



PROACTIVE RESOLUTIONS™

CONFLICT MANAGEMENT



Cutting the Costs of Conflict

ProActive ReSolutions Inc. helps organizations deal effectively with discord between people at work.

As conflict management specialists, we don't just prevent and respond to conflict. We also assess organizations' exposures to risks of conflict of all types, at all levels.

We know that the direct and indirect costs of conflict (including absenteeism, employee turnover, stress claims, etc.) typically amount to at least 5% of an organization's annual salaries and wages. We can help you identify where you are wasting your money, and how you can minimize your losses.



In this issue...

**HAPPY
NEW
YEAR!**



A new year is upon us. In this, our first issue of 2006, we take the opportunity to thank all of our valued clients who worked with us over the last 12 months. We then look to the future by introducing our newly-expanded team, who will continue to serve our clients world-wide in the months ahead.

As promised in our last issue, we continue our look at difficult conversations - you know, the ones that we

all tend to avoid. You'll find some guidelines that will help you initiate and respond to conversations when the going gets tough.

Turning to the Back Page, we'll share with you the latest results of the 2005 Liberty Mutual Workplace Safety Index - see what CFOs are saying about the benefits of being proactive in your workplace.

**To all our valued clients,
Happy New Year!**

Judy Brooks
Managing Director



**Australia Summer/
Canada & USA Winter 2006:**

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Australian Fact Box

In Australia employee turnover comes to an average 15% a year with typical employee replacement costs of between **48%** and **61%** of annual salary.

With the average time taken for recruitment being 57 days, it is not uncommon for replacement costs for a manager or professional to equal 80% to 90% of an employee's annual salary.

Exit interviews reveal that chronic unresolved conflict is a decisive factor in at least 50% of all employee departures - **more than half.**

Thank you to all our valued clients with whom we worked in 2005, including the following:

CANADA

Agriculture and Agri-Foods Canada
 Agriculture and Agri-Foods Canada
 B.C. Hydro
 B.C. Institute Against Family Violence
 B.C. Transmission Corporation
 Canfor
 Correctional Services of Canada, Fraser Valley Institution
 Corrections Branch, Minister of Public Safety & Solicitor General
 CTV
 Forensic Psychiatric Services Commission
 Fraser River Port Authority
 Greater Vancouver Regional District (GVRD)
 Hay River Health & Social Services
 Howe Sound Pulp & Paper Ltd. Partnership
 Legal Services Society
 Office of Dispute Management, Canada Customs & Revenue Agency
 Pacific Blue Cross
 Peace River Regional District
 Simon Fraser University
 Social Development Canada
 Terasen Gas Ltd.
 The Integrity Group
 Township of Langley
 Telecommunications Workers Union
 Vancouver Police Department
 Victim Services Division, Minister of Public Safety & Solicitor General

AUSTRALIA

ACT Department of Justice and Community Safety
 ACT Corrective Services
 Alcatel
 AMP Capital Shopping
 Attorney General's Department of NSW
 Australian Federal Police
 Australian Nuclear Science and Technology Organisation
 Australian Institute of Sport
 Australian Taxation Office
 Blackmores Limited
 Capital Finance
 Catholic Commission for Employment Relations
 Centrelink
 Department of Defence
 Department of Family and Community Services
 Fairfield City Council
 Medical Imaging Australia Group Limited
 Newcastle City Council
 NSW Department of Corrective Services
 Qantas Flight Catering Limited
 St Mary Star of the Sea College Limited
 Westpac Banking Corporation

USA

Joffe & Joffe
 Law Offices of the Public Defender
 PAR Inc.
 State of Iowa
 State of Hawaii
 Styler, Kotick, LeBell, Dobosk & McGuire
 University of Illinois
 University of Massachusetts CCSS
 US Army Reserve
 US Customs IF
 Venture Holdings Corporation
 WGB Icecream

UK

Dangerous & Severe Personality Disorder Unit
 Institut fur Forensische Psychiatrie Hain
 KVM Kumla
 Northern Networking
 Siri Nome
 Strategy, Performance & Standards

