

CH 7 (pp. 377-441)

# DEVELOPING MANAGEMENT SKILLS

SEVENTH EDITION

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## SKILL

- Managing Interpersonal Conflict
- Strategies for Handling Conflict

## SKILL

- Interpersonal Conflict Management
- Diagnosing the Type of Interpersonal Conflict
- Selecting the Appropriate Conflict Management Approach
- Resolving Interpersonal Confrontations Using the Collaborative Approach
- Summary
- Behavioral Guidelines

## SKILL

- Educational Pension Investments

## SKILL

- SSS Software Management Problems
- Bradley's Barn
- Avocado Computers
- Phelps, Inc.
- Freida Mae Jones
- Can Larry Fit In?
- Meeting at Hartford Manufacturing Company

## SKILL

- Suggested Assignments
- Application Plan and Evaluation

AND

# 7

## Managing Conflict

### SKILL DEVELOPMENT OBJECTIVES

- DIAGNOSE THE FOCUS AND SOURCE OF CONFLICTS
- UTILIZE APPROPRIATE CONFLICT MANAGEMENT STRATEGIES
- RESOLVE INTERPERSONAL CONFRONTATIONS THROUGH COLLABORATION



## **DIAGNOSTIC SURVEYS FOR MANAGING CONFLICT**

### **MANAGING INTERPERSONAL CONFLICT**

**Step 1:** Before you read this chapter, respond to the following statements by writing a number from the rating scale that follows in the left-hand column (Pre-assessment). Your answers should reflect your attitudes and behavior as they are now, not as you would like them to be. Be honest. This instrument is designed to help you discover your level of competency in managing conflict so you can tailor your learning to your specific needs. When you have completed the survey, use the scoring key at the end of the chapter to identify the skill areas discussed in this chapter that are most important for you to master.

**Step 2:** After you have completed the reading and the exercises in this chapter and, ideally, as many of the Skill Application assignments at the end of this chapter as you can, cover up your first set of answers. Then respond to the same statements again, this time in the right-hand column (Post-assessment). When you have completed the survey, use the scoring key at the end of the chapter to measure your progress. If your score remains low in specific skill areas, use the behavioral guidelines at the end of the Skill Learning section to guide your further practice.

#### **Rating Scale**

- 1** Strongly disagree
- 2** Disagree
- 3** Slightly disagree
- 4** Slightly agree
- 5** Agree
- 6** Strongly agree

#### **Assessment**

Pre-            Post-

When I see someone doing something that needs correcting:

- |       |       |   |
|-------|-------|---|
| _____ | _____ | 1. I avoid making personal accusations and attributing self-serving motives to the other person.  |
| _____ | _____ | 2. When stating my concerns, I present them as my problems.   |
| _____ | _____ | 3. I succinctly describe problems in terms of the behavior that occurred, its consequences, and my feelings about it.   |
| _____ | _____ | 4. I specify the expectations and standards that have been violated.  |
| _____ | _____ | 5. I make a specific request, detailing a more acceptable option.   |
| _____ | _____ | 6. I persist in explaining my point of view until it is understood by the other person.   |
| _____ | _____ | 7. I encourage two-way interaction by inviting the respondent to express his or her perspective and to ask questions.   |
| _____ | _____ | 8. When there are several concerns, I approach the issues incrementally, starting with easy and simple issues and then progressing to those that are difficult and complex. |

When someone complains about something I've done:

- \_\_\_\_\_ 9. I look for our common areas of agreement.
- \_\_\_\_\_ 10. I show genuine concern and interest, even when I disagree.
- \_\_\_\_\_ 11. I avoid justifying my actions and becoming defensive.
- \_\_\_\_\_ 12. I seek additional information by asking questions that provide specific and descriptive information.
- \_\_\_\_\_ 13. I focus on one issue at a time.
- \_\_\_\_\_ 14. I find some aspects of the complaint with which I can agree.
- \_\_\_\_\_ 15. I ask the other person to suggest more acceptable behaviors.
- \_\_\_\_\_ 16. I reach agreement on a remedial plan of action.

When two other people are in conflict and I am the mediator:

- \_\_\_\_\_ 17. I acknowledge that conflict exists and treat it as serious and important.
- \_\_\_\_\_ 18. I help create an agenda for a problem-solving meeting by identifying the issues to be discussed, one at a time.
- \_\_\_\_\_ 19. I do not take sides, but remain neutral.
- \_\_\_\_\_ 20. I help focus the discussion on the impact of the conflict on work performance.
- \_\_\_\_\_ 21. I keep the interaction focused on problems rather than on personalities.
- \_\_\_\_\_ 22. I make certain that neither party dominates the conversation.
- \_\_\_\_\_ 23. I help the parties generate multiple alternatives.
- \_\_\_\_\_ 24. I help the parties find areas on which they agree.

### STRATEGIES FOR HANDLING CONFLICT

Indicate how often you use each of the following by writing the appropriate number in the blank. Choose a number from a scale of 1 to 5, with 1 being "rarely," 3 being "sometimes," and 5 being "always." After you have completed the survey, use the scoring key at the end of the chapter to tabulate your results.

- \_\_\_\_\_ 1. I argue my position tenaciously.
- \_\_\_\_\_ 2. I put the needs of others above my own.
- \_\_\_\_\_ 3. I arrive at a compromise both parties can accept.
- \_\_\_\_\_ 4. I don't get involved in conflicts.
- \_\_\_\_\_ 5. I investigate issues thoroughly and jointly.
- \_\_\_\_\_ 6. I find fault in other persons' positions.
- \_\_\_\_\_ 7. I foster harmony.
- \_\_\_\_\_ 8. I negotiate to get a portion of what I propose.
- \_\_\_\_\_ 9. I avoid open discussions of controversial subjects.
- \_\_\_\_\_ 10. I openly share information with others in resolving disagreements.
- \_\_\_\_\_ 11. I enjoy winning an argument.
- \_\_\_\_\_ 12. I go along with the suggestions of others.
- \_\_\_\_\_ 13. I look for a middle ground to resolve disagreements.
- \_\_\_\_\_ 14. I keep my true feelings to myself to avoid hard feelings.
- \_\_\_\_\_ 15. I encourage the open sharing of concerns and issues.
- \_\_\_\_\_ 16. I am reluctant to admit I am wrong.
- \_\_\_\_\_ 17. I try to help others avoid "losing face" in a disagreement.
- \_\_\_\_\_ 18. I stress the advantages of "give and take."
- \_\_\_\_\_ 19. I encourage others to take the lead in resolving controversy.
- \_\_\_\_\_ 20. I state my position as only one point of view.

### Interpersonal Conflict Management

*A conflict over issues is not only likely within top-management teams but also valuable. Such conflict provides executives with a more inclusive range of information, a deeper understanding of the issues, and a richer set of possible solutions. [In our ten-year study] we found that the alternative to conflict is usually not agreement but apathy and disengagement. In fast paced markets, successful strategic decisions are most likely to be made by teams that promote active and broad conflict over issues without sacrificing speed. The key to doing so is to mitigate interpersonal conflict. (Eisenhardt, Kahwajy, & Bourgeois, 1997, pp. 84–85)*

One of the leading causes of business failure among major corporations is too much agreement among top management. They have similar training and experience, which means they tend to view conditions the same way and pursue similar goals. The resulting lack of tension between competing perspectives can foster a climate of complacency. This problem is often compounded by boards of directors' failing to play an aggressive oversight role. They avoid conflict with the internal management team who appear unified on key issues and very confident of their positions. What we learn from the study of business failures is that the absence of disagreement is often viewed by managers as a sign of good leadership, when in reality it is a leading indicator of being out of touch with significant changes in the marketplace (Argenti, 1976).

Interpersonal conflict is an essential, ubiquitous part of organizational life. In fact, given the current business trends toward workforce diversity, globalization, and joint ventures, how managers from different organizations and cultures deal with conflict is an increasingly important predictor of organizational success (Seybolt, Derr, & Nielson, 1996; Tjosvold, 1991). Organizations in which there is little disagreement regarding important matters generally fail in competitive environments. Members are either so homogeneous that they are ill-equipped to adapt to changing environmental conditions or so complacent that they see no need to

improve the status quo. Conflict is the lifeblood of vibrant, progressive, stimulating organizations. It sparks creativity, stimulates innovation, and encourages personal improvement (Blackard & Gibson, 2002; Pascale, 1990; Wanous & Youtz, 1986).

This view is clearly in line with the management philosophy of Andrew Grove, former president of Intel. "Many managers seem to think it is impossible to tackle anything or anyone head-on, even in business. By contrast, we at Intel believe that it is the essence of corporate health to bring a problem out into the open as soon as possible, even if this entails a confrontation. Dealing with conflicts lies at the heart of managing any business. As a result, confrontation—facing issues about which there is disagreement—can be avoided only at the manager's peril. Workplace politicking grows quietly in the dark, like mushrooms; neither can stand the light of day" (Grove, 1984).

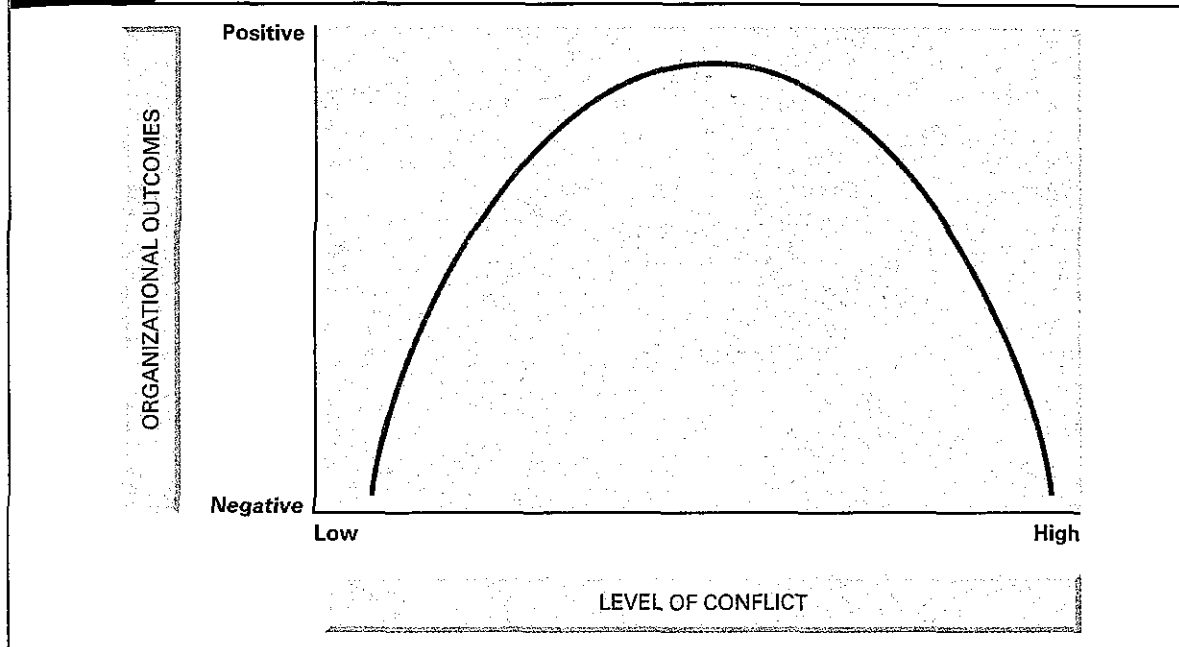
However, we all have ample evidence that conflict often produces harmful results. For example, some people have a very low tolerance for disagreement. Whether this is the result of family background, cultural values, or personality characteristics, interpersonal conflict saps their energy and demoralizes their spirit. Also, some types of conflicts, regardless of frequency, generally produce dysfunctional outcomes. These include personality conflicts and arguments over things that can't be changed.

As Figure 7.1 shows, scholars generally agree that some conflict is both inevitable and beneficial in effective organizations (Brown, 1983). As illustrated in this figure, holding constant the nature of the conflict and how well it is resolved, a moderate level of conflict appears to be healthy for most organizations.

### MIXED FEELINGS ABOUT CONFLICT

With this general observation in mind, it is interesting to note that a well-known American psychologist, Abraham Maslow (1965), has observed a high degree of ambivalence regarding the value of conflict. On the one hand, he notes that managers intellectually appreciate the value of conflict and competition. They agree it is a necessary ingredient of the free-enterprise system. However, their actions demonstrate a personal preference for avoiding

**Figure 7.1 Relationship Between Level of Conflict and Organizational Outcomes**



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conflicts whenever possible. This ambivalent view of conflict appears to be reflected in the following account.

*In 1984 Ross Perot, an outspoken self-made billionaire, sold Electronic Data Systems (EDS) to General Motors (GM) for \$2.5 billion and immediately became GM's largest stockholder and member of the board. GM needed EDS's expertise to coordinate its massive information system. Roger Smith, GM's chairman, also hoped that Perot's fiery spirit would reinvigorate GM's bureaucracy. Almost immediately, Perot became a severe critic of GM policy and practice. He noted that it takes longer for GM to produce a car than it took the country to win WWII. He was especially critical of GM's bureaucracy, claiming it fostered conformity at the expense of getting results. By December 1986, Roger Smith had apparently had enough of Perot's "reinvigoration." Whether his criticisms were true, or functional, the giant automaker paid nearly twice the market value of his stock (\$750 million) to silence him and arrange his resignation from the board. (Perot, 1988)*

The seemingly inherent tension between the intellectual acceptance of the merits of conflict and the

emotional rejection of its enactment is illustrated in a classic study of decision making (Boulding, 1964). Several groups of managers were formed to solve a complex problem. They were told their performance would be judged by a panel of experts in terms of the quantity and quality of solutions generated. The groups were identical in size and composition, with the exception that half of them included a "confederate." Before the experiment began, the researcher instructed this person to play the role of "devil's advocate." This person was to challenge the group's conclusions, forcing the others to examine critically their assumptions and the logic of their arguments. At the end of the problem-solving period, the recommendations made by both sets of groups were compared. The groups with the devil's advocates had performed significantly better on the task. They had generated more alternatives, and their proposals were judged as superior. After a short break, the groups were reassembled and told that they would be performing a similar task during the next session. However, before they began discussing the next problem, they were given permission to eliminate one member. In every group containing a confederate, he or she was the one asked to leave. The fact that every high-performance group expelled their unique competitive advantage because that member made others feel uncomfortable demonstrates a widely shared reaction to conflict: "I know it has positive outcomes for the

performance of the organization, as a whole, but I don't like how it makes me feel, personally."

We believe that much of the ambivalence toward conflict stems from a lack of understanding of the causes of conflict and the variety of modes for managing it effectively, and from a lack of confidence in one's personal skills for handling the tense, emotionally charged environment typical of most interpersonal confrontations. It is natural for an untrained or inexperienced person to avoid threatening situations, and it is generally acknowledged that conflict represents the most severe test of a manager's interpersonal skills. The task of the effective manager, therefore, is to maintain an optimal level of conflict, while keeping conflicts focused on productive purposes (Kelly, 1970; Thomas, 1976).

This view of conflict management is supported by a 10-year study conducted by Kathy Eisenhardt and her colleagues at Stanford University (Eisenhardt et al., 1997). In their *Harvard Business Review* article, they report, "The challenge is to encourage members of management teams to argue without destroying their ability to work together" (p. 78). What makes this possible? These authors identify several key "rules of engagement" for effective conflict management.

- ❑ Work with more, rather than less, information.
- ❑ Focus on the facts.
- ❑ Develop multiple alternatives to enrich the level of debate.
- ❑ Share commonly agreed-upon goals.
- ❑ Inject humor into the decision process.
- ❑ Maintain a balanced power structure.
- ❑ Resolve issues without forcing consensus.

Thus far, we have determined that: (1) interpersonal conflict in organizations is inevitable; (2) conflicts over issues or facts enhance the practice of management; (3) despite the intellectual acceptance of the value of conflict, there is a widespread tendency to avoid it; and (4) the key to increasing one's comfort level with conflict is to become proficient in managing all forms of interpersonal disputes (both productive and unproductive conflicts).

Following our skill-development orientation, the remainder of this chapter focuses on increasing your competence-based confidence. Drawing upon a large body of research on this subject, it appears that effective conflict managers must be proficient in the use of three essential skills. First, they must be able to accurately diagnose the types of conflict, including their causes. For example, managers need to understand how

cultural differences and other forms of demographic diversity can spark conflicts in organizations. Second, having identified the sources of conflict and taken into account the context and personal preferences for dealing with conflict, managers must be able to select an appropriate conflict management strategy. Third, skillful managers must be able to settle interpersonal disputes effectively so that underlying problems are resolved and the relationship between disputants is not damaged. We now turn our attention to these three broad management proficiencies.

### Diagnosing the Type of Interpersonal Conflict

Because interpersonal conflicts come in assorted lots, our first skill-building task involves the art of diagnosis. In any type of clinical setting, from medicine to management, it is common knowledge that effective intervention is predicated upon accurate diagnosis. Figure 7.2 presents a categorizing device for diagnosing the *type of conflict*, based on two critical identifying characteristics: focus and source. By understanding the *focus of the conflict*, we gain an appreciation for the substance of the dispute (what is fueling the conflict), and by learning more about the origins, or *source of the conflict*, we better understand how it got started (the igniting spark).

## CONFLICT FOCUS

It is common to categorize conflicts in organizations in terms of whether they are primarily focused on *people* or *issues* (Eisenhardt et al., 1997; Jehn & Mannix, 2001). By this distinction we mean: is this a negotiation-like conflict over competing ideas, proposals, interests, or resources; or is this a dispute-like conflict stemming from what has transpired between the parties?

One of the nice features of the distinction between people-focused and issue-focused conflicts is that it helps us understand why some managers believe that conflict is the lifeblood of their organization, while others believe that each and every conflict episode sucks blood from their organization. Research has shown that people-focused conflicts threaten relationships, whereas issue-based conflicts enhance relationships, provided that people are comfortable with it, including feeling able to manage it effectively (de Dreu & Weingart, 2002; Jehn, 1997). Therefore, in general, when we read about the benefits of "productive conflict," the authors are referring to issue-focused conflict.

Although, by definition, all interpersonal conflicts involve people, **people-focused conflict** refers to the

**Figure 7.2** Categorizing Different Types of Conflict

		FOCUS OF CONFLICT	
		Issues	People
SOURCE OF CONFLICT	Personal differences		
	Informational deficiencies		
	Incompatible roles		
	Environmental stress		

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“in your face” kind of confrontations in which the affect level is high and the intense emotional heat is likely fueled by moral indignation. Accusations of harm, demands for justice, and feelings of resentment are the common markers of personal disputes. Hence, personal disputes are extremely difficult to resolve, and the long-term effects of the dispute on interpersonal relations can be devastating. The longer this type of dispute goes on, the larger the gulf between the parties becomes and the more supporters begin showing up, arm in arm, on either side.

