

CONFLICT MANAGEMENT & RISK POLICY

Policy Statement: The aims of McSence Group's Conflict Management & Risk Policy are focused on conflict prevention by providing a framework to follow in case of disputes and outlines common organisational causes of conflict. Conflict in business and project management is inevitable because it involves individuals from different backgrounds and orientations working together to often complete a complex task. The cause of conflict can be related to differences in values, attitudes, needs, expectations, perceptions, resources, and personalities. Proper skills in dealing with conflict can assist project managers and other organisation members to handle and effectively resolve conflicts, which can lead to a more productive organisation including project delivery.

All Employees: This policy applies to all persons working for or on our behalf of the McSence Group of Companies which includes the subsidiary companies - *McSence Communication Ltd, McSence Ltd, McSence Services Ltd & McSence Workspace Ltd* in any capacity including but not limited to:

- ✚ All employees at all levels, prospective employees, agency workers, seconded workers, temporary workers, contractors/sub-contractors, clients, agents, external consultants, volunteers, members of the public, group's supply chain, third-party representatives and/or business partners who will be referred to in our Group policies as "all employees".

The Workplace: This policy applies to all persons working for or on our behalf of the McSence Group of Companies in any capacity at the workplace(s) as defined below which includes but not limited to:

- ✚ McSence Premises, Offices, Units, Business Park, Client's Premises, External Meeting Places, Customers' Homes, Gardens, Sheltered Housing, Whilst On-Call, On-Duty, Emergency Cover, Working from Home including On-Line Meetings, Whilst Driving in Company Time, Working Public Areas (café's, trains, coffee shops, buses etc) and will be referred to throughout this policy as "the workplace".

Project Management: Project Management is a methodological approach to achieving agreed upon results within a specified time frame with defined resources and is specific for each project and the members who are involved are the ones that can specifically define the protocol. McSence Manager's and Project Manager's routinely deal with conflict, both from internal and external sources, summarised as follows:

- ✚ **Internal:** internal management and project organisation, financial management, justification
- ✚ **External:** management with the project participants, services, products, and relationship with the funder

Project Management relies on proven and repeatable processes and techniques which are used to coordinate resources to accomplish predictable results. Although success is never guaranteed, a project is more likely to be successful when conventional project management processes are practiced with the four key phases of the project management process are explained below:

- ✚ **Project Initiation:** The first phase of the process involves performing activities to evaluate the project size, scope, and degree of difficulty and to establish procedures for supporting later project activities. Examples of activities at this phase are forming a project initiation team, building the customer relationship, developing effective management procedures, and constructing a project workbook including the conflict resolution proposal. This involves all members from the Conflict Resolution Commission plus an external expert skilled in project management and incorporates a mediator / facilitator to assist the commission in developing the protocol. This draft will be presented to the consortium for it to be approved.
- ✚ **Project Planning:** The second phase of the process involves defining clear, distinct activities and work required to complete the activities for each individual project. Examples of activities at this phase are defining the project scope, defining the work breakdown structure, estimating resource requirements, outlining communication procedures among managers, team members, and the customer, identifying and evaluating risk, and developing a Baseline Project Plan.
- ✚ **Project Execution:** The third phase of the process involves implementing the plans created in the earlier phases, Project Initiation and Project Planning. Examples of activities at this phase are executing the baseline plan, managing changes to the baseline plan, monitoring project progress, and communicating project status to managers, team members, and the customer.

✦ **Project Closedown:** The final phase of the process involves bringing the project to an end. Examples of activities at this phase are evaluating team members, conducting final project reviews, and closing the customer contract. The project manager is responsible for carrying out the initiation, planning, execution, and closedown phases of a project. The success of a project relies strongly on the project manager. The role of this person is to evaluate project feasibility and to create the plan of activities required to meet the objectives. This individual must be able to build an environment in which the project can be executed while protecting the environment from factors that could impede progress, planning the work that has to be completed to reach the goal, and keeping the course of the project in control. It is important for a project manager to possess a diverse set of skills – management, leadership, technical, customer relationship, and conflict management.