Ottawa, Ont
 Burnaby, B.C.
 Surrey, B.C.
 Vancouver, B.C.
 Vancouver, B.C.
 Fort Nelson, B.C.
 Abbotsford, B.C.
 Victoria, B.C.
 Vancouver, B.C.
 Port Coquitlam, B.C.
 New Westminster, B.C.
 Vancouver, B.C.
 Hay River, NWT
 New Westminster, B.C.
 Vancouver, B.C.
 Ottawa, Ont.
 Vancouver, B.C.
 Dawson Creek, B.C.
 Burnaby, B.C.
 Victoria, B.C.
 Surrey, B.C.
 Vancouver, B.C.
 Langley, B.C.
 Burnaby, B.C.
 Vancouver, B.C.
 Victoria, B.C.

Canberra, ACT
 Canberra, ACT
 Alexandria, NSW
 Sydney, NSW
 Sydney, NSW
 Canberra, ACT
 Menai, NSW
 Belconnen, ACT
 Canberra, ACT
 Balgowlah, NSW
 Parramatta, NSW
 Sydney, NSW
 Woden, ACT
 Canberra, ACT
 Woden, ACT
 Wakeley, NSW
 Sydney, NSW
 Newcastle, NSW
 Sydney, NSW
 Mascot, NSW
 Wollongong, NSW
 Sydney, NSW

Fort Lauderdale, FL
 Seattle, WA
 Lutz, FL
 Des Moines, IA
 Honolulu, HI
 Milwaukee, WI
 Urbana, IL
 Shrewsbury, MA
 International Falls, MN
 International Falls, MN
 Fraser, MI
 Northvale, NJ

London, England
 Germany
 Riksmottagningen, Sweden
 East Kilbride, Glasgow
 Beryen, Norway
 London, England

Something to think about...
 Your intellect may be confused, but your emotions will never lie to you.

Roger Ebert



Our Dynamic Team!

Canadian Office

Judy Brooks

Managing Director

Shelley Davies

Conflict Management Specialist

Richard Hart

Conflict Management Specialist

Stephen Hart

Conflict Management Specialist

Rita Hoppington

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Susan Rock

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Kelly Watt

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Amira Merhi

Administration Assistant

Conflict Management Specialist

John McDonald

Conflict Management Specialist

Joe Moore

Conflict Management Specialist

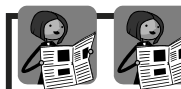
USA Office

Peter Marshall

BodyLogic

Michele Thompson

Chief Financial Officer



**HOT OFF
 THE PRESS**

Emotions At Work

A ProActive Guide to understanding & managing feelings at work.

www.proactive-resolutions.com

Having Difficult Conversations



Imagine this...

“Even with my eyes shut I can tell when Eileen comes into work. She is usually late – 10 or 15 minutes every day. She stomps in, across to her desk, makes no eye contact with the six of us between the door and her desk – except to glare. She is rude to customers. Slams the phone down into the receiver after the call is finished. She’s rude to us – tells us never asks. Blames her mistakes on us. Our team leader does nothing about it. What is it like to work here – in a word? It’s like walking on eggshells all the time. I confronted her about her rudeness and she said “That’s the way I am – you’ll get used to it.”

Or this...

“All my boss is interested in is looking good to his boss. He’s into fear. ‘There are three mistakes in this report – fix them. Your job is under review. There’s a place for people who ask lots of questions but it’s not here.’ It’s just a barrage of abuse, negative comments – we stay back to get stuff done – never a thank you.”

Riddle me this...

How do people get stuck into miserable workplaces ~ where being critical becomes more important than solving problems?

Over the last few years we have conducted hundreds of workshops for businesses in every industry sector on workplace culture, helping work groups to focus on the question “How do we do things around here?”

We found hundreds of teams that work. Dedicated people, spending long hours doing what their customers value.

We also found teams that succeeded in spite of their bosses, in which uncooperative and unhelpful behaviors were tolerated, poor performers were moved around rather than moved out, and reporting systems were geared to making people look good rather than to identifying and solving problems.



