In the early 1990’s, Prof Charles Handy challenged a group of business leaders to help him discover the critical factors that would identify “tomorrow’s company”. An inquiry called Tomorrow’s Company followed and one of the key findings was that the adversarial approach to relationships is one of the key behaviours preventing companies from performing at their optimum level.

When conflicts and disputes arise, the majority of companies are ill equipped to deal with them in a timely and efficient way so that escalation and rising costs are the norm.

Take the following story as an example. An IT company struggles to find the right fit for a new HR Director. In the interim, Deirdre the HR Manager fills in, carrying out many of the tasks and attending many of the meetings that the HR Director would have done. Deirdre has been with the company for many years and has worked her way up to her current position. After 6 months of filling in for the HR Director, she decides to apply for the post herself but is unsuccessful.

The successful applicant Jamie arrives to start work as the new HR Director but Deirdre is still fuming at what she feels has been her shabby treatment by the other directors and finds it impossible to create a good working relationship with Jamie. As time goes by, Deirdre finds much to complain about Jamie's work and management style and begins to gossip about him to his team undermining and sabotaging his efforts (she still has power and influence over the team). The unrest spreads to the other directors who begin to question Jamie's ability. With a new baby at home and a wife with post-natal depression, Jamie is unable to cope with the strain and is signed off with work-related stress and depression.

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Burning Bridges

Here is the beginning of a very typical workplace dispute that could well end up with a claim against the company by one of the aggrieved parties. Legal fees are only the tip of the iceberg in terms of the cost to business of such disputes. In the scenario above, Deirdre and Jamie and their colleagues are already spending time and energy dealing with the conflict as it unfolds.

When staff are tied up in managing conflicts or handling disputes, spending time in meetings with lawyers, gathering evidence and clarifying facts, their personal value-add to the company will be substantially reduced.

Hidden costs of disputes include:

- Lost productivity: the value of lost management time and lost business opportunities
- Relationships: the value of lost or damaged relationships
- Health: the costs related to stress and the impact on long-term health

A Commercial Disputes Survey carried out by BDO Stoy Hayward in 2003 found that the most damaging effect of dispute on business was its effect on management time. The survey found that almost nine out of 10 businesses in dispute experienced an effect on management time and seven out of 10 suffered financial loss. Moreover, nine out of 10 disputes actually lasted over three years, often resulting in high levels of stress and decreased motivation.

So it is abundantly clear that, apart from legal fees, the TRUE cost of disputes – management time, lost productivity, health costs, damaged relationships and reputation – represents a resource drain of huge proportions and a source of great unhappiness and discomfort which organisations can ill afford, especially when times are tough.

Adversarial Approach

Our instinctive reaction to conflict is to see it as a threat. Any conflict, that is anything that threatens our needs and interests – our values, attitudes and beliefs, is reacted to as if it were an immediate threat to our survival. A social threat is treated in same way as a physical threat. So Deirdre and Jamie are both reacting to the perceived threat to their own survival at work.

The adversarial approach to relationships, identified by the Tomorrow’s Company inquiry, is one of the key behaviours preventing companies from performing at their optimum level and may manifest itself as:

- Silence: not speaking to one another
- Talking behind someone’s back: gossip and innuendo
- Withholding information
- Sabotage
- Fighting: verbal or even physical

Unless the organisation and the individuals concerned have knowledge of and access to a better way of dealing with conflicts and disputes, they will end up in a spiral of destructive behaviours based on the mistaken concept of right versus wrong.

Conflict is Normal

Conflict is quite simply a process. It is the process of expressing dissatisfaction, disagreement, or unmet expectations – someone or some group is unhappy with someone else or something else. Dissatisfaction
can arise from multiple factors – differing expectations, competing goals, conflicting interests, confusing communications, or unsatisfactory relationships.

In sabotaging Jamie’s authority with his team and co-directors, Deirdre is simply expressing her dissatisfaction with the way she has been treated and the failure of management to address her concerns. An everyday occurrence YES – but one that has a huge price tag if it is not handled well. Disputes are the end point of a chain of events – the product or outcome of an unresolved conflict and are more likely to occur when people ignore the warning signs that things are going wrong.

