leader in this situation has four additional pressure points that can promote conflict:

- The staff they manage are assigned to the project on a part-time basis and have responsibilities to their 'home' departments, giving rise to conflict of work schedules.
- Team members bring different skills and there may be different levels of participation and contribution among team members.
- The different specialists bring their different perspectives, which may not be compatible with each other.
- Different individuals may be receiving different rewards, reflecting their positions within their home departments rather than their specific roles in the projects.

Such difficulties are exacerbated by the fact that the project manager cannot have superior knowledge of all areas of specialism within the team. As a consequence, they cannot rely on expert and position power in leading the team. The project manager has inevitably the problem of managing the potential destructive conflict that situation can cause while promoting constructive conflict. Destructive conflict can impede effective performance and can involve either too much or too little conflict. Too much destructive conflict divides a team, deepens differences, destroys relationships, motivation and morale and distracts the team from critical issues. Too little conflict tends to produce complacency and the avoidance of risk taking and innovation.

The aim of the project manager must be to promote constructive conflict that helps to clarify problem situations and potential solutions and opens up new ways of thinking and doing. Where conflict is recognised and effectively managed further significant benefits arise from the development of team cohesion, richer communication, team member engagement and a sense of achievement and success.

Given the potential benefits of effective conflict management, project managers need to be able to recognise and diagnose conflict situations. Brooks (2001) has developed a useful analytical tool for assessing whether team conflict is being approached positively or is becoming unhealthy. His original proposal viewed the analysis being done at organisational level, but it seems equally applicable to a project team situation. It can be used to open up a dialogue regarding this critical issue among team members. Brooks distinguished 10 features of group behaviour (see Table 1 below) that are assessed at two levels: a) the current situation; b) the desired situation and where there is a 25% difference between the total scores for each of these assessments – Brooks would argue that conflict resolution activities need to be instigated.

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If issues are left unaddressed, Brooks argues that a downward spiral in relationships will build its own momentum and is unlikely to get better without positive intervention.

Table 1 – Evaluation of group behaviour and potential conflict in a group

On a scale of 1 to 10 – where 1 represents serious conflict and 10 represents total cooperation – assess your organisation on each of the scales below. Mark each scale with an X for the current situation, and a 0 for your desired state. If there is a 25% difference in the totals, then your organisation has a problem to address.											
Hidden agendas	1	2	3	4	5	6	7	8	9	10	Open agendas
Pessimism	1	2	3	4	5	6	7	8	9	10	Optimism
Dwelling on past	1	2	3	4	5	6	7	8	9	10	Focusing on future
Information as power	1	2	3	4	5	6	7	8	9	10	Information as needed
Bad news not OK	1	2	3	4	5	6	7	8	9	10	Bad news OK
Leaders told what they want to hear	1	2	3	4	5	6	7	8	9	10	Leaders get told the truth
Old hurts unresolved	1	2	3	4	5	6	7	8	9	10	Old hurts resolved
People don't listen	1	2	3	4	5	6	7	8	9	10	People listen
Rigid behaviour	1	2	3	4	5	6	7	8	9	10	Flexible behaviour
Blame culture	1	2	3	4	5	6	7	8	9	10	Creative culture
Total for X: _____ Total for 0: _____ <i>Source Brooks (2001)</i>											

As in many situations, a procedure that identifies the symptoms of a problem is also indicative of the areas requiring resolution. For example, if the above analysis were to be applied and the two areas of greatest divergence between current and desired situations were on the scales of pessimism – optimism and dwelling on the past – focusing on the future, these aspects of group behaviour would need to be the subject of open and frank discussion within the group.

This is easily said but difficult to achieve and Brooks advocates the use of expert, third party facilitators; however, in many situations, this is not a viable option. In consequence, the project team leader will need to consider how a

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constructive dialogue can be initiated to understand different viewpoints in the group. This is likely to involve the following three stages.

1. Allowing individuals to share their viewpoints. The point at this stage is for people to hear and understand each other, without assessment of 'right' or 'wrong'.
2. Having allowed everyone to 'voice' their viewpoint, there is a need to generate some shared understanding as to possible ways in which things could be improved. The focus must not be on who is 'right' or 'wrong' but on the future and how things can be improved.
3. Ideally, discussion should lead to practical outcomes in terms of how future disagreements should be handled and how current working practices might be changed.

In the above context, one can recall Pascale's (1982) view that conflict management is built on the principle that 'individuals should be allowed to disagree without being disagreeable', and it is only through such processes that mutual respect can be developed, the cornerstone of effective team working.

This is a considerable challenge for managers, and formal training in these skills is obviously beneficial since, once mastered, they will be of ongoing value throughout an individual's career.

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References

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- Mintzberg H (1973), *The Nature of Managerial Work*, Harper Row
- Pascale R and Athos AG (1982), *The Art of Japanese Management*, Allen Lane