You might wonder how likely it is that you will actually become embroiled in a nasty, interpersonal confrontation. Isn't this something that just gets stirred up by cantankerous, insecure crackpots and only gets under the skin of defensive, closed-minded people? Although effective application of the skills covered in this book should lessen the likelihood of your interpersonal relationships becoming entangled in the web of personal disputes, the following information is sobering.

In response to the question, “In general, what percentage of management time is wasted on resolving personality conflicts?” Max Messmer, chairman of Accountemps, reports an average response of 18 percent from a large sample of organizations, compared with 9.2 percent a decade earlier. He laments the fact that approximately nine weeks of management time each year is consumed by this nonproductive activity (“The boss as referee,” 1996).

Coming at the subject from a different angle, a recent article entitled, “Is Having Partners a Bad Idea?”

reported the results of an *Inc.* magazine poll in which nearly two-thirds of the small business owners surveyed said, notwithstanding the potential benefits, they preferred not adding a partner because of the increased potential for interpersonal conflict. In a second poll reported in this article, researchers at the University of Minnesota uncovered similar misgivings in family businesses. About half of the second-generation family members working in such companies were having second thoughts about the wisdom of joining the firm because, again, they were worried about their business careers being marred by interpersonal conflicts (Gage, 1999).

Whereas we have characterized people-focused conflicts as emotional disputes, **issue-focused conflicts** are more like rational negotiations, which can be thought of as “an interpersonal decision-making process by which two or more people agree how to allocate scarce resources” (Thompson, 2001, p. 2). In issue-based conflicts, manager-negotiators are typically acting as agents, representing the interests of their department, function, or project. Although negotiators have conflicting priorities for how the scarce resource should be utilized, in most day-to-day negotiations within an organization the negotiators recognize the need to find an amicable settlement that appears fair to all parties. Because the negotiation outcome, if not the process itself, is generally public knowledge, the negotiators recognize that there is no such thing as one-time-only negotiations. One veteran manager observed that he uses a simple creed to govern his dealings with others, “It’s a small world and a long life”—meaning



there is no long-term personal advantage to short-term gains won through unfair means.

Although our discussion of conflict management draws liberally on the negotiations literature, our objective is to prepare readers for highly charged emotional confrontations in which untrained initiators attempt to transfer their frustration to someone else by alleging that great harm has been caused by the offender's self-serving motives or incompetent practices. Being on the receiving end of a "surprise personal attack" is debilitating, and so the unskilled respondent is likely to fight back, escalating the conflict with counteraccusations or defensive retorts. That's why experienced mediators agree that when a disagreement "gets personal," it often becomes intractable.

## CONFLICT SOURCE

We now shift our diagnostic lens from understanding the focus, or content, of a conflict ("What's this about?") to the source, or origin, of the conflict ("How did it get started?"). Managers, especially those who feel uncomfortable with conflict, often behave as though interpersonal conflict is the result of personality defects. They label people who are frequently involved in conflicts "troublemakers" or "bad apples" and attempt to transfer or dismiss them as a way of resolving disagreements. While some individuals seem to have a propensity for making trouble and appear to be cantankerous under even the best of circumstances, "sour dispositions" actually account for only a small percentage of organizational conflicts (Hines, 1980; Schmidt & Tannenbaum, 1965).

This proposition is supported by research on performance appraisals (Latham & Wexley, 1994). It has been shown that managers generally attribute poor performance to personal deficiencies in workers, such as laziness, lack of skill, or lack of motivation. However, when workers are asked the causes of their poor performance, they generally explain it in terms of problems in their environment, such as insufficient supplies or uncooperative coworkers. While some face-saving is obviously involved here, this line of research suggests that managers need to guard against the reflexive tendency to assume that bad behaviors imply bad people. In fact, aggressive or harsh behaviors sometimes observed in interpersonal confrontations often reflect the frustrations of people who have good intentions but are unskilled in handling intense, emotional experiences.

In contrast to the personality-defect theory of conflict, we propose four sources of interpersonal conflict in Table 7.1. These are *personal differences*, *informational deficiencies*, *role incompatibility*, and *environmental stress*. **Personal differences** are a common source of

**Table 7.1 Sources of Conflict**

Personal differences	Perceptions and expectations
Informational deficiencies	Misinformation and misrepresentation
Role incompatibility	Goals and responsibilities
Environmental stress	Resource scarcity and uncertainty

conflict because individuals bring different backgrounds to their roles in organizations. Their values and needs have been shaped by different socialization processes, depending on their cultural and family traditions, level of education, breadth of experience, and so forth. As a result, their interpretations of events and their expectations about relationships with others in the organization will vary considerably. Conflicts stemming from incompatible personal values and needs are some of the most difficult to resolve. They often become highly emotional and take on moral overtones. Under these conditions, a disagreement about what is *factually correct* easily turns into a bitter argument over *who is morally right*.

The distinction between people-focused conflict and personal differences as a source of conflict may seem a bit confusing. It might help to think of personal differences as a set of lenses that each member of an organization uses to make sense of daily experiences and to make value judgments, in terms of what is good and bad, appropriate and inappropriate. Because these conclusions are likely to become strongly held beliefs that conflict with equally strong beliefs held by coworkers, it is easy to see how these could spark interpersonal conflicts. However, parties to a dispute still have choices regarding what path their dispute will take, in terms of focusing on the issues (e.g., conflicting points of view reflecting different values and needs) or the people (e.g., questioning competence, intent, acceptance, understanding, etc.). It is precisely because conflicts stemming from personal differences tend to become person-focused that effective conflict managers need to understand this analytical distinction so they can help disputants frame their conflict in terms of offending (troublesome) issues, not offensive (troublemaking) people.

This observation is particularly relevant for managers working in an organizational environment characterized by broad demographic diversity. Why? It has been observed that: (1) a diverse workforce can be a strategic organizational asset, and (2) very different

people tend to engage in very intense conflicts—which can become an organizational liability (Lombardo & Eichinger, 1996; Pelled, Eisenhardt, & Xin, 1999). On the positive side, the more heterogeneous the demographic profile of an employee population is, the more diversity of experience and perspective contained in the organization (Cox, 1994). From various studies of diversity in organizations (Cox & Blake, 1991; Morrison, 1996), some of the consistently cited benefits of an effectively managed, diverse workforce include:

- ❑ Cost savings from reducing turnover rates among minority employees
- ❑ Improved creativity and problem-solving capabilities due to the broader range of perspectives and cultural mindsets
- ❑ Perceptions of fairness and equity in the workplace
- ❑ Increased flexibility that positively affects motivation and minimizes conflict between work and nonwork demands (e.g., family, personal interest, leisure)

But few beneficial changes come without commensurate challenges. The old saying, “To create a spark, strike two unlike substances together,” speaks to the notion that a diverse workforce will increase creativity and innovation. This saying also reminds us that “sparks can hurt.” That’s why it’s particularly important to look beneath the surface of interpersonal differences for a better understanding of why people from very different backgrounds often find themselves embroiled in debilitating interpersonal conflicts.

To begin with, people from different ethnic and cultural groups often have very different views about the value of, and justifications for, interpersonal disputes (Adler, 2002; Trompenaars, 1994, 1996). To state this observation more broadly, conflict is largely a culturally defined event (Sillars & Weisberg, 1987; Weldon & Jehn, 1995; Wilmot & Hocker, 2001), in the sense that our cultural background colors our views about what is worth “fighting for” and what constitutes “a fair fight.”

In addition, when the everyday business of an organization requires people with very different demographic profiles to interact frequently, it is likely that their interactions will be marred by misunderstanding and mistrust due to a lack of understanding of and appreciation for each other’s needs and values. The potential for harmful conflict is even greater when confrontations involve members of majority and minority groups within

an organization. This is where “diversity-sensitive” managers can help out by considering questions like: Are both participants from the majority culture of the organization? If one is from a minority culture, to what extent is diversity valued in the organization? To what extent do members of these minority and majority cultures understand and value the benefits of a diverse workforce for our organization? Has this particular minority group or individual had a history of conflict within the organization? If so, are there broader issues regarding the appreciation of personal differences that need to be addressed?

It is not difficult to envision how core differences in employees’ personal identities could become manifest in organizational conflicts. For example, if a U.S. firm receives a very attractive offer from the Chinese government to build a major manufacturing facility in that country, it is very likely that a 35-year-old Chinese manager in that firm, who was exiled from China following the 1989 riots in Tiananmen Square, would strongly oppose this initiative. This example illustrates a conflict between a majority and minority member of an organization. It also exemplifies disputes in which differences in personal experiences and values lead one party to support a proposal because it is a good business decision and the other party to oppose the action because it is a bad moral decision.

The second source or cause of conflict among members of an organization is **informational deficiencies**. An important message may not be received, a boss’s instructions may be misinterpreted, or decision makers may arrive at different conclusions because they use different databases. Conflicts based on misinformation or misunderstanding tend to be factual; hence, clarifying previous messages or obtaining additional information generally resolves the dispute. This might entail rewording the boss’ instructions, reconciling contradictory sources of data, or redistributing copies of misplaced messages. This type of conflict is common in organizations, but it is also easy to resolve. Because value systems are not challenged, such confrontations tend to be less emotional. Once the breakdown in the information system is repaired, disputants are generally able to resolve their disagreement with a minimum of resentment.

For example, UOP, Inc., made an agreement with Union Carbide in 1987 that doubled its workforce. Conflicts over operating procedures surfaced immediately between the original employees and the new employees from Union Carbide. This, combined with traditional conflicts between functional groups in the organization, led UOP to begin a new training program in which groups of employees met to discuss quality

improvements. "We discovered that the main problem had been a lack of communication," said one senior official. "No one had any idea what other groups were up to, so they all assumed that their way was best" (Caudron, 1992, p. 61).

The complexity inherent in most organizations tends to produce conflict between members whose tasks are interdependent but who occupy incompatible roles. This type of conflict is exemplified by the classic goal conflicts between line and staff, production and sales, and marketing and research and development (R&D). Each unit has different responsibilities in the organization, and as a result each places different priorities on organizational goals (e.g., customer satisfaction, product quality, production efficiency, compliance with government regulations). It is also typical of firms whose multiple product lines compete for scarce resources.

During the early days at Apple Computer, the Apple II division accounted for a large part of the company's revenue. It viewed the newly created Macintosh division as an unwise speculative venture. The natural rivalry was made worse when a champion of the Macintosh referred to the Apple II team as "the dull and boring product division." Because this type of conflict stems from the fundamental incompatibility of the job responsibilities of the disputants, it can often be resolved only through the mediation of a common superior.

**Role incompatibility** conflicts may overlap with those arising from personal differences or information deficiencies. The personal differences members bring to an organization generally remain dormant until they are triggered by an organizational catalyst, such as interdependent task responsibilities. One reason members often perceive that their assigned roles are incompatible is that they are operating from different bases of information. They communicate with different sets of people, are tied into different reporting systems, and receive instructions from different bosses.

Another major source of conflict is **environmentally induced stress**. Conflicts stemming from personal differences and role incompatibilities are greatly exacerbated by a stressful environment. When an organization is forced to operate on an austere budget, its members are more likely to become embroiled in disputes over domain claims and resource requests. Scarcity tends to lower trust, increase ethnocentrism, and reduce participation in decision making. These are ideal conditions for incubating interpersonal conflict (Cameron, Kim, & Whetten, 1987).

When a large eastern bank announced a major downsizing, the threat to employees' security was so severe that it disrupted long-time, close working

relationships. Even friendships were not immune to the effects of the scarcity-induced stress. Long-standing golf foursomes and car pools were disbanded because tension among members was so high.

Another environmental condition that fosters conflict is uncertainty. When individuals are unsure about their status in an organization they become very anxious and prone to conflict. This type of "frustration conflict" often stems from rapid, repeated change. If task assignments, management philosophy, accounting procedures, and lines of authority are changed frequently, members find it difficult to cope with the resulting stress, and sharp, bitter conflicts can easily erupt over seemingly trivial problems. This type of conflict is generally intense, but it dissipates quickly once a change becomes routinized and individuals' stress levels are lowered.

When a major pet-food manufacturing facility announced that one-third of its managers would have to support a new third shift, the feared disruption of personal and family routines prompted many managers to think about sending out their résumés. In addition, the uncertainty of who was going to be required to work at night was so great that even routine management work was disrupted by posturing and infighting.

Before concluding this discussion of various sources of interpersonal conflicts, it is useful to point out that the seminal research of Geert Hofstede (1980) on cultural values suggests how people from any given cultural background might be drawn into different types of conflict. For example, one of the primary dimensions of cultural values emerging from Hofstede's research was tolerance for uncertainty. Some cultures, such as in Japan, have a high uncertainty avoidance, whereas other cultures, like the United States, are much more uncertainty tolerant. Extrapolating from these findings, if an American firm and a Japanese firm have created a joint venture in an industry known for highly volatile sales (e.g., short-term memory chips), one would expect that the Japanese managers would experience a higher level of uncertainty-induced conflict than their American counterparts. In contrast, because American culture places an extremely high value on individualism (another of Hofstede's key dimensions of cultural values), one would expect that the U.S. managers in this joint venture would experience a higher level of conflict stemming from their role interdependence with their Japanese counterparts.

To illustrate how various types of conflict actually get played out in an organization and how devastating their impact on a firm's performance can be, let's take a look at the troubles encountered by First Boston, one of the top seven investment banks dominating the New

York capital market. This venerable firm became embroiled in conflict between two important revenue divisions: trading and investment banking. After the stock market crash in 1987, the investment banking division, which accounted for the bulk of First Boston's profits in the 1980s through mergers and acquisitions, asked that resources be diverted from trading (an unprofitable line) to investment banking. They also asked for allocation of computer costs on the basis of usage instead of splitting the costs in half, since investment banking did not use computers very much. A review committee, including the CEO (a trader by background) reviewed the problem and finally decided to reject the investment banking proposals. This led to the resignations of the head of the investment division and several of the senior staff, including seven leveraged-buyout specialists.

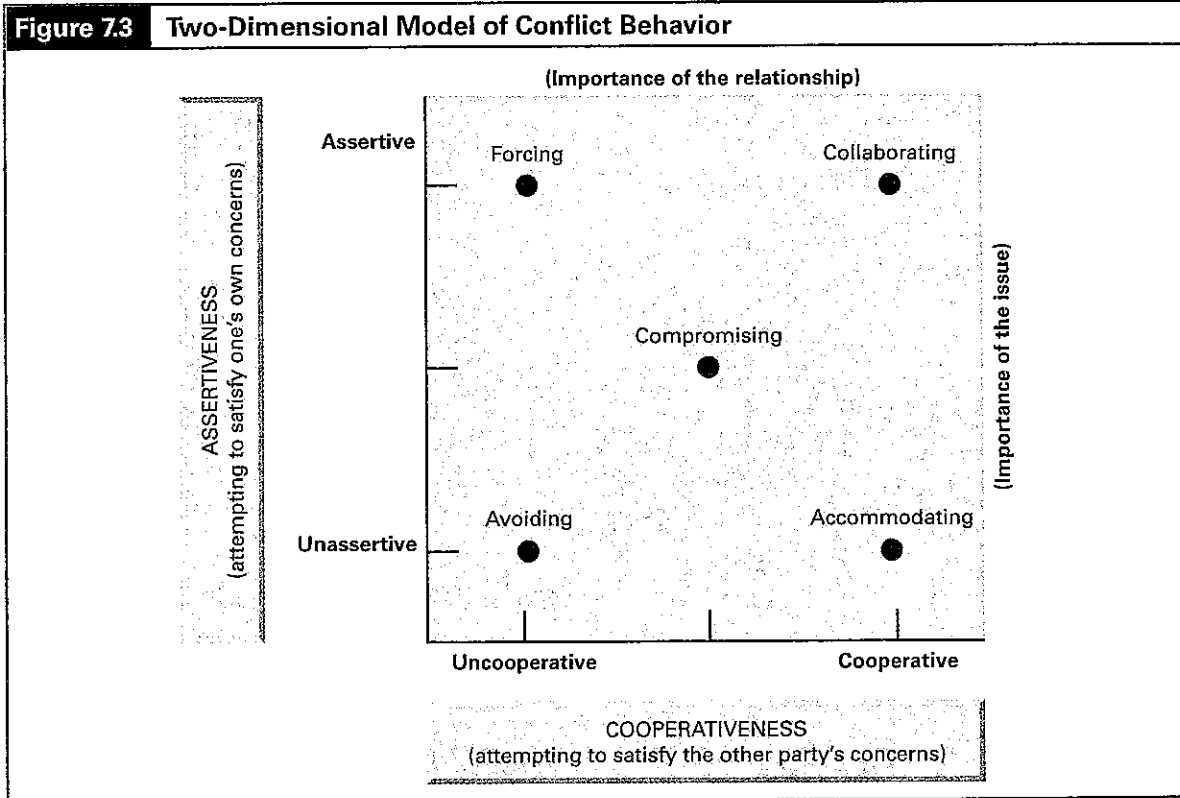
This interdepartmental conflict was exacerbated by increasing frictions between competing subcultures within the firm. In the 1950s, when First Boston began, it was "WASPish" in composition, and its business came chiefly through the "old-boy network." In the 1970s, First Boston recruited a number of innovative "whiz kids"—mostly Jews, Italians, and Cubans. These

individuals generated innovative ways to package mergers and acquisitions, which are now the mainstay of the current business in the investment area. These were less aristocratic people, many even wearing jeans to the office. The tension between the new "high flyers" and the "old guard" appeared to color many decisions at First Boston.

As a result of these conflicts, First Boston lost a number of key personnel. "The quitters claim that as the firm has grown, it has become a less pleasant place to work in, with political infighting taking up too much time" ("Catch a Falling Star," 1988).

### Selecting the Appropriate Conflict Management Approach

Now that we have examined various types of conflict in terms of their focus and sources, it is natural to shift our attention to the common approaches for managing conflict of any type. As revealed in the Pre-assessment survey, people's responses to interpersonal confrontations tend to fall into five categories: *forcing*, *accommodating*, *avoiding*, *compromising*, and *collaborating* (Volkema & Bergmann, 2001). These responses can be organized along two dimensions, as shown in Figure 7.3 (Ruble &



Source: Adapted from Ruble & Thomas, 1976.

Thomas, 1976). These five approaches to conflict reflect different degrees of cooperativeness and assertiveness. A cooperative response is intended to satisfy the needs of the interacting person, whereas an assertive response focuses on the needs of the focal person. The cooperativeness dimension reflects the importance of the relationship, whereas the assertiveness dimension reflects the importance of the issue.

