

What Hinders the Willingness to Resort to Business Mediation

1. Conflicts are perceived as management failure

Conflicts are not well perceived and are mostly considered as a malfunction which should be remedied as quickly as possible – this being a management task. Resorting to external assistance in order to resolve a conflict is therefore viewed as admitting one's own management inability.

2. The costs of conflict are underestimated

Even when managers recognize the costs of conflict, they tend to take only the social consequences into consideration (e.g.: the deterioration of the cooperation climate). They usually underestimate the economic consequences such as the loss of existing customer, the need to build up a relationship with new suppliers, or the necessity to recruit and train new employees.

3. The conflict resolution costs are underestimated

Small and mid-sized companies often deal with conflicts on a case-by-case basis, without putting in place formal rules and processes. Although conflict resolution absorbs a considerable amount of management resources, this unstructured approach hides the true costs. It also creates the perception that resolving conflicts in the usual way is less expensive than making use of external assistance.

4. Perception of one's own conflict management skills

Small and mid-sized companies usually think that they pro-actively manage conflicts. They view themselves as consensus-oriented and constructive. External assistance, therefore, is only envisaged when conflicts escalate and get out of control, i.e.: when the internal resources are obviously overstrained. Managers do not take mediation into consideration until they have a feeling of sheer helplessness in the face of a conflict. They have not yet realized the added-value of such external assistance, let alone the usefulness of mediation as a conflict prevention tool.

5. Discrepancy of expectations

Most managers in small and mid-sized companies expect that mediators will pro-actively make proposals on how to resolve a conflict and will provide their assessment of the feasibility of the solutions which are being discussed. Such expectations are in total contradiction with the mediation principle according to which the parties are responsible themselves for designing the solution of the conflict. Managers do not yet see the value of remaining in charge of the content and results of mediation. When presented in this way, mediation is often perceived as some sort of "therapy". Describing mediation as a way to control and reduce the risks of negotiation would probably have a greater impact.

Source: Ulrike Gamm und Mario Patera, *Das Tabu lebt! – Verfehlt Wirtschaftsmediation die Zielgruppe der österreichischen KMU?*, Journal of International Dispute Resolution 2/2005 2. Jahrgang, S. 59 - 67