



Using Conflict as a Catalyst for Change

by Karen Lehman and Marty Linsky

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Using Conflict as a Catalyst for Change

Organizational transformation can elicit intense conflict. Here's how to harness it as a positive force.

by Karen Lehman and Marty Linsky

Deep organizational change inevitably produces conflict. Those who lead change usually try to suppress conflict, with the goal of keeping the energy positive and the forward momentum strong.

But our work at Cambridge Leadership Associates with individuals from a variety of organizations has shown us that successfully leading change requires actively using conflict and even heightening it at strategic moments. We encourage those who are engaged in the hard work of leading change to think of conflict as a healthy sign that the organization is on a journey to a better place.

To harness conflict and turn it into a catalyst for change, implement the following four practices:

- Build a container to hold the core group together
- Leverage the power of dissident voices
- Give the work back: let others resolve conflicts
- Raise the heat to uncover conflicts that need to be addressed

BUILD A CONTAINER TO HOLD THE GROUP TOGETHER

Emil Townley's first day at work was tougher than most. The agency he'd just been brought in to run was in receivership. Fraud committed during his predecessor's tenure was serious enough to warrant criminal prosecution. As a result, critical outside funding was in decline. What's more, racial issues were simmering, as a traditionally African-American-led agency with a traditionally African-American clientele was becoming a Latino-led organization serving an increasingly Latino population.

Although Emil Townley's name is fictional, he and the issues he faced are not. Never one to shrink from a challenge, he knew that leading the agency through the painful process of recovery and redefinition would require embracing conflict, not avoiding it.

THIS ARTICLE EXPLAINS HOW TO:

- **Help employees feel safe expressing their opinions in a high-pressure environment**
- **Learn from dissident voices**
- **Use conflict strategically**

Our advice to those beginning the work of deep organizational transformation is to build a safe structure to hold the group together through the high-pressure days and weeks ahead. We suggest that leaders think of this structure as a container, with thick walls to keep heated conversations from spilling outside and protect the group from external threat. For one global professional services firm we worked with, a series of no-holds-barred off-sites served as this container. Each event was devoted to airing questions and concerns about the change; participants were assured that nothing was off-limits and no one would suffer repercussions for speaking out.

Townley did something similar for his agency. First he assembled a team of people who were committed to change and had them go off-site for intensive training in meeting and defusing the strong resistance they would encounter as they tried to change the culture of patronage, favoritism, indifference, and even fraud that had dragged the organization down. After this initial period of training, the team met frequently to vent frustrations, celebrate successes, and seek guidance from their peers. Townley also skillfully used his board of directors to protect his team from pressure to back off from those both inside and outside the organization who had enjoyed the benefits of the old regime.

He also made the entire organization a safe place for those who were willing to play fair and work hard. He promoted talented and credible staff from within, often jumping people with potential several levels in

the organization. As part of this effort, he placed several African-Americans in key positions to allay concerns that he would substitute a Latino regime for an African-American one. He prioritized an internal audit to communicate that fraud would not be tolerated.

In every way he could think of, he communicated to all the organization's constituencies that there would be support for those who were willing to adapt and encouraged individuals to voice their concerns. Thus he combined zero tolerance for fraud and abuse with a remarkable tolerance for letting dissent, frustration, and anger be aired.

LEVERAGE DISSIDENT VOICES

Townley's willingness to tolerate angry voices was motivated by more than a desire to allow people to let off steam. Like other savvy leaders, he recognized that sometimes dissidents have acutely valuable ideas. Finding dissidents and shining a light on them was a key part of the culture-change strategy put into place by the CEO of a major U.S. electronics retailer—we'll call him Simon Waterson.

Waterson's company had thrived for years with highly centralized decision making: corporate chose what to sell and how to sell it. But Waterson recognized that this model stifled innovation and was beginning to send the company into decline. He had to take an organization committed to doing things by the book into a new era where innovation at the store level would be prized.

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He knew that there were a certain number of store general managers who had always pushed the boundaries to try to do things their way. Labeled "cowboys" by their regional vice presidents—and this was not a flattering designation—they tended to be unpopular with colleagues because they didn't play by the rules.

But Waterson loved them, because their willingness to innovate in response to local customers' needs offered a model of the culture he was seeking to foster.

As it happened, these so-called cowboys tended to cluster in the West, so Waterson gathered a group of

regional VPs and store general managers to visit with several of them and see how they did things. He also brought a few to headquarters to present their operating philosophies to others.

Did this focus on a few renegades create conflict in an organization that had long prized toeing the line? Yes, definitely. But it was healthy conflict. It forced those who wanted to cling to the old ways of doing things to confront the successes of the new model.

GIVE THE WORK BACK

Dave Handler is the founding CEO of a large and growing 10-year-old advertising and design firm. (Like the other people mentioned in this article, his name is fictional but he is not.) Beloved and respected by his employees, he was always available to hear their stories and resolve their disputes.

But as the firm grew, so did the conflicts, and Handler found himself enmeshed in conflict after conflict: between design and sales, between production and design, between print champions and new media champions. Morale began to sag, as did Handler's energy and sense of optimism about the firm's future.

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Handler began to understand that if the firm was to grow, these value conflicts would have to be worked through by the staff, not decided on an ad hoc basis by him alone. So he took two steps to begin to give the work back to them. First, he added a Thursday morning problem-solving meeting to his senior staff's schedule. And second, he started telling disputants to figure it out themselves and let him know the outcome. Letting go in this way was difficult for him—he loved being the "corporate dad" and helping everyone out, and he also worried that the resolutions his staff came up with would not be optimal for the firm.

At the Thursday meetings, team members held back at first. But once they saw that there would be no retribution for what was said at the meeting, they began to have the hard conversations they needed to have for the firm to

go forward. When complaints and concerns were out in the open, they became opportunities for learning and growth.

RAISE THE HEAT

Those who lead others are usually expected to keep things calm, not raise the heat on their own people. But sometimes heat is exactly what's required to uncover a conflict that, if not addressed, will compromise an organization's performance.

Take Arthur Gaither, the CEO of a huge professional services firm. He had a particularly loaded issue to bring out into the open and address: his firm had a tradition of carrying longtime partners at high compensation levels well after they stopped bringing in revenue commensurate with their compensation. He took two steps to raise the heat around this issue and force partners to make a critical choice. Were they willing to continue to honor the highly valued tradition of treating longtime partners generously? Or did they want compensation to be pegged to productivity for all partners, regardless of seniority?

First, Arthur assembled scads of data on productivity—way more than had ever before been collected. Some partners pushed back; they called him a micromanager and complained that they were spending too much time filling out forms, taking them away from revenue-producing activities.

Second, he convinced the executive team to put a cap on year-end bonuses for very senior partners whose productivity was low, even though the firm had had a very profitable year. Understandably, the affected partners and their allies were very upset. But these two steps, taken together, forced a difficult but crucial firm-wide conversation about productivity, compensation, and, by extension, the future growth of the firm. ♦

Karen Lehman and Marty Linsky are, respectively, senior associate and cofounder of Cambridge Leadership Associates, a leadership development consulting firm. Linsky is also on the faculty of Harvard's Kennedy School of Government and coauthor, with Ron Heifetz, of Leadership on the Line (Harvard Business School Press, 2004). They can be reached at MUOpinion@hbsp.harvard.edu.

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