The **forcing response** (assertive, uncooperative) is an attempt to satisfy one's own needs at the expense of the needs of the other individual. This can be done by using formal authority, physical threats, manipulation ploys, or by ignoring the claims of the other party. The blatant use of the authority of one's office ("I'm the boss, so we'll do it my way") or a related form of intimidation is generally evidence of a lack of tolerance or self-confidence. The use of manipulation or feigned ignorance is a much more subtle reflection of an egoistic leadership style. Manipulative leaders often appear to be democratic by proposing that conflicting proposals be referred to a committee for further investigation. However, they ensure that the composition of the committee reflects their interests and preferences so that what appears to be a selection based on merit is actually an authoritarian act. A related ploy some managers use is to ignore a proposal that threatens their personal interests. If the originator inquires about the disposition of his or her memo, the manager pleads ignorance, blames the mail clerk or new secretary, and then suggests that the proposal be redrafted. After several of these encounters, subordinates generally get the message that the boss isn't interested in their ideas.

The problem with the repeated use of this conflict management approach is that it breeds hostility and resentment. While observers may intellectually admire authoritarian or manipulative leaders because they appear to accomplish a great deal, their management styles generally produce a backlash in the long run as people become increasingly unwilling to absorb the emotional costs and work to undermine the power base of the authoritarian leader.

The **accommodating approach** (cooperative, unassertive) satisfies the other party's concerns while neglecting one's own. Unfortunately, as in the case of boards of directors of failing firms who neglect their interests and responsibilities in favor of accommodating the wishes of management, this strategy generally results in both parties' "losing." The difficulty with the habitual use of the accommodating approach is that it emphasizes preserving a friendly relationship at the expense of critically appraising issues and protecting personal rights. This may result in others' taking

advantage of you, which lowers your self-esteem as you observe yourself being used by others to accomplish their objectives while you fail to make any progress toward your own.

The **avoiding response** (uncooperative, unassertive) neglects the interests of both parties by sidestepping the conflict or postponing a solution. This is often the response of managers who are emotionally ill-prepared to cope with the stress associated with confrontations, or it might reflect recognition that a relationship is not strong enough to absorb the fallout of an intense conflict. The repeated use of this approach causes considerable frustration for others because issues never seem to get resolved, really tough problems are avoided because of their high potential for conflict, and subordinates engaging in conflict are reprimanded for undermining the harmony of the work group. Sensing a leadership vacuum, people from all directions rush to fill it, creating considerable confusion and animosity in the process.

The **compromising response** is intermediate between assertiveness and cooperativeness. A compromise is an attempt to obtain partial satisfaction for both parties, in the sense that both receive the proverbial "half loaf." To accommodate this, both parties are asked to make sacrifices to obtain a common gain. While this approach has considerable practical appeal to managers, its indiscriminate use is counterproductive. If subordinates are continually told to "split the difference," they may conclude that their managers are more interested in resolving disputes than solving problems. This creates a climate of expediency that encourages game playing, such as asking for twice as much as you need.

A common mistake made in mergers is placing undue emphasis on "being fair to both sides" by compromising on competing corporate policies and practices as well as on which redundant staff members get laid off. When decisions are made on the basis of "spreading the pain evenly" or "using half of your procedures and half of ours," rather than on the basis of merit, then harmony takes priority over value. Ironically, actions taken in the name of "keeping peace in the merged families" often end up being so illogical and impractical that the emerging union is doomed to operate under a pall of constant internal turmoil and conflict.

The **collaborating approach** (cooperative, assertive) is an attempt to address fully the concerns of both parties. It is often referred to as the "problem-solving" mode. In this mode, the intent is to find solutions to the cause of the conflict that are satisfactory to both parties rather than to find fault or assign blame. In

this way, both parties can feel that they have “won.” This is the only win–win strategy among the five. The avoiding mode results in a lose–lose outcome and the compromising, accommodating, and forcing modes all represent win–lose outcomes. Although the collaborative approach is not appropriate for all situations, when used appropriately, it has the most beneficial effect on the involved parties. It encourages norms of collaboration and trust while acknowledging the value of assertiveness. It encourages individuals to focus their disputes on problems and issues rather than on personalities. Finally, it cultivates the skills necessary for self-governance, so that effective problem solvers feel empowered. The collaborative approach to problem solving and conflict resolution works best in an environment supporting openness, directness, and equality. In an interview with Steven Jobs, the editors of *Inc.* magazine quizzed the man they heralded as the “entrepreneur of the decade” regarding the perils of being a celebrity boss. [“It must help you in attracting the best minds to your new computer firm (NeXT), but once

they’re there, aren’t they intimidated, working for a legend?”]

*It all depends on the culture. The culture at NeXT definitely rewards independent thought, and we often have constructive disagreements—at all levels. It doesn’t take a new person long to see that people feel fine about openly disagreeing with me. That doesn’t mean I can’t disagree with them, but it does mean that the best ideas win. Our attitude is that we want the best. Don’t get hung up on who owns the idea. Pick the best one, and let’s go. (Gendron & Burlingham, 1989)*

Table 7.2 shows a comparison of the five conflict management approaches. In this table, the fundamentals of each approach are laid out, including its objective, how that objective is reflected in terms of an expressed point of view, and a supporting rationale. In addition, the likely outcomes of each approach are summarized.

APPROACH	OBJECTIVE	POINT OF VIEW	SUPPORTING RATIONALE	LIKELY OUTCOME
1. Forcing	Get your way.	“I know what’s right. Don’t question my judgment or authority.”	It is better to risk causing a few hard feelings than to abandon an issue you are committed to.	You feel vindicated but other party feels defeated and possibly humiliated.
2. Avoiding	Avoid having to deal with conflict.	“I’m neutral on that issue.” “Let me think about it.” “That’s someone else’s problem.”	Disagreements are inherently bad because they create tension.	Interpersonal problems don’t get resolved, causing long-term frustration manifested in a variety of ways.
3. Compromising	Reach an agreement quickly.	“Let’s search for a solution we can both live with so we can get on with our work.”	Prolonged conflicts distract people from their work and engender bitter feelings.	Participants become conditioned to seek expedient, rather than effective, solutions.
4. Accommodating	Don’t upset the other person.	“How can I help you feel good about this encounter?” “My position isn’t so important that it is worth risking bad feelings between us.”	Maintaining harmonious relationships should be our top priority.	The other person is likely to take advantage of you.
5. Collaborating	Solve the problem together.	“This is my position. What is yours?” “I’m committed to finding the best possible solution.” “What do the facts suggest?”	The positions of both parties are equally important (though not necessarily equally valid). Equal emphasis should be placed on the quality of the outcome and the fairness of the decision-making process.	The problem is most likely to be resolved. Also, both parties are committed to the solution and satisfied that they have been treated fairly.

## COMPARING CONFLICT MANAGEMENT AND NEGOTIATION STRATEGIES

Although we have already noted that there is not a one-to-one correspondence between our focus on interpersonal confrontations and the negotiations literature, we believe our understanding of the five conflict management approaches is enriched by the following comparison (Savage, Blair, & Sorenson, 1989; Smith, 1987). **Negotiation strategies** are commonly categorized according to two broad perspectives: *integrative* and *distributive*. Stated succinctly, negotiation perspectives serve as an overarching value, or attitude, held by adversaries, that bound their set of acceptable approaches for resolving their differences and that give meaning to the outcomes of the conflict resolution process.

Negotiators who focus on dividing up a “fixed pie” reflect a **distributive bargaining perspective**, whereas parties using an **integrative perspective** search for collaborative ways of “expanding the pie” by avoiding fixed, incompatible positions (Bazerman & Neale, 1992; Murnighan, 1992, 1993; Thompson, 2001). One way to think about this distinction is that the distributive perspective focuses on the relative, individual scores for both sides (A versus B), whereas the integrative perspective focuses on the combined score (A + B). Hence, distributive negotiators assume an adversarial, competitive posture. They believe that one of the parties can improve only at the other party’s expense. In contrast, integrative bargainers use problem-solving techniques to find “win-win” outcomes. They are interested in finding the best solution for both parties, rather than picking between the parties’ preferred solutions (de Dreu, Koole, & Steinel, 2000; Fisher & Brown, 1988).

As Table 7.3 shows, four of the five conflict management strategies are distributive in nature. One or both parties must sacrifice something in order for the conflict to be resolved. Compromise occurs when both parties make sacrifices in order to find a common ground. Compromisers are generally more interested in finding an expedient solution than they are in finding an integrative solution. Forcing and accommodating demand that one party give up its position in order for the conflict to be resolved. When parties to a conflict avoid resolution, they do so because they assume that the costs of resolving the conflict are so high that they are better off not even attempting resolution. The “fixed pie” still exists, but the individuals involved view attempts to divide it as threatening, so they avoid decisions regarding the allocation process altogether.

**Table 7.3** Comparison Between Negotiation and Conflict Management Strategies

Negotiation Strategies	Distributive	Integrative
Conflict Management Strategies	Compromising Forcing Accommodating Avoiding	Collaborating

## SELECTION FACTORS

A comparison of alternative approaches inevitably leads to questions like “Which one is the best?” or “Which one should I use in this situation?” Although, in general, the collaborative approach produces the fewest negative side effects, each approach has its place. The appropriateness of a management strategy depends on its congruence with both personal preferences and situational considerations. We will begin by discussing the most limiting consideration; how comfortable do individuals feel actually using each of the conflict management approaches or strategies?

### Personal Preferences

As reflected in the “Strategies for Handling Conflict” survey in the Skill Assessment section of this chapter, it is important that we understand our personal preferences for managing conflict. If we don’t feel comfortable with a particular approach, we are not likely to use it, no matter how convinced we are that it is the best available tool for a particular conflict situation. Although there are numerous factors that affect our personal preferences for how we manage conflict, three correlates of these choices have been studied extensively: ethnic culture, gender, and personality.

Research on conflict management styles reports that *ethnic culture* is reflected in individual preferences for the five responses we have just discussed (Seybolt et al., 1996; Weldon & Jehn, 1995). For example, it has been shown that individuals from Asian cultures tend to prefer the nonconfrontational styles of accommodating and avoiding (Rahim & Blum, 1994; Ting-Toomey et al., 1991; Xie, Song & Stringfellow, 1998), whereas, by comparison, Americans and South Africans prefer the forcing approach (Rahim & Blum, 1994; Seybolt et al., 1996; Xie et al., 1998). In general, compromise is the most commonly preferred approach across cultures (Seybolt et al., 1996), possibly because compromising

may be viewed as the least costly alternative and the approach that most quickly reaches acceptable levels of fairness to both parties.

The research on the relationship between preferred conflict management style and *gender* is less clear cut. Some studies report that males are more likely to use the forcing response, whereas females tend to select the compromising approach (Kilman & Thomas, 1977; Ruble & Schneer, 1994). In contrast, other studies found gender to have little influence on an individual's preferred responses to conflict (Korabik, Baril, & Watson, 1993). From a review of the growing literature on conflict styles and gender, Keashly (1994) draws five conclusions:

1. There is little evidence of gender differences in abilities and skills related to conflict management.
2. Evidence suggests that sex-role expectations appear to influence behavior and perceptions of behavior in particular conflict situations.
3. Influences and norms other than sex-role expectations may affect and influence conflict and behavior.
4. The experience and meaning of conflict may differ for women and men.
5. There is a persistence of beliefs in gender-linked behavior even when these behaviors are not found in research.

In summary, there is a widely shared belief that gender differences are correlated with conflict management style preferences, but this perception is only modestly supported by the results of recent research.

The third correlate of personal preferences is *personality type*. One line of research on this topic has linked conflict management style with three distinct personality profiles (Cummings, Harnett, & Stevens, 1971; Porter, 1973).

The *altruistic-nurturing* personality seeks gratification through promoting harmony with others and enhancing their welfare, with little concern for being rewarded in return. This personality type is characterized by trust, optimism, idealism, and loyalty. When altruistic-nurturing individuals encounter conflict, they tend to press for harmony by accommodating the demands of the other party.

The *assertive-directing* personality seeks gratification through self-assertion and directing the activities of others with a clear sense of having earned rewards. Individuals with this personality characteristic tend to be self-confident, enterprising, and persuasive. It is not

surprising that the assertive-directing personality tends to challenge the opposition by using the forcing approach to conflict management.

The *analytic-autonomizing* personality seeks gratification through the achievement of self-sufficiency, self-reliance, and logical orderliness. This personality type is cautious, practical, methodical, and principled. Individuals with this type of personality tend to be very cautious when encountering conflict. Initially, they attempt to resolve the problem rationally. However, if the conflict intensifies they will generally withdraw and break contact.

### **The Advantage of Flexibility**

It is important to point out that none of these correlates of personal preferences are deterministic—they suggest general tendencies across various groups of people, but they do not totally determine individual choices. This is an important distinction because given the variety of causes, or forms, of conflict, one would suppose that effective conflict management would require the use of more than one approach or strategy.

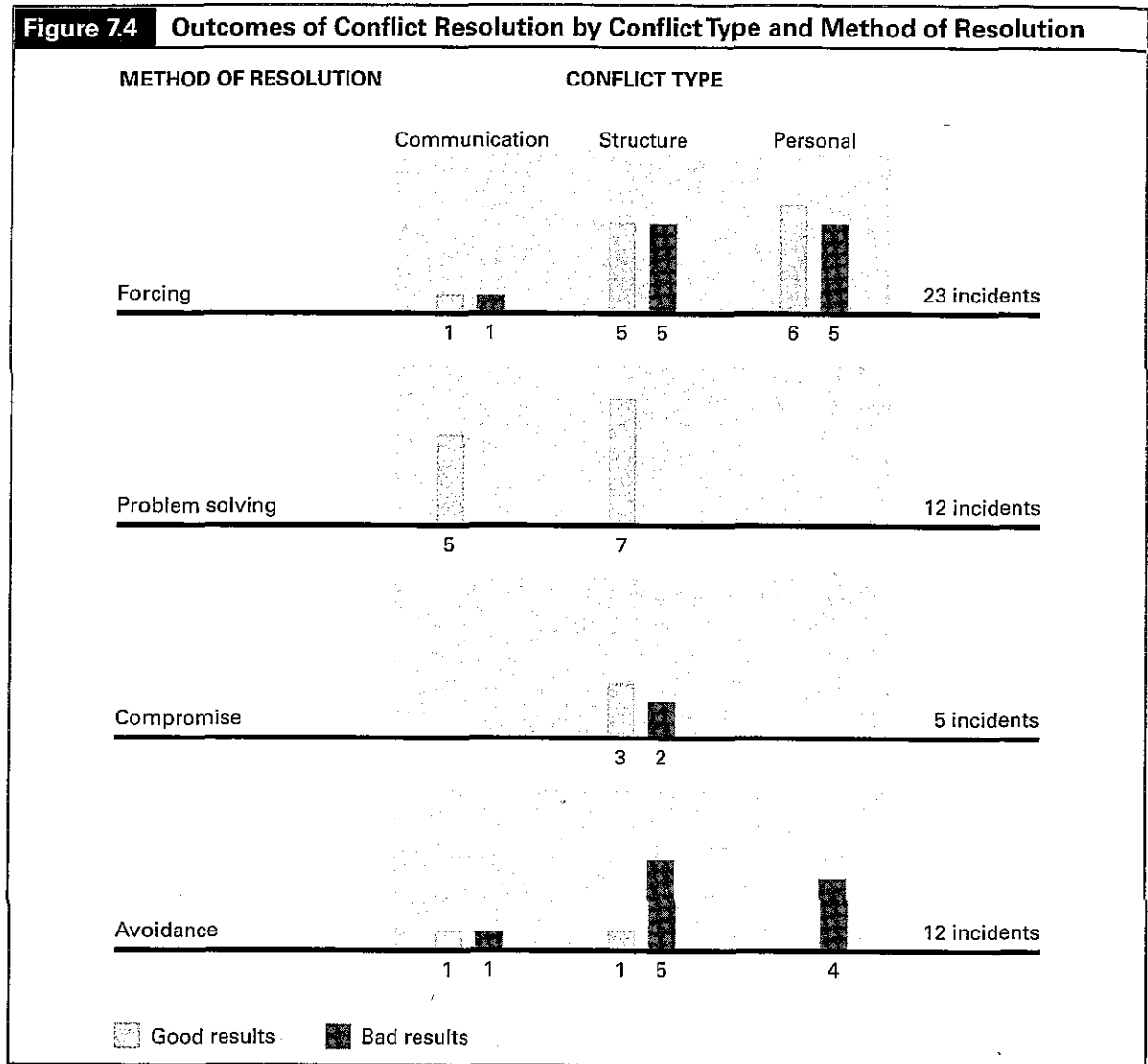
The research on this matter is illuminating. In a classic study on this topic, 25 executives were asked to describe two conflict situations—one with bad results and one with good (Phillips & Cheston, 1979). These incidents were then categorized in terms of the conflict management approach used. As Figure 7.4 shows, there were 23 incidents of forcing, 12 incidents of problem solving, 5 incidents of compromise, and 12 incidents of avoidance. Admittedly, this was a very small sample of managers, but the fact that there were almost twice as many incidents of forcing as problem solving and nearly five times as many as compromising is noteworthy. It is also interesting that the executives indicated that forcing and compromising were equally as likely to produce good as bad results, whereas problem solving was always linked with positive outcomes, and avoidance generally led to negative results.

It is striking that, despite the fact that forcing was as likely to produce bad as good results, it was by far the most commonly used conflict management mode. *Since this approach is clearly not superior in terms of results, one wonders why these senior executives reported a propensity for using it.*

A likely answer is expediency. Evidence for this supposition is provided by a study of the preferred influence strategies of more than 300 managers in three countries (Kipnis & Schmidt, 1983). This study reports that when subordinates refuse or appear reluctant to comply with a request, managers become



**Figure 7.4** Outcomes of Conflict Resolution by Conflict Type and Method of Resolution



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directive. When resistance in subordinates is encountered, managers tend to fall back on their superior power and insist on compliance. So pervasive was this pattern that the authors of this study proposed an “Iron Law of Power: The greater the discrepancy in power between influence and target, the greater the probability that more directive influence strategies will be used” (p. 7).

A second prominent finding in Figure 7.4 is that some conflict management approaches were never used for certain types of issues. In particular, the managers did not report a single case of problem solving or compromising when personal problems were the source of the conflict. These approaches were used primarily for managing conflicts

involving incompatible goals and conflicting reward systems between departments.

Two conclusions can be drawn from the research on the use of different conflict management approaches. First, no one approach is most effective for managing every type of conflict. Second, managers are more effective in dealing with conflicts if they feel comfortable using a variety of approaches (Savage et al., 1989).

These conclusions point out the need to understand the conditions under which each conflict management technique is most effective. This knowledge allows one to match the characteristics of a conflict incident with the management techniques best suited for those characteristics. The salient situational circumstances to consider are summarized in Table 7.4.