Conflicts and disputes are unavoidable in business and in many cases provide a useful catalyst to change. Awareness that relationships are strained or working practices are unpopular, can provide critical information to enable a company to re-evaluate its position and re-align its thinking and actions. The key to avoiding the costs of disputes and to turning conflicts into opportunities, to add value instead of creating waste, is to identify the dispute or potential for dispute at the earliest possible opportunity and use the simplest and most cost-effective means of resolution.

Window of Opportunity

If organisations can pay attention to the warning signs and catch conflict at an early stage before relationships have broken down and while dialogue is still a possibility, they can save enormous costs and build considerable value. A window of opportunity exists from the moment that people involved begin to feel unhappy about the way another or others are behaving, or the way in which a situation is unfolding.

Early Resolution Systems

Many companies have yet to discover the cost saving benefits of conflict management and mediation. The principles of both are the same – involving a neutral third party to help design and implement a collaborative approach to managing conflicts and disputes.

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Conflict Management or Early Dispute Resolution (EDR) is used to help organisations to identify conflict or the potential for conflict and plan routes to resolution. Mediation or Alternative Dispute Resolution (ADR) is used to resolve disputes.

By achieving earlier resolution of conflicts and disputes that would otherwise have incurred the costs of formal grievance procedures or litigation, businesses can save huge sums in wasted management time, damaged relationships, lost productivity and legal fees. The aim of Early Dispute Resolution is to create high performance collaboration between an organisation and its stakeholders (including directors and employees) to accelerate the time-to-resolution of any conflict or dispute and to seek to add value by identifying opportunities to improve relationships, enhance reputation and productivity.

The idea behind a system for managing issues or conflicts is that the individuals involved should be able to choose from a range of options in terms of methods for trying to reach a resolution and that they should always start with the simplest and most cost effective.

Staying Ahead of the Game

The current economic crisis has served to highlight the potential level of savings for organisations that want to continue boosting efficiency and cutting costs. Companies that understand the value-added potential of fighting fires without burning bridges by using Alternative and Early Dispute Resolution will not only save money and enhance relationships but will be among the winners of the 21st Century who are truly on their way to becoming Tomorrow’s Company.

Jane Gunn, otherwise known as ‘The Corporate Peacemaker’, is an expert in conflict management and author of How to Beat Bedlam in the Boardroom and Boredom in the Bedroom: A life changing guide to happiness at work and at home.

Sustainability Objectives and Indicators Project

The sustainability objectives and indicators project measures councils’ performance against agreed targets in key functional areas, with the aim of building a culture of continuous improvement and improving the sustainability of the Local Government sector.

The project will give councils a succinct indication of their sustainability, highlight areas where there is scope to improve performance, and provide them with an opportunity to celebrate success. The project will help to identify best practice in key areas which can be shared with all councils.

The project is a joint Local Government and State Government project that is being overseen by the Premier’s Local Government Council. That means that Local Government is represented by the General Management Committee in all decisions related to the project. Local Government is also represented on the project steering committee.

Data for the project will be collected through the annual consolidated data collection (CDC), meaning there will continue to only be one data collection each year. The CDC is carried out by the Local Government Division (Department of Premier and Cabinet) and collects data on behalf of the Australian Bureau of Statistics and the State Grants Commission. In the past, the KPI report has been based on data collected through the CDC.

The sustainability objectives and indicators project will replace the KPI report. The new project will report on a smaller number of indicators that are directly linked with sustainability to provide a more concise and meaningful picture of Local Government performance and sustainability.
New Ways of Thinking about Sponsorship – Out with the Old, In with the New

RICHARD CRAWFORD, STRATEGIC PARTNER
Font Public Relations

Events Tasmania recently sponsored a series of free workshops conducted by internationally acclaimed sponsorship expert, Kim Skildum-Reid. The seminar delivered an enlightening perspective on an often misunderstood marketing communications discipline, but one which Skildum-Reid says has been the fastest growing area of marketing in Australia for the past 25 years. It is little wonder then that, today, sponsorship in Australia is a billion dollar industry.

