

Conflict Management and Healthy Culture Formation

Adaptivity is the necessary quality of organizational cultures that achieve long-term performance. Organizations that pay attention to their external environments respond quickly to changes so that they can maneuver purposefully and with agility toward their vision without getting lost along the way. Adaptive cultures make space for entrepreneurialism, risk-taking, and collaboration so that the organization may recognize and seize the new opportunities that emerge.

The challenge of adaptive cultures, however, is to integrate the myriad of perspectives, values, procedures, and behaviors of all internal team members to effectively accommodate change. Change is seldom easy and often creates tension, stress, fear, anxiety, and even trauma for leaders and their team members. We often prefer the stability that lends confidence to our belief that our daily routines positively contribute to organizational success. So, we lean toward rigid policies, long-term goal setting, and fiscal year budgeting that leaves little to no margin for maneuverability. When norms change, chaos ensues and people grasp at what they know, even if it no longer works, in order to maintain a semblance of a clear set of boundaries and rules. Additionally, what leaders often overlook in these moments, is that the personal identities of our team members as well as their sense of the organization's identity is threatened in these moments. This creates fertile ground for conflict.

Adaptive organizational cultures need anchor points, especially during times of change, by which team members can continue to make sense of their shared work and relationships to one another. Creating healthy adaptive culture requires leadership to attend carefully to prescribed organizational values, not policies and rules, that help team members navigate the parameters within which team members can negotiate organizational life, beliefs, and conduct (Hultman & Gellermann, 2002). Values represent the heart of the company by defining what is important. As organizational values are embedded into the desires, imaginations, motivations, and inspirations of leaders and their team members, those values provide guidance for the "what" and "how" of organizational decision-making and goal setting. If attended to carefully, these values have the power to build an adaptive culture that aligns people through a sort of "dance of dialogue," a harmonization of vision, relationship, communication, and responsiveness to one another and the environment around them.

Therefore, a significant function of leadership is to prioritize and shape the values they believe foundational to an organizational culture that supports and steers the company's drive toward its vision. Leaders neglect cultural values to their own demise. Shifting external environments apply continual pressure upon the internal culture, and if left unattended, those values will drift and cause disorientation and confusion for team members. The company's internal environment becomes charged with conflict as the confusion pushes team members to prioritize their personal values over the organization's mission. Personal values begin to rub seriously against those of their colleagues and leaders. Competition replaced collaboration.

Unfortunately, interpersonal conflict within organizations is typically perceived as antithetical and obstructive to organizational performance. In truth, conflict actually has the inherent capacity to expose the tacit assumptions and underlying motivations of leaders and their team members of which they may even be unaware. Their raw emotions and strong reactions signal that hidden values are operating. They need to be surfaced and examined in order to expose their

incongruence with espoused organizational values. Only then can they be realigned to the cultural values that truly liberate organizational adaptivity and responsiveness.

We must reframe conflict management, not as a distraction from the “real work” of leadership, but as the heart of organizational culture formation. It is essential for effective long-term performance.

Conflict: The Heart of Cultural Formation

When leaders and team members regard conflict as an obstacle or nuisance, they reveal that they have an operative assumption that their perspectives ought to be shared by others. When others do not agree with them, they may regard others as problems to be fixed or removed. When such presumptions infect organizational culture, leaders and team members are often provoked to fight or flight tactics that reduces the humanity of others and destroys the opportunities to learn from them. To their detriment, people who act in these ways remain naïve to the valuable contributions that others bring, contributions that can deeply influence and positively shape the perceptions of team relationships and their shared work.

To position conflict management at the heart of cultural formation is to acknowledge that conflict is necessary and healthy for organizational growth. Culture reflects the accumulated shared learning of a group as it navigates its external environments and adapts its beliefs, values, and behaviors over time to accommodate those environmental realities (Schein & Schein, 2017). As a group encounters the world as it comes, with its opportunities and obstacles, it discovers valid means to solve problems or exploit resources in order to adapt to the world and thrive. Through exploration and experimentation, the group gives order to the world it encounters. It takes the world as it comes and forms and reforms it into something new that gives it meaning (Crouch, 2009). This is its cultural narrative that shapes the group’s values and transmits to one another the group’s prescribed ways to think, feel, and behave to flourish in the world.

As a group’s cultural narrative becomes embodied in its members through their continual rehearsal of practices that reassert the group’s cultural values, its assumptions are taken for granted and eventually become the group’s reality. The narrative forms the group’s sense of identity and delimits the boundaries around who is included and excluded (Schein & Schein, 2017). It exerts a powerful influence on how individuals within the group perceive and react to variants inside and outside its boundaries. But variants that reach a critical mass of influence, such as environmental changes, will produce significant pressure upon the group’s cultural assumptions and provoke an untenable anxiety. Unexplored cultural values in these situations lead to distortions of perceptions about relationships and shared work. Conflict becomes a signal that the group has some work to do to uncover its values in tension and to examine their congruence to the group’s espoused values. Perhaps the group even needs to update its cultural narrative.