**Table 7.4 Matching the Conflict Management Approach with the Situation**

SITUATIONAL CONSIDERATIONS	CONFLICT MANAGEMENT APPROACH				
	FORCING	ACCOMMODATING	COMPROMISING	COLLABORATING	AVOIDING
Issue Importance	High	Low	Med	High	Low
Relationship Importance	Low	High	Med	High	Low
Relative Power	High	Low	Equal	Low-High	Equal
Time Constraints	Med-High	Med-High	Low	Low	Med-High

### Situational Considerations

Table 7.4 identifies four important incident-specific circumstances that can be used to select the appropriate conflict management approach. These can be stated in the form of diagnostic questions, with accompanying examples of high and low responses.

1. How important is the disputed issue? (High: Extremely important; Low: Not very important)
2. How important is the relationship? (High: Critical, ongoing, one-of-a-kind, partnership; Low: One-time transaction, for which there are readily available alternatives)
3. What is the relative level of power, or authority, between the disputants? (High: Boss to subordinate; Equal: Peers; Low: Subordinate to boss)
4. To what extent is time a significant constraint in resolving the dispute? (High: Must resolve the dispute quickly; Low: Time is not a salient factor)

The advantage of this table is that it allows you to quickly assess a situation and decide if a particular conflict management approach is suitable. As noted in the following descriptions, it is important to keep in mind that not all of the situational considerations are equally important for selecting a particular approach.

The forcing approach is most appropriate when a conflict involves values or policies and one feels compelled to defend the “correct” position; when a superior-subordinate relationship is involved; when maintaining a close, supportive relationship is not critical; and when there is a sense of urgency. An example of such a situation might be a manager insisting that a summer intern follow important company safety regulations.

The accommodating approach is most appropriate when the importance of maintaining a good working relationship outweighs all other considerations. While this could be the case regardless of your formal

relationship with the other party, it is often perceived as being the only option for subordinates of powerful bosses. The nature of the issues and the amount of time available play a secondary role in determining the choice of this strategy. Accommodation becomes especially appropriate when the issues are not vital to your interests and the problem must be resolved quickly.

Trying to reach a compromise is most appropriate when the issues are complex and moderately important, there are no simple solutions, and both parties have a strong interest in different facets of the problem. The other essential situational requirement is adequate time for negotiation. The classic case is a bargaining session between representatives of management and labor to avert a scheduled strike. While the characteristics of the relationship between the parties are not essential factors, experience has shown that negotiations work best between parties with equal power who are committed to maintaining a good long-term relationship.

The collaborating approach is most appropriate when the issues are critical, maintaining an ongoing supportive relationship between peers is important, and time constraints are not pressing. Although collaboration can also be an effective approach for resolving conflicts between a superior and subordinate, it is important to point out that when a conflict involves peers, the collaborative mode is more appropriate than either the forcing or accommodating approach.

The avoidance approach is most appropriate when one’s stake in an issue is not high and there is not a strong interpersonal reason for getting involved, regardless of whether the conflict involves a superior, subordinate, or peer. A severe time constraint becomes a contributing factor because it increases the likelihood of using avoidance, by default. While one might prefer other strategies that have a good chance of resolving problems without damaging relationships, such as compromise and collaboration, these are ruled out because of time pressure.

Now, admittedly, this is a very rational view of how to select the appropriate approach(es) for resolving a conflict. You might wonder if it is realistic to believe that in the heat of an emotional confrontation a person is likely to step back and make this type of deliberate, systematic assessment of the situation. Actually, it is because we share this concern that we are placing so much emphasis on a highly analytical approach to conflict management. Our purpose is to prepare you to effectively manage conflict, which often means overcoming natural tendencies, including allowing one's heightened emotional state to override the need for systematic analysis.

Although we are encouraging you to take a thoughtful, analytical approach to resolving disputes, that doesn't mean you can count on the other parties to the dispute agreeing with your analysis of the situation. For example, when conflicts involve individuals from very different cultural traditions, it is not uncommon for their lack of agreement on how to resolve their differences, or even on how important it is to resolve these differences, to make the prospect of achieving a truly collaborative solution seem remote. Given that several of our proposed diagnostic tools for selecting appropriate conflict management approaches also happen to represent major fault lines between cultural value systems, it is important that you factor into this decision-making process the cultural differences between disputants. If parties to a conflict hold very different views regarding time, power, ambiguity, the rule of norms, or the importance of relationships, one can expect they will have difficulty agreeing on the appropriate course of action for resolving their dispute (Trompenaars, 1994). Put simply: if you don't agree on *how* you are going to reach an agreement, it doesn't do you much good to discuss *what* that agreement might look like. Therefore, we hope that our ongoing discussion of various sources of differences in perspectives will help you to be sensitive to situations in which it is important to clarify assumptions, interpretations, and expectations early in the conflict management process.

To summarize this section, there are two key factors to take into consideration in selecting a conflict management approach or strategy. First, your choice of alternative approaches will be influenced by your comfort level with the various possibilities—referred to here as your personal preference. In general, personal preferences reflect personal characteristics, such as ethnic culture, gender, and personality. However, given that the use of multiple approaches appears to be a requirement of effective conflict management, it is important to stretch your “comfort zone” and become

proficient in the application of the full range of choices. The more you feel comfortable doing this, the more likely it is that you will seriously consider the second key selection factor—matching your choice of conflict management strategy with the salient situational considerations, including issue and relationship importance, relative power, and time constraints. Finally, it is important for parties of a dispute to discuss their assumptions regarding the appropriate process for resolving their differences, especially when they come from very different backgrounds.

### **Resolving Interpersonal Confrontations Using the Collaborative Approach**

We now shift our attention from a consideration of when to use each of the approaches to how one can effectively implement the collaborative approach. We have chosen to focus on this approach for our skill development purposes for two reasons. First, as noted throughout our discussion, collaboration is the best overall approach. In a sense, effective managers treat this approach as their “default option”—unless there is a compelling reason to try something else, they will use this strategy. It is important to underscore the point that the collaborative approach is the appropriate “default option” for both issue-focused and people-focused conflicts. It seems quite natural to think of collaborating with someone with a different point of view regarding a troublesome issue. However, when someone is challenging your competence motivation, complaining about your “lack of sensitivity,” or accusing you of being unfair, it seems like an unnatural act to collaborate with “the enemy.” Instead, the natural tendency is to either “run away” (avoid or accommodate) or to “fight fire with fire” (force).

The second reason we are emphasizing the collaborative approach is that it is the hardest approach to implement effectively, under any circumstances. In the study by Kipnis and Schmidt (1983), discussed earlier, most managers expressed general support for the collaborative approach, but when it appeared that things were not going their way, they reverted back to a directive approach. By comparison, it is a fairly simple matter for managers to either give in or impose their will, but resolving differences in a truly collaborative manner is a complicated and taxing process. As a result, when situational conditions indicate that the collaborative approach is most appropriate, unskilled managers will often opt for less challenging approaches. To

help you gain proficiency in using the collaborative approach, the remainder of this chapter describes behavioral guidelines for effectively resolving interpersonal confrontations in a collaborative manner.

## A GENERAL FRAMEWORK FOR COLLABORATIVE PROBLEM SOLVING

The addition of “problem solving” to this title warrants a brief explanation. When two disputants agree to work toward a collaborative solution, they are basically agreeing to share an attitude or value. For example, collaborating disputants would not use asymmetrical sources of advantage (e.g., power, information, resources, etc.) to force the other party to accept a one-sided solution. But skill development requires more than an attitude adjustment—we need to understand the actual competencies required for effective conflict resolution. That is the benefit of incorporating the problem-solving process into our discussion of the collaborative approach. The problem-solving process provides a structured framework for an orderly, deliberate, reasoned approach to dispute resolution that enables disputants to make good on their commitment to work together. The merits of this structured approach are particularly useful when it is applied to people-focused conflicts. In these situations, it is helpful to have a framework to organize your thoughts and to discipline your emotions.

We will begin our discussion of the collaborative problem-solving process by introducing a general, six-step framework adapted from the integrative bargaining literature discussed earlier (Stroh, Northcraft, & Neale, 2002). We will then use this broad outline to develop a more a detailed set of problem-solving guidelines.

1. **Establish superordinate goals.** In order to foster a climate of collaboration, both parties to a dispute need to focus on what they share in common. Making more salient their shared goals of increased productivity, lower costs, reduced design time, or improved relations between departments sensitizes the parties to the merits of resolving their differences to avoid jeopardizing their mutual goals. The step is characterized by the general question, “What common goals provide a context for these discussions?”
2. **Separate the people from the problem.** Having clarified the mutual benefits to be gained by successfully resolving a conflict, it is useful to
3. **Focus on interests, not positions.** Positions are demands or assertions; interests constitute the reason behind the demands. Experience shows that it is easier to establish agreement on interests, given that they tend to be broader and multifaceted. This step involves redefining and broadening problems to make them more tractable. When a variety of issues are examined, parties are better able to understand each other’s point of view and place their own views in perspective. A characteristic collaborative statement is, “Help me understand why you advocate that position.”
4. **Invent options for mutual gains.** This step focuses on generating unusual, creative solutions. By focusing both parties’ attention on brainstorming alternative, mutually agreeable solutions, the interpersonal dynamics naturally shift from competitive to collaborative. In addition, the more options and combinations there are to explore, the greater the probability of finding common ground. This step can be summarized as, “Now that we better understand each other’s underlying concerns and objectives, let’s brainstorm ways of satisfying both our needs.”
5. **Use objective criteria for evaluating alternatives.** No matter how collaborative both parties may be, there are bound to be some incompatible interests. Rather than seizing on these as opportunities for testing wills, it is far more productive to determine what is fair. This requires both parties to examine how fairness should be judged. A shift in thinking from “getting what I want” to “deciding what makes most sense” fosters an open, reasonable attitude. It encourages parties to avoid overconfidence or overcommitment to their initial position. This approach is characterized by asking, “What is a fair way to evaluate the merits of our arguments?”

focus attention on the real issue at hand: solving a problem. Interpersonal confrontations are more likely to result in mutual satisfaction if the parties depersonalize their disagreement by suppressing their personal desires for revenge or one-upmanship. In other words, the other party is viewed as the advocate of a point of view, rather than as a rival. The problem solver would say, “That is an unreasonable position” rather than, “You are an unreasonable person.”

6. **Define success in terms of real gains, not imaginary losses.** If a manager seeks a 10 percent raise and receives only 6 percent, that outcome can be viewed as either a 6 percent improvement or a 40 percent shortfall. The first interpretation focuses on gains, the second on losses (in this case, unrealized expectations). The outcome is the same, but the manager's satisfaction with it varies substantially. It is important to recognize that our satisfaction with an outcome is affected by the standards we use to judge it. Recognizing this, the collaborative problem solver facilitates resolution by judging the value of proposed solutions against reasonable standards. This perspective is reflected in the question, "Does this outcome constitute a meaningful improvement over current conditions?"

## THE FOUR PHASES OF COLLABORATIVE PROBLEM SOLVING

Notice how the problem-solving approach encourages collaboration by keeping the process focused on *shared problems* and *sharing solutions*. These are important themes to remember, especially when you utilize the collaborative approach to resolve a people-focused conflict. Because of the degree of difficulty inherent in this undertaking, we will continue using the people-focused conflict context in our remaining discussion. For information on how to manage issue-focused conflicts using various negotiation strategies, see Murnighan (1992, 1993) and Thompson (2001).

We have organized our detailed discussion of behavioral guidelines around the four phases of the **problem-solving process**: (1) *problem identification*, (2) *solution generation*, (3) *action plan formulation and agreement*, and (4) *implementation and follow-up*. In the midst of a heated exchange, the first two phases are the most critical steps, as well as the most difficult to implement effectively. If you are able to achieve agreement on what the problem is and how you intend to resolve it, the details of the agreement, including a follow-up plan, should follow naturally. In other words, we are placing our skill-building emphasis where skillful implementation is most critical.

We have also elected to identify specific problem-solving guidelines for each role in a dispute, because by definition, their orientations are discrepant during the initial stages of this process. A dyadic confrontation involves two actors, an **initiator** and a **responder**. For

example, a subordinate might complain about not being given a fair share of opportunities to work overtime; or the head of production might complain to the head of sales about frequent changes in order specifications. A dyadic conflict represents a greater challenge for responders because they have responsibility for transforming a complaint into a problem-solving discussion. This requires considerable patience and self-confidence, because unskilled initiators will generally begin the discussion by blaming the responder for the problem. In this situation, an unskilled responder will naturally become defensive and look for an opportunity to "even the score."

If these lose-lose dynamics persist, a **mediator** is generally required to cool down the dispute, reestablish constructive communication, and help the parties reconcile their differences. The presence of a mediator removes some pressure from the responder because an impartial referee provides assistance in moving the confrontation through the problem-solving phases.

The following guidelines provide a model for acting out the initiator, responder, and mediator roles in such a way that problem solving can occur. In our discussion of each role, we will assume that other participants in the conflict are not behaving according to their prescribed guidelines.

### **Initiator—Problem Identification**

**11 Maintain Personal Ownership of the Problem** It is important to recognize that when you are upset and frustrated, this is your problem, not the other person's. You may feel that your boss or coworker is the source of your problem, but resolving your frustration is your immediate concern. The first step in addressing this concern is acknowledging accountability for your feelings. Suppose someone enters your office with a smelly cigar without asking if it is all right to smoke. The fact that your office is going to stink for the rest of the day may infuriate you, but the odor does not present a problem for your smoking guest. One way to determine ownership of a problem is to identify whose needs are not being met. In this case, your need for a clean working environment is not being met, so the smelly office is your problem.

The advantage of acknowledging ownership of a problem when registering a complaint is that it reduces defensiveness (Adler, Rosenfeld, & Proctor, 2001; Alder & Rodman, 2003). In order for you to get a problem solved, the respondent must not feel threatened by your initial statement of that problem. By beginning the conversation with a request that the responder help solve your problem, you immediately establish a

problem-solving atmosphere. For example, you might say, “Bill, do you have a few minutes? I have a problem I need to discuss with you.”

***12 Succinctly Describe Your Problem in Terms of Behaviors, Consequences, and Feelings*** A useful model for remembering how to state your problem effectively has been prescribed by Gordon (2000): “I have a problem. When you do X, Y results, and I feel Z.” Although we don’t advocate the memorization of set formulas for improving communication skills, keeping this model in mind will help you implement three critical elements in your “problem statement.”

First, describe the specific behaviors (X) that present a problem for you. This will help you avoid the reflexive tendency when you are upset to give feedback that is evaluative and not specific. One way to do this is to specify the expectations or standards that have been violated. For example, a subordinate may have missed a deadline for completing an assigned task, your boss may gradually be taking over tasks previously delegated to you, or a colleague in the accounting department may have repeatedly failed to provide you with data required for an important presentation.

Second, outline the specific, observable consequences (Y) of these behaviors. Simply telling others that their actions are causing you problems is often sufficient stimulus for change. In fast-paced work environments, people generally become insensitive to the impact of their actions. They don’t intend to cause offense, but they become so busy meeting deadlines associated with “getting the product out the door” that they tune out subtle negative feedback from others. When this occurs, bringing to the attention of others the consequences of their behaviors will often prompt them to change.

Unfortunately, not all problems can be resolved this simply. At times, offenders are aware of the negative consequences of their behaviors, yet they persist in them. In such cases, this approach is still useful in stimulating a problem-solving discussion because it presents concerns in a nonthreatening manner. Possibly, the responders’ behaviors are constrained by the expectations of their boss or by the fact that the department is currently understaffed. Responders may not be able to change these constraints, but this approach will encourage them to discuss them with you so you can work on the problem together.

Third, describe the feelings (Z) you experience as a result of the problem. It is important that the responder understand that the behavior is not just inconvenient. You need to explain how it is affecting you personally by engendering feelings of frustration, anger, or insecurity.

Explain how these feelings are interfering with your work. They may make it more difficult for you to concentrate, to be congenial with customers, to be supportive of your boss, or to be willing to make needed personal sacrifices to meet deadlines.

We recommend using this three-step model as a general guide. The order of the components may vary, and you should not use the same words every time. Obviously, it would get pretty monotonous if everyone in a work group initiated a discussion about an interpersonal issue with the words, “I have a problem.” Observe how the key elements in the “XYZ” model are used in different ways in Table 7.5.

### ***13 Avoid Drawing Evaluative Conclusions and Attributing Motives to the Respondent***

When exchanges between two disputing parties become vengeful, each side often has a different perspective about the justification of the other’s actions. Typically, each party believes that it is the victim of the other’s aggression. In international conflicts, opposing nations often believe they are acting defensively rather than offensively. Similarly, in smaller-scale conflicts, each side may have distorted views of its own hurt and the motives of the “offender” (Kim & Smith, 1993). Therefore, in presenting your problem, avoid the pitfalls of making accusations, drawing inferences about motivations or intentions, or attributing the responder’s undesirable behavior to personal inadequacies. Statements such as, “You are always interrupting me,” “You haven’t been fair to me since the day I disagreed with you in the board meeting,” and “You never have time to listen to our problems and suggestions because you manage your time so poorly” are good for starting arguments but ineffective for initiating a problem-solving process.

Another key to reducing defensiveness is to delay proposing a solution until both parties agree on the nature of the problem. When you become so upset with someone’s behavior that you feel it is necessary to initiate a complaint, it is often because the person has seriously violated your ideal role model. For example, you might feel that your manager should have been less dogmatic and listened more during a goal-setting interview. Consequently, you might express your feelings in terms of prescriptions for how the other person should behave and suggest a more democratic or sensitive style.

Besides creating defensiveness, the principal disadvantage to initiating problem solving with a suggested remedy is that it hinders the problem-solving process. Before completing the problem-articulation phase, you have immediately jumped to the solution-generation

**Table 7.5** Examples of the "XYZ" Approach to Stating a Problem

Model:

"I have a problem. When you do X (behavior), Y results (consequences), and I feel Z."

Examples:

I have to tell you that I get upset [feelings] when you make jokes about my bad memory in front of other people [behavior]. In fact, I get so angry so that I find myself bringing up your faults to get even [consequences].

I have a problem. When you say you'll be here for our date at six and don't show up until after seven [behavior], the dinner gets ruined, we're late for the show we planned to see [consequences], and I feel hurt because it seems as though I'm just not that important to you [feelings].

The employees want to let management know that we've been having a hard time lately with the short notice you've been giving when you need us to work overtime [behavior]. That probably explains some of the grumbling and lack of cooperation you've mentioned [consequences]. Anyhow, we wanted to make it clear that this policy has really got a lot of the workers feeling pretty resentful [feeling].

Source: Adapted from Adler, 1977.

phase, based on the assumption that you know all the reasons for, and constraints on, the other person's behavior. You will jointly produce better, more acceptable, solutions if you present your statement of the problem and discuss it thoroughly before proposing potential solutions.