In these troubled teams, we found no secrets. Everyone knew about the unreasonable behaviors and the lack of accountability. Collaboration and respect were paid only lip service. At the end of the day, disrespectful, uncooperative and abusive behaviors were not confronted, but were ignored or even sanctioned.

People do what works. What worked in many of these workplaces was the kind of behaviour that, as one participant put it, “you expect to leave behind after the junior years of high school.”

What was missing?

One thing was common to every one of the work groups where people reported high levels of unreasonable behavior.

They talked **about them**, and **not to them** - at least, not effectively. In some cases, attempts were made at direct communication with the person whose behaviour was of concern, but invariably the conversation missed the mark and created some additional problems with work relationships.

“It’s like telling someone they have bad breath,” was how one person described it. “You don’t do it. You know, you leave some mints on their desk, maybe ask whether they had garlic for dinner last night, but eventually you just keep your distance.”

We all know that failure to communicate about critical issues helps no one. Avoiding what needs to be said at work robs people of important information they need to have in order to make different decisions about their behaviour and performance. We have to find ways of talking with each other clearly and respectfully. Use these tips to let people know constructively where they stand, and where they need to go next to meet expectations and goals.

6 Tips On Having Those Difficult Conversations

1. Acknowledge that there will be differences in how you and others see things.
2. When possible let others know how you feel in a direct and non-threatening way.
3. Talk about the impact the situation has had on you.
4. Ask how the situation has affected them.
5. Acknowledge your contribution to the situation.
6. Invite the other person to work with you to make things better.



The Back Page

A Health & Wellness Newsletter



To our valued clients of 2005 from the BodyLogic Team

T H A N K Y O U !

BodyLogic™
Health Management

Susan Rock ~ Injury Prevention Specialist

Peter Marshall ~ Injury Prevention Specialist/Ergonomist

AMERICAN CLIENTS

ACWA/JPIA	Citrus Heights, CA	American Institute of Preventative Medicine	Sterling Heights, MI
BD Bio Sciences	San Jose, CA	BP Exploration ~ Alaska	Anchorage, AK
Campbell Soup	Camden, NJ	Conoco Phillips	Anchorage, AK
Glens Falls Hospital	Glen Falls, NY	Human Performance	Madison, WI
Saint Gobain Containers	IN, IL, MO, MA, NC	St Vrain Valley School District	Longland, CO
Staywell	Perrysburg, OH	University of Minnesota	Minneapolis, MN

CANADIAN CLIENTS

City of Prince George	Prince George, B.C.	City of White Rock	White Rock, B.C.
Eurocan Pulp and Paper	Kitimat, B.C.	EV Logistics	Langley, B.C.
Methanex Corp.	Kitimat, B.C.	Summit Logistics	Burnaby, B.C.
Western Sleep Product	Burnaby, B.C.		

THE RESULTS ARE IN...

The 2005 Liberty Mutual Workplace Safety Index results are in. Here's what the CFOs are saying.

#1 cause of workers compensation loss:

Overexertion	34.4%
Repetitive Motion	13.5%
Bodily Reaction	11.6%
Falling on Same Level	8.8%
Highway Incidents	5.1%

The top benefit of workplace safety:

Productivity	42.5%
Reduced Costs	28.3%
Employee retention	7.1%
Employee morale	5.8%

#1 preferred safety intervention:

Proved better training	26.6%
Better equipment & workspace	7.4%
More safety management	6.9%
Safer Environment	6.4%
Enforcement of P&P	6.4%



CALCULATING THE COSTS

Workers Compensation Board of BC's WorkSafe Safety Calculator.

Here's a sample calculation. Watch the costs add up.

Accident Costs for Housekeeper Sprains Back

Incident Costs	\$293
Investigation Costs	\$144
Property Damage Costs	\$0
Replacement Costs	\$80
Productivity Costs	\$580
Total Cost of accident:	\$1,097

How long does it take to recover this cost?

Average Profit Margin	20%
Average Sales or Revenue per day	\$1,500
Gross sales required to recover accident cost	\$5,485
Number of working days to recover accident cost	3.7 days



Cutting The Costs of Conflict Worldwide



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