Understanding Conflict: Managers spend significant time on reaching agreement with others when conflict occurs. Conflict management within a team environment requires the ability to solve problems, set goals, compromise, settle personality differences, and resolve conflicts. Training for project managers in this area is necessary for their success, as they are typically responsible for handling conflict during a project. The remainder of this document will address conflict and its resolution in project management.

Definition of Conflict: Conflict is “a situation of competition in which the parties are aware of the incompatibility of potential future positions and in which each party wishes to occupy a position which is incompatible with the wishes of the other.” Conflict is viewed as a cycle: “As with any social process, there are causes; also, there is a core process, which has results or effects. These effects feedback to effect the cause.” To understand conflict further, the situation must include elements of interdependence, emotions, perceptions, and behaviours for example, conflict occurs between parties whose tasks are interdependent, who are angry with each other, who perceive the other party as being at fault, and whose actions cause a business problem.

Benefits of Conflict: Conflict can be constructive and healthy for an organization. It can aid in developing individuals and improving the organization by building on the individual assets of its members. Conflict can bring about underlying issues. It can force people to confront possible defects in a solution and choose a better one. The understanding of real interests, goals and needs is enhanced and ongoing communication around those issues is induced. In addition, it can prevent premature and inappropriate resolution of conflict. Constructive conflict occurs when people change and grow personally from the conflict, involvement of the individuals affected by the conflict is increased, cohesiveness is formed among team members, and a solution to the problem is found. However, if conflict is not managed properly, it can be detrimental to an organization by threatening organizational unity, business partnerships, team relationships, and interpersonal connections. Deconstructive conflict occurs when a decision has not been found and the problem remains, energy is taken away from more important activities or issues, morale of teams or individuals is destroyed, and groups of people or teams are polarized.

Dynamics of Conflict: It is important for a project manager to understand the dynamics of conflict before being able to resolve it. The internal characteristics of conflict include perception of the goal, perception of the other, view of the other’s actions, definition of problem, communication, and internal group dynamics.

- ✦ Perception of the goal becomes a problem when success becomes competitive or “doing better than the other guy.” The focus is placed on the solution rather than attaining the goal.
- ✦ Perception of the other can create conflict when the attitude becomes “us versus them.” Similarities and differences are emphasized causing division within a group.
- ✦ View of other’s actions can be a problem when the situation is competitive instead of cooperative. Behaviour can be suspicious in a competitive environment.
- ✦ Definition of problem can result in conflict when the size of the problem is escalated, issues are misconstrued, and original issues are lost.
- ✦ Communication in a competitive environment can cause mistrust and information may be withheld or may be lacking. Communication is not open and honest.
- ✦ Internal group dynamics can be negative when the group structure is centralized and rigid rather than safe and open. Conformity is emphasized, and tasks dominate over the needs of the team members.

These characteristics can strongly influence the behaviour style of group members and affect the potential outcome of the conflict. In some instances, the project manager's lack of skills to effectively manage and resolve conflict can be the problem.

Approaches to Conflict Resolution: In project management and our system thinking approach to planning, scheduling, and controlling there are five key modes for conflict resolution i.e., Confronting, Compromising, Smoothing, Forcing, and Avoiding with details below:

Confronting: This is also described as problem solving, integrating, collaborating or win-win style and involves the conflicting parties meeting face-to-face and collaborating to reach an agreement that satisfies the concerns of both parties. This style involves open and direct communication which should lead the way to solving the problem. Confronting should be used when:

- ✦ Both parties need to win
- ✦ You want to decrease cost.
- ✦ You want to create a common power base.
- ✦ Skills are complementary
- ✦ Time is sufficient.
- ✦ Trust is present.
- ✦ Learning is the ultimate goal

Compromising: This is also described as a "give and take" style where conflicting parties' bargain to reach a mutually acceptable solution. Both parties give up something in order to reach a decision and leave with some degree of satisfaction. Compromising should be used when:

- ✦ Both parties need to win
- ✦ You are in a deadlock.
- ✦ Time is not sufficient
- ✦ You want to maintain the relationship among the involved parties.
- ✦ You will get nothing if you do not compromise.
- ✦ Stakes are moderate

Smoothing: In this approach, the areas of agreement are emphasised, and the areas of disagreement are downplayed. Conflicts are not always resolved in the smoothing mode. A party may sacrifice its own concerns or goals in order to satisfy the concerns or goals of the other party. Smoothing should be used when:

- ✦ Goal to be reached is overarching.
- ✦ You want to create obligation for a trade-off at a later time.
- ✦ Stakes are low.
- ✦ Liability is limited
- ✦ Any solution is adequate.
- ✦ You want to be harmonious and create good will.
- ✦ You would lose anyway.
- ✦ You want to gain time

Forcing: Forcing occurs when one party goes all out to win its position while ignoring the needs and concerns of the other party. As the intensity of a conflict increases, the tendency for a forced conflict is more likely. This results in a win-lose situation where one party wins at the expense of the other party. Forcing should be used when:

- ✦ A "do or die" situation is present.
- ✦ Stakes are high.
- ✦ Important principles are at stake
- ✦ Relationship among parties is not important.
- ✦ A quick decision must be made.

Avoiding: This is also described as withdrawal style. This approach is viewed as postponing an issue for later or withdrawing from the situation altogether. It is regarded as a temporary solution because the problem and conflict continue to reoccur over and over again. Avoiding should be used when:

- ✦ You cannot win.
- ✦ Stakes are low.
- ✦ Stakes are high, but you are not prepared.
- ✦ You want to gain time
- ✦ You want to maintain neutrality or reputation.
- ✦ You think the problem will go away.
- ✦ You win by delaying

Escalation & Mediation Committee: The conflict resolution proposal drawn up at the beginning of the project by all members and approved by the consortium, incorporates a mediator / facilitator where in the event that the dispute is not resolved by the techniques above, the mediator / facilitator will propose a list of issues to work within the protocol in relation to issues that are considered likely to generate conflicts and definition of the action to undertake when a conflict takes place is as follows:

- ✦ **Mediation-stage:** flexible and dialogued procedure, assisted by a mediator and in which meeting notes are issued with the agreement binding the different parties.
- ✦ **Failure to reach an agreement by mediation:** In case of not reaching an agreement via mediation, then arbitration is proposed, being in this case a referee external to the process who issues a ruling with the possible corrective or disciplinary measures.
- ✦ **Reporting:** Reporting to the European Union competent authorities.

In summary, conflict in project management is not necessarily unfavourable when properly managed. Several advantages have been identified such as increasing personal growth and morale, enhancing communication, and producing better project outcomes. However, conflict can be the decline of an organization if it is not effectively managed. The challenge for organisational leaders and project managers is to try to maintain the right balance and intensity of conflict in project management. By utilising project management principles, understanding the dynamics of conflict, and learning approaches to conflict resolution, managers will be able to establish an environment in which creativity and innovation is encouraged and project goals are accomplished.

Company Intranet– Staff Zone: All the McSence Groups policies, procedures, handbooks are available on-line to all employees on the McSence Group’s Staff Zone Intranet via our website [Login | McSence](#)

Compliance: Failure to comply with the provisions of this Policy may result in Disciplinary proceedings.



McSence Group Signatory:

David Maxwell | Chief Executive

McSence Group - McSence Communication Ltd, McSence Ltd, McSence Services Ltd & McSence Workspace Ltd

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Policy Amendments & Revisions: *This policy will be reviewed annually and, if necessary, revised in the light of legislative or organisational changes. Improvements will be made by learning from experience and the use of an established annual review. Should any amendments, revisions, or updates be made to this policy it is the responsibility of the Company Senior Management Team (SMT) to see that all relevant employees receive notice and training if necessary.*