**14 Persist Until Understood** There are times when the respondent will not clearly receive or acknowledge even the most effectively expressed message. Suppose, for instance, that you share the following problem with a coworker:

*Something has been bothering me, and I need to share my concerns with you. Frankly, I'm uncomfortable [feeling] with your heavy use of profanity [behavior]. I don't mind an occasional "damn" or "hell," but the other words bother me a lot. Lately I've been avoiding you [consequences], and that's not good because it interferes with our working relationship, so I wanted to let you know how I feel.*

When you share your feelings in this nonevaluative way, it's likely that the other person will understand your position and possibly try to change behavior to suit your needs. On the other hand, there are a number of less satisfying responses that could be made to your comment:

*Listen, these days everyone talks that way. And besides, you've got your faults, too, you know! [Your coworker becomes defensive, rationalizing and counterattacking.]*

*Yeah, I suppose I do swear a lot. I'll have to work on that someday. [Gets the general*

*drift of your message but fails to comprehend how serious the problem is to you.]*

*Listen, if you're still angry about my forgetting to tell you about that meeting the other day, you can be sure that I'm really sorry. I won't do it again. [Totally misunderstands.]*

*Speaking of avoiding, have you seen Chris lately? I wonder if anything is wrong with him. [Is discomfited by your frustration and changes the subject.]*

In each case, the coworker does not understand or does not wish to acknowledge the problem. In these situations, you must repeat your concern until it has been acknowledged as a problem to be solved. Otherwise, the problem-solving process will terminate at this point and nothing will change. Repeated assertions can take the form of restating the same phrase several times or reiterating your concern with different words or examples that you feel may improve comprehension. To avoid introducing new concerns or shifting from a descriptive to an evaluative mode, keep in mind the "XYZ" formula for feedback. Persistence is most effective when it consists of "variations on a theme," rather than "variation in themes."

**15 Encourage Two-Way Discussion** It is important to establish a problem-solving climate by inviting the respondent to express opinions and ask questions. There may be a reasonable explanation for another's disturbing behavior; the person may have a radically different view of the problem. The sooner this information is introduced into the conversation, the more likely it is that the issue will be resolved. As a rule of thumb, the longer the initiator's opening statement,

the longer it will take the two parties to work through their problem. This is because the lengthier the problem statement, the more likely it is to encourage a defensive reaction. The longer we talk, the more worked up we get, and the more likely we are to violate principles of supportive communication. As a result, the other party begins to feel threatened, starts mentally outlining a rebuttal or counterattack, and stops listening empathetically to our concerns. Once these dynamics enter the discussion, the collaborative approach is usually discarded in favor of the accommodation or forcing strategies, depending on the circumstances. When this occurs, it is unlikely that the actors will be able to reach a mutually satisfactory solution to their problem without third-party intervention.

### ***I6 Manage the Agenda: Approach Multiple or Complex Problems Incrementally***

One way to shorten your opening statement is to approach complex problems incrementally. Rather than raising a series of issues all at once, focus initially on a simple or rudimentary problem. Then, as you gain greater appreciation for the other party's perspective and share some problem-solving success, you can discuss more challenging issues. This is especially important when trying to resolve a problem with a person who is important to your work performance but does not have a long-standing relationship with you. The less familiar you are with the other's opinions and personality, as well as the situational constraints influencing his or her behaviors, the more you should approach a problem-solving discussion as a fact-finding and rapport-building mission. This is best done by focusing your introductory statement on a specific manifestation of a broader problem and presenting it in such a way that it encourages the other party to respond expansively. You can then use this early feedback to shape the remainder of your agenda. For example, "Bill, we had difficulty getting that work order processed on time yesterday. What seemed to be the problem?"

### ***Initiator—Solution Generation***

#### ***I7 Focus on Commonalities as the Basis for Requesting a Change***

Once a problem is clearly understood, the discussion should shift to the solution-generation phase. Most disputants share at least some personal and organizational goals, believe in many of the same fundamental principles of management, and operate under similar constraints. These commonalities can serve as a useful starting point for generating solutions. The most straightforward approach to changing another's offensive behavior is making a request. The legitimacy of

a request will be enhanced if it is linked to common interests. These might include shared values, such as treating coworkers fairly and following through on commitments, or shared constraints, such as getting reports in on time and operating within budgetary restrictions. This approach is particularly effective when the parties have had difficulty getting along in the past. In these situations, pointing out how a change in the respondent's behavior would positively affect your shared fate will reduce defensiveness: "Jane, one of the things we have all worked hard to build in this audit team is mutual support. We are all pushed to the limit getting this job completed by the third-quarter deadline next week, and the rest of the team members find it difficult to accept your unwillingness to work overtime during this emergency. Because the allocation of next quarter's assignments will be affected by our current performance, would you please reconsider your position?"

### ***Responder—Problem Identification***

Now we shall examine the problem-identification phase from the viewpoint of the person who is supposedly the source of the problem. In a work setting, this could be a manager who is making unrealistic demands, a new employee who has violated critical safety regulations, or a coworker who is claiming credit for ideas you generated. The following guidelines for dealing with someone's complaint show how to shape the initiator's behavior so you can have a productive problem-solving experience.

#### ***R1 Establish a Climate for Joint Problem Solving by Showing Genuine Interest and Concern***

When a person complains to you, do not treat that complaint lightly. While this may seem self-evident, it is often difficult to focus your attention on someone else's problems when you are in the middle of writing an important project report or concerned about preparing for a meeting scheduled to begin in a few minutes. Consequently, unless the other person's emotional condition necessitates dealing with the problem immediately, it is better to set up a time for another meeting if your current time pressures will make it difficult to concentrate.

In most cases, the initiator will be expecting you to set the tone for the meeting. You will quickly undermine collaboration if you overreact or become defensive. Even if you disagree with the complaint and feel it has no foundation, you need to respond empathetically to the initiator's statement of the problem. This is done by conveying an attitude of interest and



receptivity through your posture, tone of voice, and facial expressions.

One of the most difficult aspects of establishing the proper climate for your discussion is responding appropriately to the initiator's emotions. Sometimes you may need to let a person blow off steam before trying to address the substance of a specific complaint. In some cases, the therapeutic effect of being able to express negative emotions to the boss will be enough to satisfy a subordinate. This occurs frequently in high-pressure jobs in which tempers flare easily as a result of the intense stress.

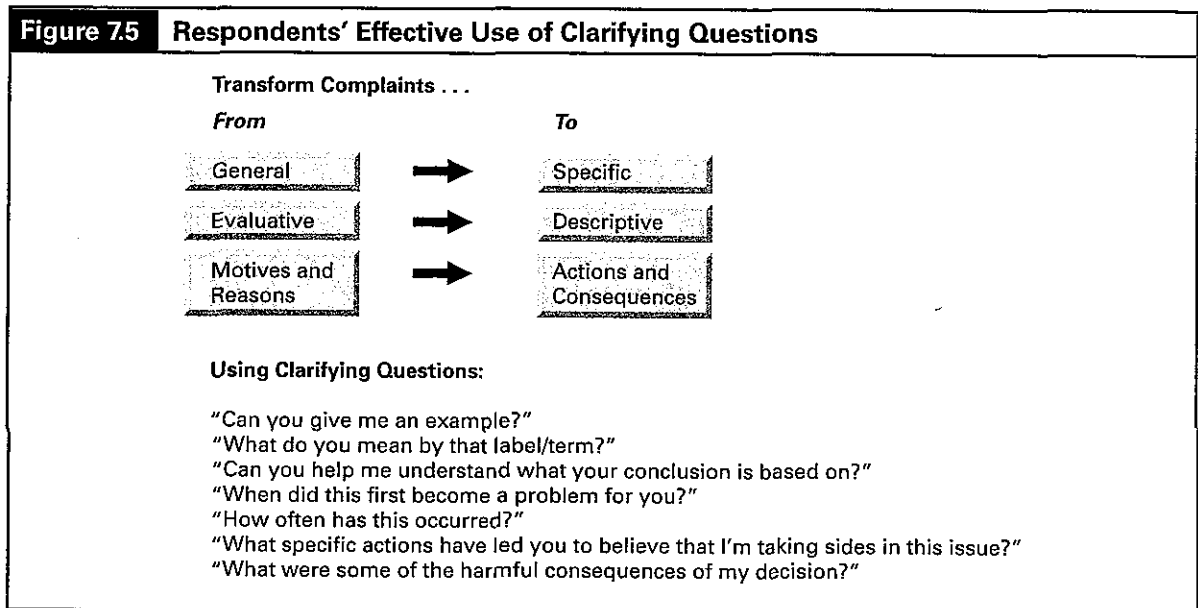
However, an emotional outburst can be very detrimental to problem solving. If an employee begins verbally attacking you or someone else, and it is apparent that the individual is more interested in getting even than in solving an interpersonal problem, you may need to interrupt and interject some ground rules for collaborative problem solving. By explaining calmly to the other person that you are willing to discuss a genuine problem but that you will not tolerate personal attacks or scapegoating, you can quickly determine the initiator's true intentions. In most instances, he or she will apologize, emulate your emotional tone, and begin formulating a useful statement of the problem.

**R2 Seek Additional, Clarifying Information About the Problem by Asking Questions** As shown in Figure 7.5, untrained initiators typically present complaints that are so general and evaluative that they aren't useful problem statements. It is difficult to understand how you should respond to a general,

vague comment like "You never listen to me during our meetings," followed by an evaluative, critical comment like "You obviously aren't interested in what I have to say." In addition to not providing detailed descriptions of your offending actions, inflamed initiators often make attributions about your motives and your personal strengths and weaknesses from a few specific incidents. If the two of you are going to transform a personal complaint into a joint problem, you must redirect the conversation from general and evaluative accusations to descriptions of specific behaviors.

The problem is that when you are getting steamed up over what you believe are unfair and unjustified accusations, it is difficult to avoid fighting back. ("Oh yeah, well I haven't wanted to say this about you before, but since you've brought up the subject . . .") The single best way to keep your mind focused on transforming a personal attack into a jointly identified problem is to limit your responses to questions. If you stick with asking clarifying questions you are going to get better-quality information and you are going to demonstrate your commitment to joint problem solving.

As shown in Figure 7.5, one of the best ways of doing this is to ask for examples ("Can you give me an example of what I did during a staff meeting that led you to believe I wasn't listening to what you had to say?"). Building on our discussion of the "XYZ" model in the initiator's guidelines, you might find it useful to ask for examples of your offending actions and their harmful consequences, including damaged feelings ("Can you give me a specific example of my behavior that concerns you?" "When I did that, what were the



specific consequences for your work?” “How did you feel when that happened?”).

When a complaint is both serious and complex, it is especially critical for you to understand it completely. In these situations, after you have asked several clarifying questions, check your level of understanding by summarizing the initiator's main points and asking if your summary is correct.

Sometimes it is useful to ask for additional complaints: “Are there any other problems in our relationship you'd like to discuss?” If the initiator is just in a griping mood, this is not a good time to probe further; you don't want to encourage this type of behavior. But if the person is seriously concerned about improving your relationship, if your discussion to this point has been helpful, and if you suspect that the initiator is holding back and not talking about the really serious issues, you should probe deeper. Often, people begin by complaining about a minor problem to “test the waters.” If you blow up, the conversation is terminated, and the critical issues aren't discussed. However, if you are responsive to a frank discussion about problems, the more serious issues are likely to surface.

### ***R3 Agree with Some Aspect of the Complaint***

This is an important point that is difficult for some people to accept because they wonder how it is possible to agree with something they don't believe is true. They may also be worried about reinforcing complaining behavior. In practice, this step is probably the best test of whether a responder is committed to using the collaborative approach to conflict management rather than the avoiding, forcing, or accommodating approach. People who use the forcing mode will grit their teeth while listening to the initiator, just waiting to find a flaw they can use to launch a counterattack. Or they will simply respond, “I'm sorry, but that's just the way I am. You'll simply have to get used to it.” Accommodators will apologize profusely and ask for forgiveness. People who avoid conflicts will acknowledge and agree with the initiator's concerns, but only in a superficial manner because their only concern is how to terminate the awkward conversation quickly.

In contrast, collaborators will demonstrate their concerns for both cooperation and assertiveness by looking for points in the initiator's presentation with which they can genuinely agree. Following the principles of supportive communication, you will find it possible to accept the other person's viewpoint without conceding your own position. Even in the most blatantly malicious and hostile verbal assault (which may be more a reflection of the initiator's insecurity than evidence of your inadequacies), there is generally a

grain of truth. A few years ago, a junior faculty member in a business school who was being reviewed for promotion received a very unfair appraisal from one of his senior colleagues. Since the junior member knew that the critic was going through a personal crisis, he could have dismissed the criticism as irrelevant and tendentious. However, one particular phrase—“You are stuck on a narrow line of research”—kept coming back to his mind. There was something there that couldn't be ignored. As a result of turning a vindictive reproach into a valid suggestion, the junior faculty member made a major career decision that produced very positive outcomes. Furthermore, by publicly giving the senior colleague credit for the suggestion, he substantially strengthened the interpersonal relationship.

There are a number of ways you can agree with a message without accepting all of its ramifications (Adler et al., 2001). You can find an element of truth, as in the incident related above. Or you can agree in principle with the argument: “I agree that managers should set a good example” or “I agree that it is important for salesclerks to be at the store when it opens.” If you can't find anything substantive with which to agree, you can always agree with the initiator's perception of the situation: “Well, I can see how you would think that. I have known people who deliberately shirked their responsibilities.” Or you can agree with the person's feelings: “It is obvious that our earlier discussion greatly upset you.”

In none of these cases are you necessarily agreeing with the initiator's conclusions or evaluations, nor are you conceding your position. You are trying to understand, to foster a problem-solving, rather than argumentative, discussion. Generally, initiators prepare for a complaint session by mentally cataloguing all the evidence supporting their point of view. Once the discussion begins, they introduce as much evidence as necessary to make their argument convincing; that is, they keep arguing until you agree. The more evidence that is introduced, the broader the argument becomes and the more difficult it is to begin investigating solutions. Consequently, establishing a basis of agreement is the key to culminating the problem-identification phase of the problem-solving process.

### ***Responder—Solution Generation***

#### ***R4 Ask for Suggestions of Acceptable Alternatives***

Once you are certain you fully understand the initiator's complaint, move on to the solution-generation phase by asking the initiator for recommended solutions. This triggers an important transition in the discussion by shifting attention from the negative to the

positive and from the past to the future. It also communicates your regard for the initiator's opinions. This step is a key element in the joint problem-solving process. Some managers listen patiently to a subordinate's complaint, express appreciation for the feedback, say they will rectify the problem, and then terminate the discussion. This leaves the initiator guessing about the outcome of the meeting. Will you take the complaint seriously? Will you really change? If so, will the change resolve the problem? It is important to eliminate this ambiguity by agreeing on a plan of action. If the problem is particularly serious or complex, it is useful to write down specific agreements, including assignments and deadlines, as well as providing for a follow-up meeting to check progress.

Frequently, it is necessary for managers to mediate a dispute (Karambayya & Brett, 1989; Kressel & Pruitt, 1989; Stroh et al., 2002). While this may occur for a variety of reasons, we will assume in this discussion that the manager has been invited to help the initiator and responder resolve their differences. While we will assume that the mediator is the manager of both disputants, this is not a necessary condition for the guidelines we shall propose. For example, a hairstylist in a college-town beauty salon complained to the manager about the way the receptionist was favoring other beauticians who had been there longer. Since this allegation, if true, involved a violation of the manager's policy of allocating walk-in business strictly on the basis of beautician availability, the manager felt it

necessary to investigate the complaint. In doing so, she discovered considerable animosity between the two employees, stemming from frequent disagreements regarding the amount of work the stylist had done on a given day. The stylist felt that the receptionist was keeping sloppy records, while the receptionist blamed the problem on the stylist's forgetting to hand in her credit slip when she finished with a customer. The problems between the stylist and the receptionist appeared serious enough to the participants and broad enough in scope that the manager decided to call both parties into her office to help them resolve their differences. The following guidelines are intended to help mediators avoid the common pitfalls associated with this role, which are shown in Table 7.6.

### **Mediator— Problem Identification**

#### ***M1 Acknowledge That a Conflict Exists and Propose a Problem-Solving Approach for Resolving It***

When a mediator is called in, it means the disputants have failed as problem solvers. Therefore, the first requirement of effective mediation is to establish a problem-solving framework. To that end, it is vital that the mediator take seriously the problems between conflicting parties. If they feel they have a serious problem, the mediator should not belittle its significance. Remarks such as, "I'm surprised that two intelligent people like you have not been able to work out your disagreement. We have more important things

**Table 7.6 Ten Ways to Fail as a Mediator**

1. After you have listened to the argument for a short time, begin to nonverbally communicate your discomfort with the discussion (e.g., sit back, begin to fidget).
2. Communicate your agreement with one of the parties (e.g., through facial expressions, posture, chair position, reinforcing comments).
3. Say that you shouldn't be talking about this kind of thing at work or where others can hear you.
4. Discourage the expression of emotion. Suggest that the discussion would better be held later after both parties have cooled off.
5. Suggest that both parties are wrong. Point out the problems with both points of view.
6. Suggest partway through the discussion that possibly you aren't the person who should be helping solve this problem.
7. See if you can get both parties to attack you.
8. Minimize the seriousness of the problem.
9. Change the subject (e.g., ask for advice to help you solve one of your problems).
10. Express displeasure that the two parties are experiencing conflict (e.g., imply that it might undermine the solidarity of the work group).

Source: Adapted from Morris & Sashkin, 1976.

to do here than get all worked up over such petty issues" will make both parties defensive and interfere with any serious problem-solving efforts. While you might wish that your subordinates could have worked out their disagreement without bothering you, this is not the time to lecture them on self-reliance. Inducing guilt feelings by implying personal failure during an already emotional experience tends to distract the participants from the substantive issues at hand. Seldom is this conducive to problem solving.

One early decision a mediator has to make is whether to convene a joint problem-solving session or meet separately with the parties first. The diagnostic criteria shown in Table 7.7 should help you weigh the trade-offs. First, what is the current position of the disputants? Are both aware that a problem exists? Are they equally motivated to work on solving the problem? The more similar the awareness and motivation of the parties, the more likely it is that a joint session will be productive. If there is a serious discrepancy in awareness and motivation, the mediator should work to reduce that discrepancy through one-on-one meetings before bringing the disputants together.

Second, what is the current relationship between the disputants? Does their work require them to interact frequently? Is a good working relationship critical for their individual job performance? What has their relationship been in the past? What is the difference in their formal status in the organization? As we discussed

earlier, joint problem-solving sessions are most productive between individuals of equal status who are required to work together regularly. This does not mean that joint meetings should not be held between a supervisor and subordinate, only that greater care needs to be taken in preparing for such a meeting. Specifically, if a department head becomes involved in a dispute between a worker and a supervisor, the department head should make sure that the worker does not feel this meeting will serve as an excuse for two managers to gang up on an hourly employee.

