



CONFLICT MEDIATION: a real benefit for your business

by

Pascal Gemperli

*Director of ae-Centre, Swiss-based
organisation specialising in mediation
and dialogue processes*

Through the lens of a professional mediator, the world looks like a place full of win-win-opportunities rather than a zero-sum game. Instead of letting the winner take it all, we aspire to make everybody a winner. Sounds unrealistic? Let's have a closer look at it.

Mediation is commonly referred to as an alternative dispute resolution (ADR) approach, which, conducted by a neutral¹ and impartial² mediator, allows parties to resolve their disputes quickly, cost-efficiently and amicably.

A recent study by the European Parliament³ points out the comparative advantage of mediation against a legal procedure. The European average costs and time span for a court ruling is €9179 over 566 days, whereas an average judicial mediation procedure amounts to €3371 for only 43 days. Of course, mediation is not always the appropriate approach for all types of dispute, however, the potential remains huge.

But how can companies benefit from this slowly but surely expanding method of conflict resolution? We can identify three main areas of application for business mediation: inside the company, between companies, and between companies and their environment.

Inside the company

Human suffering related to conflicts is difficult to measure, however, it manifests itself through absenteeism, sickness, staff attrition, project slowdowns as well as failures or even the loss of clients due to bad communication. The related costs have been estimated as follows:

- \$400,000 per year and conflicting team (Eckert College, USA)
- €640 per year and employee (Austrian Economic Chamber)
- €50,000 to €500,000 per project according to its size (KPMG)

However, conflicts are very reliable indicators of a dysfunction. Managed in a constructive, and possibly preventive manner, they present an excellent occasion for a positive change, striving for excellence.

Between companies

As pointed out above, managing conflicts through legal procedures is time-consuming and costly. Court cases prolong issues that you actually want to rid yourself of, and relations with your counterpart usually deteriorate in a court setting. It dissociates you from partners you'd preferably want to keep.

Just imagine those two companies, who, in the protected setting of a confidential mediation, managed to jointly eliminate the controversial project quickly, avoid further damage as well as costs and eventually started a new joint venture thanks to the constructive relations they preserved. Save time, money and allies.

Today, companies often engage in arbitration to avoid costly legal procedures in case of conflicts. This is a positive trend. The main difference between arbitration and mediation is that for the former, just like in a court ruling, the arbitrator(s) decide about your fate, whereas in a mediation, the result of the procedures remains in your hands. Indeed, a mediation process is entirely voluntary, including the final solution. If no win-win solution is found, the process would not conclude. However, about 80% of all mediation cases succeed. Another important difference for companies is that the contents of a mediation are entirely confidential.

Between companies and their environment

Modern companies are fully aware of the role they play within societies and the importance of good relations with stakeholders, including their social environment. This particularly applies to companies with an important impact on their surroundings in terms of environmental protection, social cohesion and wealth distribution, land rights, water governance, etc. Harming these assets inevitably leads to social unrest and possibly political sanctions that may have immediate costs, such as a production slowdown or

the obligation to modify existing procedures⁴. Without forgetting the long-term damage, e.g. regarding your reputation and alliances. Most companies today have a Corporate Social Responsibility (CSR) policy; mediation, in the form of a grievance mechanism, is actually the perfect approach to implement the principles of your CSR through a sensitive facility that receives, handles and responds to grievances or complaints.

Just imagine that mining company that encountered over 60% fall in production due to blockades provoked by unemployed citizens without economic prospects in their life. Through a successful mediation, mutual understanding could be increased and some of the citizens become employed by the newly established local cooperative that produces work clothes for the mining company.

Yes, making everybody a winner is possible, not always, but much more often than expected. ■

About the author

Pascal Gemperli is a professional mediator, accredited by the Swiss Chambre for Commercial Mediation and the Cantonal Tribunal of Vaud, Switzerland. He has conducted conflict mediation and coaching as well as specialist training for more than 10 years. Pascal is founder and director of the ae-Centre, a Swiss-based organisation specialising in mediation and dialogue processes in North Africa. ae-Centre has conducted several complex dialogue procedures including major companies, local authorities and civil societies. The organisation works in Arabic, English, French and Amazigh. www.ae-centre.ch

1 Unconnected to the matter

2 Unconnected to the people involved

3 Rebooting the mediation directive", European Parliament, January 2014

4 E.g. to shift from railway to road transportation due to blockades