Two dimensions of conflict emerge from values incongruence: task conflict and relationship conflict. Task conflict represents disagreements regarding the content of shared work that, if managed well, can benefit the group by contributing to deeper deliberation and innovation (Kudonoo et al., 2012). Relationship conflict focuses on people rather than on issues, and erupts from interpersonal incompatibilities (Kudonoo et al., 2012). While studies suggest that the interpersonal nature of relationship conflict is counterproductive to performance (Kudonoo et al., 2012), such conflict can also lead to the clarification of values and discovery of the common ground necessary to forge the shared learning required for cultural formation. Conflict

management must address both task and relationship concerns through a process of deliberation that exposes the conflicting tacit values and aligns them to an overarching vision, expressed in the group's espoused values, that guides the formation of a new culture.

Shared Vision Compels Conflict Management

A shared vision is that which “many people are truly committed to, because it reflects their own personal vision” (Senge, 2006, p. 192). Vision in organizations creates a “sense of commonality that permeates the organization and gives coherence to diverse activities” (Senge, 2006, p. 192). Vision ignites the hearts and imaginations of people with a sense of identity, community, shared goals, and possibilities. It gives direction and motivation toward human flourishing, and consequently, embodies itself within the strongest desires of people. Vision compels people with a dream worth fighting for! A strong vision can influence people to give up their former lives and venture into the risky unknown to realize an ideal they had only seen in their mind's eye. Without vision, people stay stuck in the status quo chokes out their ability learn and grow (Senge, 2006). A strong vision is reproducible in others and can powerfully shape the values, belief, and behaviors of people as they interact with one another. Vision, as the confluence of human desire, love, and inspiration, is arguably the strongest force on earth. It is the fertile soil in which culture thrives.

Because vision is fundamental to a group's sense of its identity and future, leadership's mandate in cultural formation is to forge a shared vision among group members. A shared vision that becomes deeply rooted in the group builds unity and trust between people. However, the process of creating shared vision is fraught with tension between the competing personal values of individuals and between the espoused and tacit values of the group. While such tension is discomforting, when managed well, it compels organizational learning necessary to cultivate shared values of a comprehensive cultural narrative (Senge, 2006). This is called “creative tension” and it occurs when group members, committed to a shared vision, allow dissonance and disconnects between their vision and reality drive them to work through values alignment. By appealing to the shared vision during the creative tensions that a group faces, its leaders encourage individuals to subsume their personal visions for the sake of the benefit of the group's shared vision. Management of creative tension is a dynamic, ongoing process in which leaders, bravely undaunted by conflict, allow it to surface and reveal the incongruencies between the group's espoused vision and its reality (Schein & Schein, 2017). Then, they constructively seek alignment through conflict management rituals.

Rituals as Tools of Conflict Management

Leaders that approach conflict management positively do so from a perspective of conflict as a creative tension. When handled in the correct spirit, creative tension can deepen a shared vision in the hearts of group members and forge a healthy culture among them that responds creatively and adaptively to their external environment. But when conflict arises within a group, it is often accompanied by strong emotions and the baggage of prior negative experiences. In order to avoid the trap of reacting impulsively to conflict and instead navigate through a process of creative tension, leadership must establish protocols, or rituals, of conflict management by which group members agree in covenant to follow. The established rituals guard conflict from degenerating into cultural deformation and allow it to become an opportunity for cultural formation.

Given the potency of conflict to stir up and surface the latent values that motivate people's behaviors, conflict presents rich opportunities to shape culture inspired by a unified vision. However, the potential disorder and communication breakdowns that are often associated with conflict can sabotage these opportunities if not managed through accountable organizational practices, or rituals. A ritual is a "social action in which a group's values and identity are publicly demonstrated or enacted in a stylized manner, within the context of a specific occasion or event" (Islam & Zyphur, 2009). Organizational rituals provide tools to manage conflict constructively so that vision becomes an internalized reality in the hearts of group members.

Rituals represent embodied practices that transmit meaning through the tangible re-enactment of cultural values. Smith (2009), in fact, argues that humans inhabit the world primarily as affective creatures who, over time, develop a sense of identity through rituals and habits that shape their affections toward an ultimate vision. In other words, humans are cultural beings who inhabit the world through cultural beliefs and practices infused with meaning and aimed toward an ultimate vision of a flourishing life. Through rituals, humans communicate and reinforce the values that frame and fuel their desires. Rituals satisfy the need to give symbolic meaning to actions that might otherwise be meaningless, and thus, create an adequate social identity for all members (Sueldo & Streimikiene, 2016). In organizations, the systematic routines mandated by leadership institute the expected behaviors that visibly display the values that leadership desires to represent throughout the organization's life (Sueldo & Streimikiene, 2016). Over time, these behaviors, laden with value-meaning and consistently applied, ensure that group members internalize the values they reinforce.