Separate fact-finding meetings with the disputants prior to a joint meeting are particularly useful when the parties have a history of recurring disputes, especially if these disputes should have been resolved without a mediator. Such a history often suggests a lack of conflict management or problem-solving skills on the part of the disputants, or it might stem from a broader set of issues that are beyond their control. In these situations, individual coaching sessions prior to a joint meeting will increase your understanding of the root causes and improve the individuals' abilities to resolve their differences. Following up these private meetings with a joint problem-solving session in which the mediator coaches the disputants through the process for resolving their conflicts can be a positive learning experience.

Third, what is the nature of the problem? Is the complaint substantive in nature and easily verifiable? If the problem stems from conflicting role responsibilities

**Table 7.7** Choosing a Format for Mediating Conflicts

FACTORS	HOLD JOINT MEETINGS	HOLD SEPARATE MEETINGS FIRST
<b>Awareness and Motivation</b>		
• Both parties are aware of the problem.	Yes	No
• They are equally motivated to resolve the problem.	Yes	No
• They accept your legitimacy as a mediator.	Yes	No
<b>Nature of the Relationship</b>		
• The parties hold equal status.	Yes	No
• They work together regularly.	Yes	No
• They have an overall good relationship.	Yes	No
<b>Nature of the Problem</b>		
• This is an isolated (not a recurring) problem.	Yes	No
• The complaint is substantive in nature and easily verified.	Yes	No
• The parties agree on the root causes of the problem.	Yes	No
• The parties share common values and work priorities.	Yes	No

and the actions of both parties in question are common knowledge, then a joint problem-solving session can begin on a common information and experimental base. However, if the complaint stems from differences in managerial style, values, personality characteristics, and so forth, bringing the parties together immediately following a complaint may seriously undermine the problem-solving process. Complaints that are likely to be interpreted as threats to the self-image of one or both parties (Who am I? What do I stand for?) warrant considerable individual discussion before a joint meeting is called. To avoid individuals' feeling as though they are being ambushed in a meeting, you should discuss serious personal complaints with them ahead of time, in private.

***M2 In Seeking Out the Perspective of Both Parties, Maintain a Neutral Posture Regarding the Disputants—If Not the Issues***

Effective mediation requires impartiality. If a mediator shows strong personal bias in favor of one party in a joint problem-solving session, the other party may simply walk out. However, such personal bias is more likely to emerge in private conversations with the disputants. Statements such as, "I can't believe he really did that!" and "Everyone seems to be having trouble working with Charlie these days" imply that the mediator is taking sides, and any attempt to appear impartial in a joint meeting will seem like mere window dressing to appease the other party. No matter how well-intentioned or justified these comments might be, they destroy the credibility of the mediator in the long run. In contrast, effective mediators respect both parties' points of view and make sure that both perspectives are expressed adequately.

Occasionally, it is not possible to be impartial on issues. One person may have violated company policy, engaged in unethical competition with a colleague, or broken a personal agreement. In these cases, the challenge of the mediator is to separate the offense from the offender. If a person is clearly in the wrong, the inappropriate behavior needs to be corrected, but in such a way that the individual doesn't feel his or her image and working relationships have been permanently marred. This can be done most effectively when correction occurs in private.

***M3 Serve as a Facilitator, Not as a Judge***

When parties must work closely and have a history of chronic interpersonal problems, it is often more important to teach problem-solving skills than to resolve a specific dispute. This is done best when the mediator adopts the posture of facilitator. The role of judge is to

render a verdict regarding a problem in the past, not to teach people how to solve problems in the future. While some disputes obviously involve right and wrong actions, most interpersonal problems stem from differences in perspective. In these situations, it is important that the mediator avoid being seduced into "rendering a verdict" by comments such as, "Well, you're the boss; tell us which one is right," or more subtly, "I wonder if I did what was right?" The problem with a mediator's assuming the role of judge is that it sets in motion processes antithetical to effective interpersonal problem solving. The parties focus on persuading the mediator of their innocence and the other party's guilt rather than striving to improve their working relationship with the assistance of the mediator. The disputants work to establish facts about what happened in the past rather than to reach an agreement about what ought to happen in the future. Consequently, a key aspect of effective mediation is helping disputants explore multiple alternatives in a nonjudgmental manner.

***M4 Manage the Discussion to Ensure Fairness—Keep the Discussion Issue Oriented, Not Personality Oriented***

It is important that the mediator maintain a problem-solving atmosphere throughout the discussion. This is not to say that strong emotional statements don't have their place. People often associate effective problem solving with a calm, highly rational discussion of the issues and associate a personality attack with a highly emotional outburst. However, it is important not to confuse affect with effect. Placid, cerebral discussions may not solve problems, and impassioned statements don't have to be insulting. The critical point about process is that it should be centered on the issues and the consequences of continued conflict on performance. Even when behavior offensive to one of the parties obviously stems from a personality quirk, the discussion of the problem should be limited to the behavior. Attributions of motives or generalizations from specific events to personal proclivities distract participants from the problem-solving process. It is important that the mediator establish and maintain these ground rules.

It is also important for a mediator to ensure that neither party dominates the discussion. A relatively even balance in the level of inputs improves the quality of the final outcome. It also increases the likelihood that both parties will accept the final decision, because there is a high correlation between feelings about the problem-solving process and attitudes about the final solution. If one party tends to dominate a discussion, the mediator can help balance the exchange by asking

the less talkative individual direct questions: “Now that we have heard Bill’s view of that incident, how do you see it?” “That’s an important point, Brad, so let’s make sure Brian agrees. How do you feel, Brian?”

### **Mediator—Solution Generation**

**M5 Explore Options by Focusing on Interests, Not Positions** As noted earlier in this section, positions are demands, whereas interests are the underlying needs, values, goals, or concerns behind the demands. Often, conflict resolution is hampered by the perception that incompatible positions necessarily entail irreconcilable differences. Mediation of such conflicts can best be accomplished by examining the interests behind the positions. It is these interests that are the driving force behind the conflict, and these interests are ultimately what people want satisfied.

It is the job of the mediator to discover where interests meet and where they conflict. Interests often remain unstated because they are unclear to the participants. In order to flesh out each party’s interests, ask “why” questions: “Why have they taken this position?” “Why does this matter to them?” Understand that there is probably no single, simple answer to these questions. Each side may represent a number of constituents, each with a special interest.

After each side has articulated its underlying interests, help the parties identify areas of agreement and reconcilability. It is common for participants in an intense conflict to feel that they are on opposite sides of all issues—that they have little in common. Helping them recognize that there are areas of agreement and reconcilability often represents a major turning point in resolving long-standing feuds.

**M6 Make Sure All Parties Fully Understand and Support the Solution Agreed Upon, and Establish Follow-Up Procedures** The last two phases of the problem-solving process are (1) agreement on an action plan and (2) follow-up. These will be discussed here within the context of the mediator’s role, but they are equally relevant to the other roles.

A common mistake of ineffective mediators is terminating discussions prematurely, on the supposition that once a problem has been solved in principle, the disputants can be left to work out the details on their own. Or a mediator may assume that because one party has recommended a solution that appears reasonable and workable, the second disputant will be willing to implement it.

To avoid these mistakes, it is important to stay engaged in the mediation process until both parties

have agreed on a detailed plan of action. You might consider using the familiar planning template—Who, What, How, When, and Where—as a checklist for making sure the plan is complete. If you suspect any hesitancy on the part of either disputant, this needs to be explored explicitly (“Tom, I sense that you are somewhat less enthusiastic than Sue about this plan. Is there something that bothers you?”).

When you are confident that both parties support the plan, check to make sure they are aware of their respective responsibilities and then propose a mechanism for monitoring progress. For example, you might schedule another formal meeting, or you might stop by both individuals’ offices to get a progress report. Without undermining the value of the agreement you’ve obtained, it is generally a good idea to encourage “good faith” modifications of the proposal to accommodate unforeseen implementation issues. Consider using a follow-up meeting to celebrate the successful resolution of the dispute and to discuss “lessons learned” for future applications.

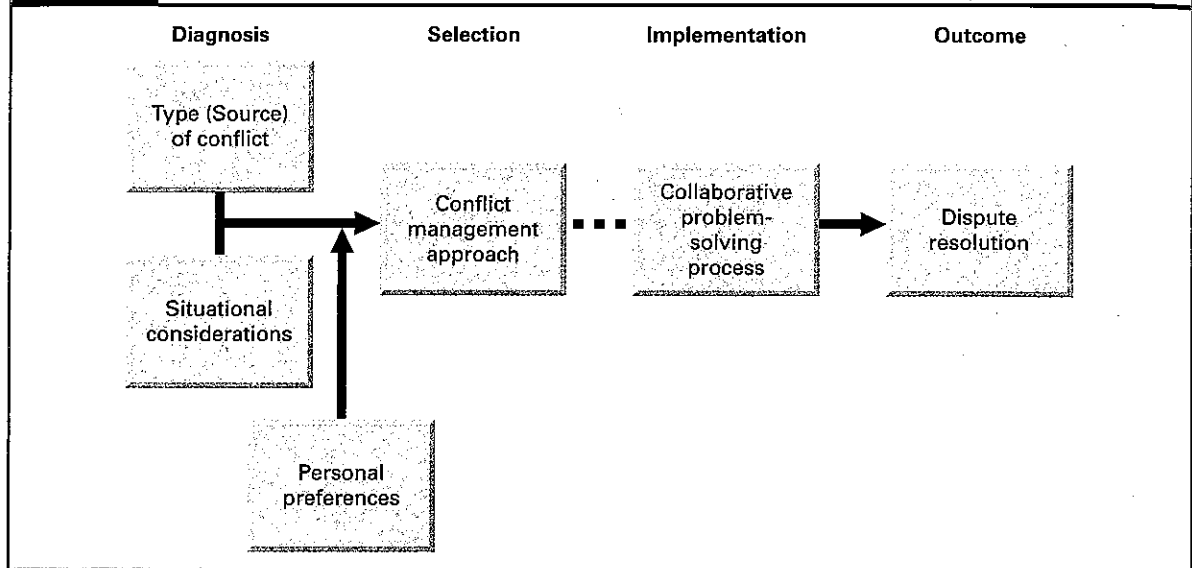
### **Summary**

Conflict is a difficult and controversial topic. In most cultures, it has negative connotations because it runs counter to the notion that we should get along with people by being kind and friendly. Although many people intellectually understand the value of conflict, they feel uncomfortable when confronted by it. Their discomfort may result from a lack of understanding of the conflict process as well as from a lack of training in how to handle interpersonal confrontations effectively. In this chapter, we have addressed these issues by introducing both analytical and behavioral skills.

A summary model of conflict management, shown in Figure 7.6, contains four elements: (1) diagnosing the sources of conflict and the associated situational considerations; (2) selecting an appropriate conflict management strategy, based on the results of the diagnosis combined with personal preferences; (3) effectively implementing the strategy, in particular the collaborative problem-solving process, which should lead to (4) a successful resolution of the dispute. Note that the final outcome of our model is successful dispute resolution. Given our introductory claim that conflict plays an important role in organizations, our concluding observation is that the objective of effective conflict management is the successful resolution of disputes, not the elimination of conflict altogether.

The diagnostic element of our summary model contains two important components. First, assessing the source or type of conflict provides insights into the

**Figure 7.6** Summary Model of Conflict Management



“whys” behind a confrontation. Conflict can be “caused” by a variety of circumstances. We have considered four of these: irreconcilable personal differences, discrepancies in information, role incompatibilities, and environmentally induced stress. These “types” of conflict differ in both frequency and intensity. For example, information-based conflicts occur frequently, but they are easily resolved because disputants have low personal stakes in the outcome. In contrast, conflicts grounded in differences of perceptions and expectations are generally intense and difficult to defuse.

The second important component of the diagnostic process is assessing the relevant situational considerations, so as to determine the feasible set of responses. Important contextual factors that we considered included the importance of the issue, the importance of the relationship, the relative power of the disputants, and the degree to which time was a limiting factor.

The purpose of the diagnostic phase of the model is to wisely choose between the five conflict management approaches: avoiding, compromising, collaborating, forcing, and accommodating. These reflect different degrees of assertiveness and cooperativeness, or the priority given to satisfying one’s own concerns versus the concerns of the other party, respectively.

As shown in Figure 7.6, personal preferences, reflecting a person’s ethnic culture, gender, and personality play a key role in our conception of effective conflict management. One’s personal comfort level with using the various conflict management approaches is both an enabling and a limiting factor. If we feel comfortable with

an approach, we are likely to use it effectively. Because effective problem solvers need to feel comfortable using a variety of tools, however, one shouldn’t pass over an appropriate tool because its use might be discomforting. For this reason, it is important for conflict managers to stretch their natural “comfort zone” through skill development activities.

That is why, as shown in the figure, we elected to focus on the effective implementation of the specific conflict management approach that is both the most effective, all-purpose tool, and the most difficult to use comfortably and skillfully—collaborative problem solving. It takes little skill to impose your authority on another person, to withdraw from a confrontation, to split the difference between opponents, or to abandon your position at the slightest sign of opposition. Therefore, the behavioral guidelines for resolving an interpersonal confrontation involving complaints and criticisms by using a problem-solving approach have been described in detail.

### **Behavioral Guidelines**

Effective conflict management involves both analytic and behavioral elements. The analytic process involves diagnosing the true causes of a conflict, as well as understanding the key situational considerations and personal preferences that need to be factored into selecting the appropriate conflict management approach. The behavior element of the process involves implementing the chosen strategy effectively to effect a successful

resolution of the dispute. Skillful implementation is especially critical for the collaborative problem-solving process advocated in this chapter.

Behavioral guidelines for the diagnosis and selection aspects of conflict management include the following:

1. Collect information on the sources of conflict. Identify the source by examining the focus of the dispute. The four sources, or types of conflict, are personal differences (perception and expectations), information deficiency (misinformation and misinterpretation), role incompatibility (goals and responsibilities), and environmental stress (resource scarcity and uncertainty).
2. Examine relevant situational considerations, including the importance of the issue, the importance of the relationship, the relative power of the disputants, and the degree to which time is a factor.
3. Take into consideration your personal preferences for using the various conflict management approaches. These preferences tend to reflect important elements of your personal identity, including ethnic culture, gender, and personality.
4. Utilize the collaborative approach for managing conflict unless specific conditions dictate the use of an alternative approach.

Behavioral guidelines for effectively implementing the collaborative (problem-solving) approach to conflict management are summarized below. These are organized according to three roles. Guidelines for the problem-identification and solution-generation phases of the problem-solving process are specified for each role. Guidelines for the action plan and follow-up phases are the same for all three roles.

## **INITIATOR**

### ***Problem Identification***

1. Maintain personal ownership of the problem.
  - ❑ Succinctly describe your problem in terms of behaviors, consequences, and feelings. (“When you do X, Y happens, and I feel Z.”)
  - ❑ Stick to the facts (e.g., use a specific incident to illustrate the expectations or standards violated).
  - ❑ Avoid drawing evaluative conclusions and attributing motives to the respondent.
2. Persist until understood; encourage two-way discussion.
  - ❑ Restate your concerns or give additional examples.

- ❑ Avoid introducing additional issues or letting frustration sour your emotional tone.
- ❑ Invite the respondent to ask questions and express another perspective.

### **3. Manage the agenda carefully.**

- ❑ Approach multiple problems incrementally, proceeding from simple to complex, easy to difficult, concrete to abstract.
- ❑ Don’t become fixated on a single issue. If you reach an impasse, expand the discussion to increase the likelihood of an integrative outcome.

## ***Solution Generation***

### **4. Make a request.**

- ❑ Focus on those things you share in common (principles, goals, constraints) as the basis for recommending preferred alternatives.

## **RESPONDER**

### ***Problem Identification***

1. Establish a climate for joint problem solving.
  - ❑ Show genuine concern and interest. Respond empathetically, even if you disagree with the complaint.
  - ❑ Respond appropriately to the initiator’s emotions. If necessary, let the person “blow off steam” before addressing the complaint.
2. Seek additional information about the problem.
  - ❑ Ask questions that channel the initiator’s statements from general to specific and from evaluative to descriptive.
3. Agree with some aspect of the complaint.
  - ❑ Signal your willingness to consider making changes by agreeing with facts, perceptions, feelings, or principles.

## ***Solution Generation***

4. Ask for suggestions and recommendations.
  - ❑ To avoid debating the merits of a single suggestion, brainstorm multiple alternatives.

## **MEDIATOR**

### ***Problem Identification***

1. Acknowledge that a conflict exists.
  - ❑ Select the most appropriate setting (one-on-one conference versus group meeting) for coaching and fact-finding.



- ❑ Propose a problem-solving approach for resolving the dispute.
2. Maintain a neutral posture.
    - ❑ Assume the role of facilitator, not judge. Do not belittle the problem or berate the disputants for their inability to resolve their differences.
    - ❑ Be impartial toward disputants and issues (provided policy has not been violated).
    - ❑ If correction is necessary, do it in private.
  3. Manage the discussion to ensure fairness.
    - ❑ Focus discussion on the conflict's impact on performance and the detrimental effect of continued conflict.
    - ❑ Keep the discussion issue oriented, not personality oriented.
    - ❑ Do not allow one party to dominate the discussion. Ask directed questions to maintain balance.

### ***Solution Generation***

4. Explore options by focusing on the interests behind stated positions.
  - ❑ Explore the "why's" behind disputants' arguments or demands.

- ❑ Help disputants see commonalities among their goals, values, and principles.
- ❑ Use commonalities to generate multiple alternatives.
- ❑ Maintain a nonjudgmental manner.

## **ALL ROLES**

### ***Action Plan and Follow-Up***

1. Ensure that all parties support the agreed-upon plan.
  - ❑ Make sure the plan is adequately detailed (Who, What, How, When, and Where).
  - ❑ Verify understanding of, and commitment to, each specific action.
2. Establish a mechanism for follow-up.
  - ❑ Create benchmarks for measuring progress and ensuring accountability.
  - ❑ Encourage flexibility in adjusting the plan to meet emerging circumstances.

## CASE INVOLVING INTERPERSONAL CONFLICT

### Educational Pension Investments

*Educational Pension Investments (EPI), located in New York, invests pension funds for educational institutions. In 1988, it employed approximately 75 people, 25 of whom were responsible for actual investment activities. The company managed about \$1.2 billion of assets and derived an income of about \$2.5 million.*

The firm was incorporated in 1960 by a group of academic professionals who wanted to control the destiny of their retirement years. They solicited pension funds under the assumption that their investments would be consistent and safe. Through their nearly three decades in the business, they have weathered rapid social and technological change as well as economic volatility. Through it all, they have resisted opportunities to “make it big” and instead stayed with less profitable but relatively secure investments.