A number of Tasmanian councils were represented by their officers at the workshops, and a good thing too, as the information was as valuable to Local Government as it was to business.

For Skildum-Reid, the question is not so much of whether to sponsor but how to sponsor. She enthusiastically hails the virtues of sponsorship as delivering today’s most powerful marketing opportunities, describing sponsorship as having “the greatest potential to allow a company to form a relationship with their customers via a personal medium”.

This bold endorsement is premised on the notion that sponsors are delivered the opportunity to communicate with audiences who are usually undertaking an activity they enjoy and are passionate about. In Australia, think sport, major events, and festivals. While marketing experts universally point to more than a dozen different reasons why organisations might choose to engage in sponsorship, they seemingly agree the two most common motivations why the sponsorship arrangement exists.

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However, the new approach to sponsorship, we are told, should be one which embraces the idea that sponsorship is an opportunity, not an outcome. The opportunity lies in the right to leverage off the sponsorship and it is this leveraging that delivers the true outcomes, value and power to the sponsor. But in the context of achieving desirable sponsorship outcomes, what does leveraging actually mean?

Skildum-Reid would likely start her answer to this question by promoting her belief that one of the greatest attributes of sponsorship is that it is fully integratable – though she readily admits this may in fact not be a real word! Her point is though, that an organisation’s sponsorship of an event, sporting team, individual, or any number of entities, may (and should) be creatively incorporated into the entire breadth of the organisation’s marketing mix. And only then, is the true power of sponsorship unlocked.

Enter the idea that sponsorship should deliver “triple benefits”. This concept holds that there is a third stakeholder in the sponsorship partnership, beyond the sponsor and beneficiary relationship. Ideally, sponsorship should ultimately deliver meaningful benefits to the audience, because, after all, this group is the very reason why the sponsorship arrangement exists.

The idea of placing the audience as a priority effectively takes us full circle, as we’ve already identified that a sponsor’s key motivation is likely to be their desire to change audience attitudes and behaviours. And this is where the sponsorship conversation becomes really interesting and the true creativity of marketing departments should be tested, but this is a discussion left for another day!

In advising local councils, Font Public Relations review and implement sponsorship policies and practices, provide tools to uniformly assess sponsorship proposals, streamline application and internal processes, and ultimately seek to improve councils’ sponsorship execution (and earning) capabilities. Contact Richard Crawford at Font Public Relations on (03) 6223 3333, or email richardc@fontpr.com.au.
Councillors and aldermen elected last October will now have attended a number of council meetings and will hopefully be feeling confident in their new surroundings. But it takes time to settle in and, with so much information to absorb, you are always learning in your role as a councillor. So what are the crucial things for you to know as a new councillor? And just as importantly, where can you get assistance and advice?

A seminar for new councillors organised by LGAT in February this year gave those attending a valuable introduction into the complexities of meeting procedures, planning and financial management. A session on the role of councillors focused on the roles and responsibilities of councillors both as individuals, and as members of the council team. It’s important for all councillors to be aware of the difference.

Under the Local Government Act 1993 (which can be accessed at www.thelaw.tas.gov.au), individual councillors essentially have a community-based role. As a councillor, you should represent and act in the best interests of your community, promote communication between your council and the community, and participate in council activities.

It is when you meet formally with other councillors as a council that the powers of the council are created. It is only collectively, when meeting as the council team, that councillors are able to make decisions. These decisions can relate to:

- Planning and development
- The annual council budget
- The council’s strategic plan
- Community services
- Council policies

Councillors also have the responsibility of appointing and monitoring the performance of the General Manager. The Local Government Act sets out these responsibilities in detail (principally in section 28). Of equal importance, the Act creates a number of offences that you need to be aware of. In particular, a good knowledge of the pecuniary interest provisions in Part 5 of the Act is a must for all councillors.

New and experienced councillors can obtain more information and advice about their roles and responsibilities, and the provisions of the Local Government Act and the Regulations, by checking out the resources for councillors on the Local Government Division’s website at www.dpac.tas.gov.au/divisions/lgd, or phoning the Local Government Division on (03) 6232 7022.