Unfortunately, many organizations overlook the importance of establishing rituals to safeguard the creative cultural formation that conflict brings. Strong emotional reactions, interpersonal tensions, and headstrong opinions can quickly degenerate conflict into silos, factions, and turf wars. These are cancerous to cultural formation and will ultimately destroy the inspiring vision for which the organization aims. But established rituals of conflict management reduce uncertainty and anxiety in highly charged conflict situations while promoting safety and freedom to act within the boundaries of the cultural values that drive vision (Sueldo & Streimikiene, 2016). Rituals create frames of reference by which members can engage in common situations, such as conflict, through scripted communication that reduces anxiety of the unknown, builds trust, and transmits shared values (Sueldo & Streimikiene, 2016). Recognizing the opportunities that conflict provides to form culture, leadership effectively stewards conflict through intentional rituals that move the group toward internalized vision.

Effective conflict management begins with leadership. Leadership sets the tone for growing a positive climate for conflict management throughout the organization (Kudonoo et al., 2012). Leaders begin by confronting the attitude that conflict is bad, and instead, acknowledge that conflict is unavoidable and anticipated in their organizational life (Kudonoo et al., 2012). From here, leadership can reframe conflict as an opportunity to clarify values, strengthen communication and relationships, internalize vision, and deepen the organization's long-term impact. When leadership sets the stage in this way, they demystify conflict and normalize it as a healthy part of organizational life. From this point, organizational rituals can be built that guide conflict management throughout its ranks.

Critical Elements of Conflict Management Rituals

Rituals surrounding conflict management can vary accordingly to an organization's general character, such as whether its communication is generally formal or informal or whether its structure is flat or hierarchical. The forms of the rituals must align with the organization's espoused values so that their cultural significance can be communicated and internalized by all members as the organization's cultural narrative. While the forms may vary, conflict management rituals that steward conflict productively toward healthy cultural formation contain common elements.

First, the rituals must allow those involved personally in the conflict to identify the currently existing values that are fueling the conflict. Because humans are affective creatures motivated by desire, most values operate underneath the surface of cognitive knowledge. Therefore, conflict management rituals must promote self- and group-reflection that identifies and articulates the values that are in conflict. Such reflection must be participative. Only through dialogue can the conflicting values be identified and evaluated against the organization's espoused values to determine their alignment with leadership's desired culture (Argandoña, 2003).

Following closely from this, the rituals must allow members to identify the values that are needed for the organization to address its mission, adapt to its environment, and live into its vision. Again, this process must be participative so that members recognize that they contribute to the formation of those values within the culture (Argandoña, 2003). Because adaptation of new values often represents to people a loss of their current values, honest discussion around needed values necessarily calls out the hidden fears, insecurities, inconsistencies, and other personal and group factors that may sabotage the formation of the desired cultural values. Talking through these concerns together forges a solidarity in cultural formation as members, encouraged by a shared vision, clarify why moving to the new values is worth the loss of the old.

The members must set commitments toward the needed values. Discussions void of commitments preclude the accountability necessary for new values to be instilled and internalized in the organization's culture. Commitments must include assent to both the new values that guide vision and to the healthy procedural expressions of conflict (Kudonoo et al., 2012). For example, members may commit to handling conflict through one-to-one conversation before involving others. Or members agree to refrain from the use of email in favor of personal conversation to handle conflict. Explicit commitments articulated in the rituals of conflict management encourage healthy engagement and develop the members' effectiveness in navigating conflict proactively and productively.

Following from commitments, the rituals must align practices with values. Commitments requires leaders to build accountability into the organization's life by aligning the formal rules, policies, structure, and communication so that all organizational practices, both interpersonal and corporate, adhere to and reinforce the needed values (Argandoña, 2003). Alignment of practices to values empowers leaders and team members with the capacity, knowledge, and skills to make right decisions in their daily activities with the confidence that they will contribute positively to the organization's culture (Argandoña, 2003). As a result, a culture forms that allows the entire life of the organization to adapt quickly to external changes.

Conclusion

Organizations transform conflict into creative tension through strong conflict management rituals that point members in the direction of their compelling, shared vision. Creative tension provides fertile ground for members to test their values against one another, discover where personal or

espoused values are inconsistent with needed values, and build effective relationships with colleagues and leaders in a cooperative effort to build a strong adaptive culture. The significant value of stewarding creative tension to internalize new values and promote healthy, adaptive culture is arguably the leaders' most powerful tool in leading the organization toward its vision. Its long-term success depends on embracing conflict management as the heart of culture formation. By establishing rituals that zealously promote healthy expressions of conflict and resolution, leaders and their team members organically grow a culture that can respond adaptively to a constantly changing environment.

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