Dan Richardson has an MBA from Wharton and is one of the original founders of EPI. He started out working in the research department and has worked in every department since then. The other partners, comfortable with Dan’s conservative yet flexible nature, elected him to the position of CEO in the spring of 1975. After that, Dan became known as “the great equalizer.” He worked hard to make sure that all the partners were included in decisions and that strong relations were maintained. Over the years, he became the confidant of the other seniors and the mentor of the next generation. He took pride in his “people skills,” and EPI’s employees looked to Dan for leadership and direction.

Dan’s management philosophy is built on the concept of loyalty—loyalty to the organization, loyalty to its members, and loyalty to friends. As he is fond of saying, “My dad was a small town banker. He told me, ‘Look out for the other guys and they’ll look out for you.’ Sounds corny, I know, but I firmly believe in this philosophy.”

Dan, bolstered by the support of the other founding members of EPI, continued the practice of consistent and safe investing. This meant maintaining low-risk investment portfolios with moderate income. However, EPI’s growth increasingly has not kept pace with other investment opportunities. As a result, Dan has reluctantly begun to consider the merits of a more aggressive investment approach. This consideration was further strengthened by the expressions of several of the younger analysts who were beginning to refer to EPI as “stodgy.” Some of them were leaving EPI for positions in more aggressive firms.

One evening, Dan talked about his concern with his racquetball partner and longtime friend, Mike Roth. Mike also happened to be an investment broker. After receiving his MBA from the University of Illinois, Mike went to work for a brokerage firm in New York, beginning his career in the research department. His accomplishments in research brought him recognition throughout the firm. Everyone respected him for his knowledge, his work ethic, and his uncanny ability to predict trends. Mike knew what to do and when to do it. After only two years on the job, he was promoted to the position of portfolio manager. However, he left that firm for greener pastures and had spent the last few years moving from firm to firm.

When Mike heard Dan's concerns about EPI's image and need for an aggressive approach, he suggested to his friend that what EPI needed was some fresh blood, someone who could infuse enthusiasm into the organization—someone like him. He told Dan, "I can help you get things moving. In fact, I've been developing some concepts that would be perfect for EPI."

Dan brought up the idea of hiring Mike at the next staff meeting, but the idea was met with caution and skepticism. "Sure, he's had a brilliant career on paper," said one senior partner. "But he's never stayed in one place long enough to really validate his success. Look at his résumé. During the past seven years, he's been with four different firms, in four different positions."

"That's true," said Dan, "but his references all check out. In fact, he's been described as a rising star, aggressive, productive. He's just what we need to help us explore new opportunities."

"He may have been described as a comer, but I don't feel comfortable with his apparent inability to settle down," said another. "He doesn't seem very loyal or committed to anyone or anything."

Another partner added, "A friend of mine worked with Mike a while back and said that while he is definitely good, he's a real maverick—in terms of both investment philosophy and lifestyle. Is that what we really want at EPI?"

Throughout the discussion, Dan defended Mike's work record. He repeatedly pointed out Mike's impressive performance. He deflected concerns about Mike's reputation by saying that he was a loyal and trusted friend. Largely on Dan's recommendation, the other partners agreed, although somewhat reluctantly, to hire Mike. When Dan offered Mike the job, he promised Mike the freedom and flexibility to operate a segment of the fund as he desired.

Mike took the job and performed his responsibilities at EPI in a superior manner. Indeed, he was largely responsible for increasing the managed assets of the company by 150 percent. However, a price was paid for this increase. From the day he moved in, junior analysts enjoyed working with him very much. They liked his fresh, new approach, and were encouraged by the spectacular results. This caused jealousy among the other partners, who thought Mike was pushing too hard to change the tried-and-true traditions of the firm. It was not uncommon for sharp disagreements to erupt in staff meetings, with one or another partner coming close to storming out of the room. Throughout this time, Dan tried to soothe ruffled feathers and maintain an atmosphere of trust and loyalty.

Mike seemed oblivious to all the turmoil he was causing. He was optimistic about potential growth opportunities. He believed that computer chips, biotechnology, and laser engineering were the "waves of the future." Because of this belief, he wanted to direct the focus of his portfolio toward these emerging technologies. "Investments in small firm stocks in these industries, coupled with an aggressive market timing strategy, should yield a 50 percent increase in performance." He rallied support for this idea not only among the younger members of EPI, but also with the pension fund managers who invested with EPI. Mike championed his position and denigrated the merits of the traditional philosophy. "We should compromise on safety and achieve some real growth while we can," Mike argued. "If we don't, we'll lose the investors' confidence and ultimately lose them."

Most of the senior partners disagreed with Mike, stating that the majority of their investors emphasized security above all else. They also disagreed with the projected profits, stating that "We could go from 8 to 12 percent return on investment (ROI); then again, we could drop to 4 percent. A lot depends on whose data you use." They reminded Mike, "The fundamental approach of the corporation is to provide safe and moderate-income mutual funds for academic pension funds to invest in. That's the

philosophy we used to solicit the investments originally, and that's the approach we are obligated to maintain."

Many months passed, and dissension among the managers grew. Mike's frustration over the lack of support among the senior partners began to undermine the day-to-day operations of EPI. He began to criticize detractors in discussions with younger EPI employees. In addition, he assigned research department employees tasks related to technological investments, distracting them from investigating more traditional alternatives. He gradually implemented his ideas within his portfolio, which accounted for approximately 35 percent of EPI's revenues. This disrupted the operations of other managers in EPI because the performance of their funds relied on the timely input of the researchers and other support staff. The other managers bristled when the research staff began tracking the ROI of the various investments on a chart prominently displayed on the conference room wall.

Amidst a rapidly spreading undercurrent of tension, one of the founding partners, Tom Watson, approached Dan one day. Conservative in his ways, Watson is the partner who walks the office and always has time to stop and chat. He began the conversation.

"Dan, I speak for most of the senior staff when I say that we are very troubled by Mike's approach. We've expressed ourselves well enough for Mike to understand, but his actions defy everything we've said. He's a catastrophe just waiting to happen."

"I can understand your concern, Tom," replied Dan. "I'm troubled, too. We have an opportunity to attract new business with some of Mike's new ideas. And the younger staff love working on his projects. But he has stirred up a lot of turmoil."

Tom agreed. "The real issue is that EPI is no longer presenting a unified image. Mike is willfully defying the stated objectives of our organization. And some of our oldest clients don't like that."

"That's true, Tom. On the other hand, some of our newer clients are really encouraged by Mike's approach—and his track record is extremely impressive."

"Come on, Dan. You and I both know that many experts feel the market is overheating. Mike's paper profits could quickly be incinerated if the budget and trade deficits don't turn around. We can't stake the reputation of the firm on a few high-flying technology stocks. Dan, the other senior partners agree. Mike must either conform to the philosophy and management practices of this organization or else resign."

Reflecting on the situation, Dan realized he faced the most difficult challenge of his career. He felt a strong personal investment in helping Mike succeed. Not only had he hired Mike over the objections of several colleagues; he had personally helped him "learn the ropes" at EPI. Beyond that, Dan was haunted by his promise to Mike that he would have the freedom and flexibility to perform the requirements of the position as he pleased. However, this flexibility had clearly caused problems within EPI.

Finally, bowing to the pressure of his peers, Dan called Mike in for a meeting, hoping to find some basis for compromise.

DAN: I gather you know the kinds of concerns the senior partners have expressed regarding your approach.

MIKE: I guess you've talked with Tom. Well, we did have a small disagreement earlier this week.

DAN: The way Tom tells it, you're willfully defying corporate objectives and being insubordinate.

MIKE: Well, it's just like Watson to see progressive change as an attempt to take away his power.

DAN: It's not quite that simple, Mike. When we founded EPI, we all agreed that a conservative stance was best. And right now, with the economic indicators looking soft, many experts agree that it may still be the best alternative.



MIKE: Dan, what are you going to rely on—predictions or performance? These concerns are just smokescreens to deflect attention away from the sub-par records of other portfolio managers. Old views need to be challenged and ultimately discarded. How else are we going to progress and keep up with our competitors?

DAN: I agree we need to change, Mike—but gradually. You have great ideas and terrific instincts, but you can't change a 30-year-old firm overnight. You can help me promote change, but you're pushing so fast, others are digging in their heels. The rate of change is just as important as the direction.

MIKE: You're telling me. And at this rate, it doesn't make much difference which direction we're headed in.

DAN: Come on, Mike. Don't be so cynical. If you'd just stop rubbing people's noses in your performance record and try to see things from their perspective, we could calm things down around here. Then maybe we could start building consensus.

Mike's emotions betray his impatience with the pace of the organization; he becomes agitated.

MIKE: I've always admired your judgment, and I value your friendship, but I honestly think you're kidding yourself. You seem to think you can get this firm to look like it's progressive—shrugging off its stodgy image—without taking any risks or ruffling any feathers. Are you interested in appearance or substance? If you want appearance, then hire a good PR person. If you want substance, then back me up and we'll rewrite the record book. Get off the fence, Dan, before your butt's full of slivers.

DAN: Mike, it simply isn't that easy. I'm not EPI, I'm simply its caretaker. You know we make decisions around here by consensus; that's the backbone of this organization. To move ahead, the confidence of the others has to be won, especially the confidence of the seniors. Frankly, your reputation as a maverick makes it hard to foster confidence in, and loyalty to, your plans.

MIKE: You knew my style when you hired me. Remember how you made it a point to promise me flexibility and autonomy? I'm not getting that any more, Dan. All I'm getting is grief, even though I'm running circles around your conservative cronies.

DAN: Well, that may be true. But your flamboyance . . .

MIKE: Oh, yeah. The sports car, the singles lifestyle, the messy office. But, again, that's appearance, Dan, not substance. Performance is what counts. That's what got me this far, and that's my ticket out. You know I could walk into any firm in town and write my own plan.

DAN: Well, there's no reason to be hasty.

MIKE: Do you honestly believe this can be salvaged? I think not. Maybe it's time for me to be moving on. Isn't that why you called me in here anyway?

Dan, feeling uncomfortable, breaks eye contact and shifts his gaze to the New York skyline. After a long pause, he continues, still gazing out of the window.

DAN: I don't know, Mike. I feel I've failed. My grand experiment in change has polarized the office; we've got two armies at war out there. On the other hand, you really have done a good job here. EPI will no doubt lose a good part of its customer base if you leave. You have a loyal following, with both customers and staff. If you go, so do they—along with our shot at changing our image.

MIKE: It's just like you, Dan, to take this problem personally. Blast it, you take everything personally. Even when I beat you at racquetball. Your heart's in the right place—you just can't ever seem to make the cutthroat hit. You know and I know that EPI needs a change in image. But it doesn't appear to be ready for it yet. And I'm certainly not willing to move slowly.

DAN: Yeah. Maybe. It's just hard to give up . . . [long pause]. Well, why don't we talk more about this after the reception tonight? Come on over and see Joanie and the kids. Besides, I'm dying to show off my new boat.

MIKE: What you see in sailing is beyond me. It's a waste of time, lazily drifting on gentle breezes.

DAN: Save it for later, "Speed King." I've got to get ready for tonight.

### **Discussion Questions**

1. What are the sources of conflict in this case?
2. What approaches to conflict management are used by the actors in this situation? How effective was each?
3. Based on the behavioral guidelines for the collaborative approach, how could Dan have managed this conflict more effectively?





## EXERCISE FOR DIAGNOSING SOURCES OF CONFLICT

### SSS Software Management Problems

In order to manage conflict between others effectively, it is important to be aware of early warning signs. It is also important to understand the underlying causes of disagreements. Conflict that is unmanaged, or managed ineffectively, interferes with work-group performance. A key to managing conflict effectively is recognizing it in its early stages and understanding its roots.

#### Assignment

Read the memos, faxes, voice mail, and e-mail messages that follow. As you examine each of these documents, look for evidence of organizational conflicts. Identify the two conflicts that you think are most significant for you to address in your role as Chris Perillo. Begin your analysis of these conflicts by identifying their likely sources or causes. Use Figure 7.2 as a diagnostic tool for identifying the type of conflict, based on its source and focus. Prepare to present your analysis, along with supporting evidence from the memos. Also, share your ideas regarding how this analysis of the causes of conflict would influence your approach to resolving the conflict.

### SSS Software In-Basket Memos, E-mails, Faxes, and Voice Mails



#### ITEM 1 – E-MAIL

TO: All Employees  
FROM: Roger Steiner, Chief Executive Officer  
DATE: October 15

I am pleased to announce that Chris Perillo has been appointed as Vice President of Operations for Health and Financial Services. Chris will immediately assume responsibility for all operations previously managed by Michael Grant. Chris will have end-to-end responsibility for the design, development, integration, and maintenance of custom software for the health and finance/banking industries. This responsibility includes all technical, financial, and staffing issues. Chris will also manage our program of software support and integration for the recently announced merger of three large health maintenance organizations (HMOs). Chris will be responsible for our recently announced project with a consortium of banks and financial firms operating in Tanzania. This project represents an exciting opportunity for us, and Chris's background seems ideally suited to the task.

Chris comes to this position with an undergraduate degree in Computer Science from the California Institute of Technology and an MBA from the University of Virginia. Chris began as a member of our technical/professional staff six years ago and has most recently served for three years as a group manager supporting domestic and international projects for our airlines industry group, including our recent work for the European Airbus consortium.

I am sure you all join me in offering congratulations to Chris for this promotion.



## ITEM 2 – E-MAIL

TO: All Managers  
FROM: Hal Harris, Vice President, Community and Public Relations  
DATE: October 15

For your information, the following article appeared on the front page of the business section of Thursday's *Los Angeles Times*.

In a move that may create problems for SSS Software, Michael Grant and Janice Ramos have left SSS Software and moved to Universal Business Solutions Inc. Industry analysts see the move as another victory for Universal Business Solutions Inc. in their battle with SSS Software for share of the growing software development and integration business. Both Grant and Ramos had been with SSS Software for over seven years. Grant was most recently Vice President of Operations for all SSS Software's work in two industries: health and hospitals, and finance and banking. Ramos brings to Universal Business Solutions Inc. her special expertise in the growing area of international software development and integration.

Hillary Collins, an industry analyst with Merrill Lynch, said "the loss of key staff to a competitor can often create serious problems for a firm such as SSS Software. Grant and Ramos have an insider's understanding of SSS Software's strategic and technical limitations. It will be interesting to see if they can exploit this knowledge to the advantage of Universal Business Solutions Inc."



## ITEM 3 – E-MAIL

TO: Chris Perillo  
FROM: Paula Sprague, Executive Assistant to Roger Steiner  
DATE: October 15

Chris, I know that in your former position as a group manager in the Airline Services Division, you probably have met most of the group managers in the Health and Financial Services Division, but I thought you might like some more personal information about them. These people will be your direct reports on the management team.

*Group #1:* Bob Miller, 55-year-old white male, married (Anna) with two children and three grandchildren. Active in local Republican politics. Well regarded as a "hands-off" manager heading a high-performing team. Plays golf regularly with Mark McIntyre, John Small, and a couple of VPs from other divisions.

*Group #2:* Wanda Manners, 38-year-old white female, single with one school-age child. A fitness "nut" has run in several marathons. Some experience in Germany and Japan. Considered a hard-driving manager with a constant focus on the task at hand. Will be the first person to show up every morning.

*Group #3:* William Chen, 31-year-old male of Chinese descent, married (Harriet), two young children from his first marriage. Enjoys tennis and is quite good at it. A rising star in the company, he is highly respected by his peers as a "man of action" and a good friend.

*Group #4:* Leo Jones, 36-year-old white male, married (Janet) with an infant daughter. Recently returned from paternity leave. Has traveled extensively on projects, since he speaks three languages. Has liked hockey ever since the time he spent in Montreal. Considered a strong manager who gets the most out of his people.

*Group #5:* Mark McIntyre, 45-year-old white male, married (Mary Theresa) to an executive in the banking industry. No children. A lot of experience in Germany and Eastern



Europe. Has been writing a mystery novel. Has always been a good "team player," but several members of his technical staff are not well respected and he hasn't addressed the problem.

*Group #6:* John Small, 38-year-old white male, recently divorced. Three children living with his wife. A gregarious individual who likes sports. He spent a lot of time in Mexico and Central America before he came to SSS Software. Recently has been doing mostly contract work with the federal government. An average manager, has had some trouble keeping his people on schedule.

*Group #7:* This position vacant since Janice Ramos left. Roger thinks we ought to fill this position quickly. Get in touch with me if you want information on any in-house candidates for any position.

*Group #8:* Marcus Harper, 42-year-old black male, married (Tamara) with two teenage children. Recently won an award in a local photography contest. Considered a strong manager who gets along with peers and works long hours.

*Customer Services:* Armand Marke, 38-year-old male, divorced. A basketball fan. Originally from Armenia. Previously a group manager. Worked hard to establish the Technical Services Phone Line, but now has pretty much left it alone.

*Office Administrator:* Michelle Harrison, 41-year-old white female, single. Grew up on a ranch and still rides horses whenever she can. A strict administrator.

There are a number of good folks here, but they don't function well as a management team. I think Michael played favorites, especially with Janice and Leo. There are a few cliques in this group, and I'm not sure how effectively Michael dealt with them. I expect you will find it a challenge to build a cohesive team.



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#### ITEM 4 – E-MAIL

TO: Chris Perillo  
FROM: Wanda Manners, Group 2 Manager  
DATE: October 15

#### CONFIDENTIAL AND RESTRICTED

Although I know you are new to your job, I feel it is important that I let you know about some information I just obtained concerning the development work we recently completed for First National Investment. Our project involved the development of asset management software for managing their international funds. This was a very complex project due to the volatile exchange rates and the forecasting tools we needed to develop.

As part of this project, we had to integrate the software and reports with all their existing systems and reporting mechanisms. To do this, we were given access to all of their existing software (much of which was developed by Universal Business Solutions Inc.). Of course, we signed an agreement acknowledging that the software to which we were given access was proprietary and that our access was solely for the purpose of our system integration work associated with the project.

Unfortunately, I have learned that some parts of the software we developed actually "borrow" heavily from complex application programs developed for First National Investment by Universal Business Solutions Inc. It seems obvious to me that one or more of the software developers from Group 5 (that is, Mark McIntyre's group) inappropriately "borrowed" algorithms developed by Universal Business Solutions Inc. I am sure that

doing so saved us significant development time on some aspects of the project. It seems very unlikely that First National Investment or Universal Business Solutions Inc. will ever become aware of this issue.

Finally, First National Investment is successfully using the software we developed and is thrilled with the work we did. We brought the project in on time and under budget. You probably know that they have invited us to bid on several other substantial projects.

