



HOW TO PREVENT DESTRUCTIVE CONFLICTS ON PROJECT TEAMS

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Tercon Coaches Project Leaders and Aligns Teams Across Geographies & Cultures



Owner Companies: Chevron, Royal Dutch Shell, ExxonMobil, Saudi Aramco, Marathon, ConocoPhillips Prime Contractors: Bechtel, KBR, Chiyoda, Technip, JGC, Foster Wheeler, Mc Dermott

Jeannette Terry, Tercon Partners



Founder & CEO

- Human capital consultant with 25+ years supporting major capital projects
- Collaborates with project executives and leader to build sustainable organizational capability
- Past and current clients include several major O&G and chemicals companies

Session Introduction:

- Substantive conflicts between individuals, within teams, and across organizational boundaries seldom resolve themselves on their own.
- If not resolved, these conflicts either escalate, or go under the surface, only to pop up and get re-fought sometimes on a different issue.
- Conflict avoidance is a losing strategy for managing conflict you may easily run the risk of becoming irrelevant!
- <u>Bottomline</u>: Unresolved project conflict distracts from the *real work* and can negatively impact one or more of the five key project drivers.



Five Self-Sabotaging Behaviors Often Used When Faced With Conflict:

- Avoiding Doing nothing
- Taking a "win-lose" approach
- "Demonizing" the other person
- Claiming "irreconcilable differences"
- Talking <u>about</u> the other person rather than <u>to</u> him/her



The High Cost of Unresolved Conflict on Projects

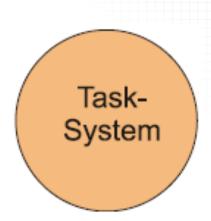
First Order Impacts	Second Order Impacts	Third Order Impacts
 Delayed / missed deadlines Communication lapses Recycling / rework Leadership distraction, e.g. handling complaints, fires Rumors and innuendos Lack of quality concerns Safety inattentions 	 Employee turnover Loss of institutional memory Increased management scrutiny Split alliances – factions and cliques Reduced collaboration and lowered trust Lower morale and employee commitment 	 Loss of confidence for project management and/or upper management Loss of senior management support Loss of market share A toxic culture – overall cynicism and distrust Difficulty in recruitment and retention of project personnel Dissatisfied customers and / or stakeholders

Project Conflicts Can Fall Into Three Categories:

- Those related to Task-System Issues
- Those related to Interpersonal Issues
- Those that arise from a blend of both Systems and Interpersonal issues

TASK-SYSTEM CAUSES

- Unclear roles
- Undefined goals
- The ranking system
- Competition for scarce resources
- Unrealistic deadlines or expectations
- Changing processes and procedures
- Inadequate staffing or inappropriate assignments
- Unclear decision-making authority
- Undefined accountabilities
- Organizational structures

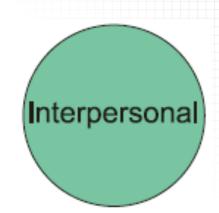


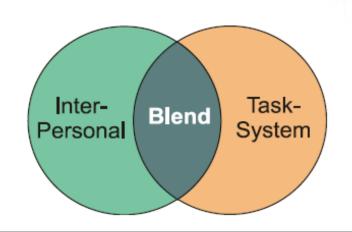
INTERPERSONAL CAUSES

- Different approaches or methods
- Different priorities
- Values differences
- Personality differences
- Work style differences
- Lack of cooperation
- Misunderstandings/false assumptions
- Cultural differences
- Age/generational differences
- Personal prejudice and conditioning

COMBINATION OF CAUSES

Blend of task-system and interpersonal causes





Now For The Good News!

When conflicts are resolved in a timely and constructive way, these positive outcomes are likely to occur:

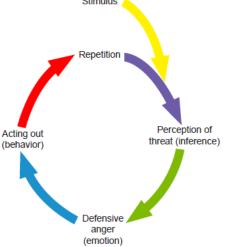
- Discussion opens up → issues get clarified → growth occurs.
- Alternative solutions or "Third Ways" are identified and evaluated.
- Pent up emotions and stress are safely released (See "Ground Rules for Fighting Fair").
- Cohesiveness among team members increases significantly.
- Team members apply what they've learned in future conflicts

Three Tools That Support Constructive Conflict Resolution

- 1. Avoid the Defensiveness Spiral: What to do *immediately* when you recognize it in yourself and/or others.
- 2. <u>Five Steps That Disarm an Angry Person</u> A formula for preventing escalation, neutralizing anger, and moving toward constructive resolution.
- 3. 7 Ground Rules for *Fighting Fair* They provide a psychologically safe framework for teams and individuals to discuss emotionally charged issues that are likely to produce defensiveness and/or anger.

Don't Get Trapped in the Defensiveness Spiral

People tend to become defensive when they feel they are being judged, controlled, discounted or distrusted, which threatens their SELF-ESTEEM.



From Managing Differences: How to Build Better Relationships At Work and Home, Daniel Dana, Ph.D., MTL Publishers, 1997.

How to Disarm an Angry Person – *Go through the anger to the answer!*

<u>Step One</u>: **Acknowledge** their concern or point of view.

- "I understand this is a big problem from your perspective." Or,
- "I see that you're very concerned about..."

Step Two: **Express Regret** (*if* you can do it sincerely)

- "I'm sorry to hear that happened." Or,
- "That should not have happened."

Step Three: **Empathize** (*if* you can do it sincerely)

· "Your frustration is understandable." Or,

- "I would have had a problem with that also."
 Step Four: Find something to Agree with.
 - "I agree that should not have happened." Or,
 - "You're right, we need to get on this immediately."

Step Five: Propose a **Solution** or next step.

- "Here's an idea that might work." Or,
- "Would you be open to another view on how to go forward?"



"Ground Rules For Fighting Fair"

This tool helps level the playing field when a Leadership Team, Functional or Discipline Team, or Owner/Contractor Team have dicey issues that must be aired out and settled constructively.

Members must agree to follow the rules themselves and also hold others accountable for following the rules.

- Speak only from personal experience.
- Refrain from blame-placing.
- Avoid trying to prove "right" or "wrong".
- Remain outcome-focused.
- Allow equal "air time" for different points of view.
- Keep things discussed confidential, unless otherwise agreed.
- Agree not to "bad-mouth" each other after the meeting.