I'm sorry to bring this delicate matter to your attention, but I thought you should know about it.



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#### ITEM 5A – E-MAIL

TO: Chris Perillo  
FROM: Paula Sprague, Executive Assistant to Roger Steiner  
DATE: October 15  
RE: Letter from C.A.R.E. Services (copies attached)

Roger asked me to work on this C.A.R.E. project and obviously wants some fast action. A lot of the staff are already booked solid for the next couple of weeks. I knew that Elise Soto and Chu Hung Woo have the expertise to do this system and when I checked with them, they were relatively free. I had them pencil in the next two weeks and wanted to let you know. Hopefully, it will take a "hot potato" out of your hands.



---

#### ITEM 5B – Copy of Fax

C.A.R.E.  
Child and Adolescent Rehabilitative and Educational Services  
A United Way Member Agency  
200 Main Street  
Los Angeles, California 90230

DATE: October 11  
Roger Steiner, CEO  
SSS Software  
13 Miller Way  
Los Angeles, California 90224

Dear Roger,

This letter is a follow-up to our conversation after last night's board meeting. I appreciated your comments during the board meeting about the need for sophisticated computer systems in nonprofit organizations and I especially appreciate your generous offer of assistance to have SSS Software provide assistance to deal with the immediate problem with our accounting system. Since the board voted to fire the computer consultant, I am very worried about getting our reports done in time to meet the state funding cycle.

Thanks again for your offer of help during this crisis.

Sincerely yours,

Janice Polocizwic

Janice Polocizwic  
Executive Director



---

**ITEM 5C – COPY OF A LETTER**

SSS SOFTWARE  
13 Miller Way  
Los Angeles, CA 90224

DATE: October 12

Janice Polocizwic  
Executive Director, C.A.R.E. Services  
200 Main Street  
Los Angeles, California 90230

Dear Janice,


I received your fax of October 11. I have asked Paula Sprague, my executive assistant, to line up people to work on your accounting system as soon as possible. You can expect to hear from her shortly.

Sincerely,

*Roger Steiner*

Roger Steiner  
cc: Paula Sprague, Executive Assistant

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**ITEM 6 – E-MAIL**

TO: Michael Grant  
FROM: Harry Withers, Group 6 Technical Staff  
DATE: October 12

*PERSONAL AND CONFIDENTIAL*

Our team is having difficulty meeting the submission deadline of November 5 for the Halstrom project. Kim, Fred, Peter, Kyoto, Susan, Mala, and I have been working on the project for several weeks, but we are experiencing some problems and may need additional time. I hesitate to write this letter, but the main problem is that our group manager, John Small, is involved in a relationship with Mala. Mala gets John's support for her ideas and brings them to the team as required components of the project. Needless to say, this has posed some problems for the group. Mala's background is especially valuable for this project, but Kim and Fred, who have both worked very hard on the project, do not want to work with her. In addition, one member of the team has been unavailable recently because of child-care needs. Commitment to the project and team morale have plummeted. However, we'll do our best to get the project finished as soon as possible. Mala will be on vacation the next two weeks, so I'm expecting that some of us can complete it in her absence.

---

**ITEM 7 – VOICE MAIL MESSAGE**

Hello, Michael. This is Jim Bishop of United Hospitals. I wanted to talk with you about the quality assurance project that you are working on for us. When Jose Martinez first started talking with us, I was impressed with his friendliness and expertise. But recently, he doesn't seem to be getting much accomplished and has seemed distant

and on-edge in conversations. Today, I asked him about the schedule and he seemed very defensive and not entirely in control of his emotions. I am quite concerned about our project. Please give me a call.



#### ITEM 8 – VOICE MAIL MESSAGE

Hi, Michael. This is Armand. I wanted to talk with you about some issues with the Technical Services Phone Line. I've recently received some complaint letters from Phone Line customers whose complaints have included long delays while waiting for a technician to answer the phone, technicians who are not knowledgeable enough to solve problems, and, on occasion, rude service. Needless to say, I'm quite concerned about these complaints.

I believe that the overall quality of the Phone Line staff is very good, but we continue to be understaffed, even with the recent hires. The new technicians look strong, but are working on the help-line before being fully trained. Antolina, our best tech, often brings her child to work, which is adding to the craziness around here.

I think you should know that we're feeling a lot of stress here. I'll talk with you soon.



#### ITEM 9 – VOICE MAIL MESSAGE

Hi, Chris, it's Pat. Congratulations on your promotion. They definitely picked the right person. It's great news—for me, too. You've been a terrific mentor so far, so I'm expecting to learn a lot from you in your new position. How about lunch next week?



#### ITEM 10 – VOICE MAIL MESSAGE

Chris, this is Bob Miller. Just thought you'd like to know that John's joke during our planning meeting has disturbed a few of the women in my group. Frankly, I think the thing's being blown out of proportion, especially since we all know this is a good place for both men and women to work. Give me a call if you want to chat about this.



#### ITEM 11 – VOICE MAIL MESSAGE

Hello. This is Lorraine Adams from Westside Hospital. I read in today's *Los Angeles Times* that you will be taking over from Michael Grant. We haven't met yet, but your division has recently finished two large million-dollar projects for Westside. Michael Grant and I had some discussion about a small conversion of a piece of existing software to be compatible with the new systems. The original vendor had said that they would do the work, but they have been stalling, and I need to move quickly. Can you see if Harris Wilson, Chu Hung Woo, and Elise Soto are available to do this work as soon as possible? They were on the original project and work well with our people.

Um . . . (long pause) I guess I should tell you that I got a call from Michael offering to do this work. But I think I should stick with SSS Software. Give me a call.



---

### ITEM 12 – VOICE MAIL MESSAGE

Hi, Chris, this is Roosevelt Moore calling. I'm a member of your technical/professional staff. I used to report to Janice Ramos, but since she left the firm, I thought I'd bring my concerns directly to you. I'd like to arrange some time to talk with you about my experiences since returning from six weeks of paternity leave. Some of my major responsibilities have been turned over to others. I seem to be out of the loop and wonder if my career is at risk. Also, I am afraid that I won't be supported or seriously considered for the opening created by Janice's departure. Frankly, I feel like I'm being screwed for taking my leave. I'd like to talk with you this week.



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### ITEM 13 – E-MAIL

TO: Michael Grant  
FROM: Jose Martinez, Group 1 Technical Staff  
DATE: October 12

I would like to set up a meeting with you as soon as possible. I suspect that you will get a call from Jim Bishop of United Hospitals and want to be sure that you hear my side of the story first. I have been working on a customized system design for quality assurance for them using a variation of the J-3 product we developed several years ago. They had a number of special requirements and some quirks in their accounting systems, so I have had to put in especially long hours. I've worked hard to meet their demands, but they keep changing the ground rules. I keep thinking, this is just another J-3 I'm working on, but they have been interfering with an elegant design I have developed. It seems I'm not getting anywhere on this project. Earlier today, I had a difficult discussion with their Controller. He asked for another major change. I've been fighting their deadline and think I am just stretched too thin on this project. Then Jim Bishop asked me if the system was running yet. I was worn out from dealing with the Controller, and I made a sarcastic comment to Jim Bishop. He gave me a funny look and just walked out of the room.

I would like to talk with you about this situation at your earliest convenience.



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### ITEM 14 – E-MAIL

TO: Chris Perillo  
FROM: John Small, Group 6 Manager  
DATE: October 15

Welcome aboard, Chris. I look forward to meeting with you. I just wanted to put a bug in your ear about finding a replacement for Janice Ramos. One of my technical staff, Mala Abendano, has the ability and drive to make an excellent group manager. I have encouraged her to apply for the position. I'd be happy to talk with you further about this, at your convenience.



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### ITEM 15 – E-MAIL

TO: Chris Perillo  
FROM: Paula Sprague, Executive Assistant to Roger Steiner  
DATE: October 15

Roger asked me to let you know about the large contract we have gotten in Tanzania. It means that a team of four managers will be making a short trip to determine current needs. They will assign their technical staff the tasks of developing a system and software here over the next six months, and then the managers and possibly some team members will be spending about 10 months on site in Tanzania to handle the implementation. Roger thought you might want to hold an initial meeting with some of your managers to check on their interest and willingness to take this sort of assignment. Roger would appreciate an e-mail of your thoughts about the issues to be discussed at this meeting, additional considerations about sending people to Tanzania, and about how you will put together an effective team to work on this project. The October 15 memo I sent to you will provide you with some information you'll need to start making these decisions.



### ITEM 16 – E-MAIL

TO: Chris Perillo  
 FROM: Sharon Shapiro, VP of Human Resources  
 DATE: October 15  
 RE: Upcoming meeting

I want to update you on the rippling effect of John Small's sexual joke at last week's planning meeting. Quite a few women have been very upset and have met informally to talk about it. They have decided to call a meeting of all people concerned about this kind of behavior throughout the firm. I plan to attend, so I'll keep you posted.



### ITEM 17 – E-MAIL

TO: All SSS Software Managers  
 FROM: Sharon Shapiro, VP of Human Resources  
 DATE: October 15  
 RE: Promotions and External Hires

#### *Year-to-Date (January through September) Promotions and External Hires*

Level	Race					Sex		Total
	White	Black	Asian	Hispanic	Native American	M	F	
Hires into Executive Level	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0
Promotions to Executive Level	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0
Hires into Management Level	2 (67%)	1 (33%)	0 (0%)	0 (0%)	0 (0%)	2 (67%)	1 (33%)	3
Promotions to Management Level	7 (88%)	0 (0%)	1 (12%)	0 (0%)	0 (0%)	7 (88%)	1 (12%)	8
Hires into Technical/Professional Level	10 (36%)	6 (21%)	10 (36%)	2 (7%)	0 (0%)	14 (50%)	14 (50%)	28

PRACTICE

Level	Race					Sex		Total
	White	Black	Asian	Hispanic	Native	M	F	
					American			
Promotions to Technical/ Professional Level	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0
Hires into Non-Management Level	4 (20%)	10 (50%)	2 (10%)	4 (20%)	0 (0%)	6 (30%)	14 (70%)	20
Promotions to Non-Management Level	NA	NA	NA	NA	NA	NA	NA	NA

**SSS Software Employee (EEO) Classification Report as of June 30**

Level	Race					Sex		Total
	White	Black	Asian	Hispanic	Native	M	F	
					American			
Executive Level	11 (92%)	0 (0%)	1 (8%)	0 (0%)	0 (0%)	11 (92%)	1 (8%)	12
Management Level	43 (90%)	2 (4%)	2 (4%)	1 (2%)	0 (0%)	38 (79%)	10 (21%)	48
Technical/ Professional Level	58 (45%)	20 (15%)	37 (28%)	14 (11%)	1 (1%)	80 (62%)	50 (38%)	130
Non-Management Level	29 (48%)	22 (37%)	4 (7%)	4 (7%)	1 (2%)	12 (20%)	48 (80%)	60
Total	141 (56%)	44 (18%)	44 (18%)	19 (8%)	2 (1%)	141 (56%)	109 (44%)	250

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## **EXERCISES FOR SELECTING AN APPROPRIATE CONFLICT MANAGEMENT STRATEGY**

Not all conflicts are alike; therefore, they cannot all be managed in exactly the same way. Effective managers are able to assess accurately the true causes of conflict and to match each type of conflict with an appropriate management strategy.

### Assignment

For each of the following brief scenarios, select the most appropriate conflict management strategy. Refer to Table 4 for assistance in matching situational factors with strategies.

### Bradley's Barn

You have decided to take your family out to the local steakhouse, Bradley's Barn, to celebrate your son's birthday. You are a single parent, so getting home from work in time to prepare a nice dinner is very difficult. On entering the restaurant, you ask the hostess to seat you in the nonsmoking section because your daughter, Shauna, is allergic to tobacco smoke. On your way to your seat, you notice that the restaurant seems crowded for a Monday night.

After you and your children are seated and have placed your orders, your conversation turns to family plans for the approaching holiday. Interspersed in the general conversation is a light banter with your son about whether or not he is too old to wear "the crown" during dinner—a family tradition on birthdays.

Suddenly you become aware that your daughter is sneezing and her eyes are beginning to water. You look around and notice a lively group of business people seated at the table behind you; all of them are smoking. Your impression is that they are celebrating some type of special occasion. Looking back at Shauna, you realize that something has to be done quickly. You ask your son to escort Shauna outside while you rush to the front of the restaurant and find the hostess.

### Discussion Questions

1. What are the salient situational factors?
2. What is the most appropriate conflict management strategy?

### Avocado Computers

When the head of Avocado Computers ran into production problems with his automated production facility, he hired you away from a competitor. It meant a significant increase in pay and the opportunity to manage a state-of-the-art production facility. What's more, there were very few other female production managers in Silicon Valley. Now you've been on the job a year, and it's been exciting to see your staff start working together as a team to solve problems, improve quality, and finally get the plant up to capacity. In general, Bill, the owner, has also been a plus. He is energetic, fair, and a proven industry leader. You feel fortunate to be in a coveted position, in a "star" firm, in a growth industry.

However, there is one distraction that bugs you. Bill is a real stickler about cleanliness, order, and appearance. He wants the robots all painted the same color, the components within the computer laid out perfectly on a grid, the workers wearing clean smocks, and the floor "clean enough to eat off." You are troubled by this compulsion. "Sure," you think, "it might impress potential corporate clients when they tour the production facility, but is it really that important? After all, who's ever going to look at the inside of their computer? Why should customers care about the color of the robot that built their computers? And who, for Pete's sake, would ever want to have a picnic in a factory?"

Today is your first yearly performance appraisal interview with Bill. In preparation for the meeting, he has sent you a memo outlining "Areas of Strength" and "Areas of Concern." You look with pride at the number of items listed in the first column. It's obvious that Bill likes your work. But you are a bit miffed at the single item of concern: "Needs to maintain a cleaner facility, including employee appearance." You mull over this "demerit" in your mind, wrestling with how to respond in your interview.



### Discussion Questions

1. What are the salient situational factors?
2. What is the most appropriate conflict management strategy?

### Phelps, Inc.

You are Philip Manual, the head of sales for an office products firm, Phelps, Inc. Your personnel sell primarily to small businesses in the Los Angeles metropolitan area. Phelps is doing about average for this rapidly growing market. The firm's new president, Jose Ortega, is putting a lot of pressure on you to increase sales. You feel that a major obstacle is the firm's policy on extending credit. Celeste, the head of the credit office, insists that all new customers fill out an extensive credit application. Credit risks must be low; credit terms and collection procedures are tough. You can appreciate her point of view, but you feel it is unrealistic. Your competitors are much more lenient in their credit examinations; they extend credit to higher risks; their credit terms are more favorable; and they are more lenient in collecting overdue payments. Your sales personnel frequently complain that they aren't "playing on a level field" with their competition. When you brought this concern to Jose, he said he wanted you and Celeste to work things out. His instructions didn't give many clues to his priorities on this matter. "Sure, we need to increase sales, but the small business failure in this area is the highest in the country, so we have to be careful we don't make bad credit decisions."

You decide it's time to have a serious discussion with Celeste. A lot is at stake.

### Discussion Questions

1. What are the salient situational factors?
2. What is the most appropriate conflict management strategy?

## EXERCISES FOR RESOLVING INTERPERSONAL DISPUTES

The heart of conflict management is resolving intense, emotionally charged confrontations. We have discussed guidelines for utilizing the collaborative (problem-solving) approach to conflict management in these situations. Assuming that the collaborative approach is appropriate for a particular situation, the general guidelines can be used by an initiator, a responder, or a mediator.

### Assignment

Following are three situations involving interpersonal conflict and disagreement. After you have finished reading the assigned roles, review the appropriate behavioral guidelines. Do not read any of the role descriptions except those assigned to you.

In the first exercise (Freida Mae Jones), students assigned to play Freida Mae will practice applying the guidelines for the initiator's role. In the second exercise (Can Larry Fit In?), students assigned to play the role of Larry's boss, Melissa, will practice the guidelines for the respondent's role. In the third exercise (Meeting at Hartford Manufacturing Company), students assigned to play the role of Lynn Smith will practice the guidelines for resolving conflicts among subordinates. For each exercise an observer will be assigned to give students playing the roles of Freida Mae, Melissa, or Lynn feedback on their performance, using the Observer's Feedback Form at the end of the chapter as their guide.

## Freida Mae Jones

### Freida Mae Jones, Assistant Manager, Branch Operations

Freida Mae Jones was born in her grandmother's Georgia farmhouse on June 1, 1949. She was the sixth of George and Ella Jones's 10 children. Mr. and Mrs. Jones moved to New York City when Freida was four because they felt that the educational and career opportunities for their children would be better in the North. With the help of some cousins, they settled in a five-room apartment in the Bronx. George worked as a janitor at Lincoln Memorial Hospital, and Ella was a part-time housekeeper in a nearby neighborhood. George and Ella were conservative, strict parents. They kept a close watch on their children's activities and demanded they be home by a certain hour. The Joneses believed that because they were Black, the children would have to perform and behave better than their peers to be successful. They believed that their children's education would be the most important factor in their success as adults.

Freida entered Memorial High School, a racially integrated public school, in September 1963. Seventy percent of the student body was Caucasian, 20 percent black, and 10 percent Hispanic. About 60 percent of the graduates went on to college, of which 4 percent were Black, Hispanic, and male. In her senior year, Freida was the top student in her class. Following school regulations, Freida met with her guidance counselor to discuss plans upon graduation. The counselor advised her to consider training in a "practical" field such as housekeeping, cooking, or sewing, so that she could find a job.

George and Ella Jones were furious when Freida told them what the counselor had advised. Ella said, "Don't they see what they are doing? Freida is the top-rated student in her whole class and they are telling her to become a manual worker. She showed that she has a fine mind and can work better than any of her classmates and still she is told not to become anybody in this world. It's really not any different in the North than back home in Georgia, except that they don't try to hide it down South. They want her to throw away her fine mind because she is a Black girl and not a White boy. I'm going to go up to her school tomorrow and talk to the principal."

As a result of Mrs. Jones's visit to the principal, Freida was assisted in applying to 10 Eastern colleges, each of which offered her full scholarships. In September 1966, Freida entered Werbley College, an exclusive private women's college in Massachusetts. In 1970, Freida graduated summa cum laude in history. She decided to return to New York to teach grade school in the city's public school system. Freida was unable to obtain a full-time position, so she substituted. She also enrolled as a part-time student in Columbia University's Graduate School of Education. In 1975, she had attained her master of arts degree in teaching from Columbia but could not find a permanent teaching job. New York City was laying off teachers and had instituted a hiring freeze because of the city's financial problems.

Feeling frustrated about her future as a teacher, Freida decided to get an MBA. She thought that there was more opportunity in business than in education. Churchill Business School, a small, prestigious school located in upstate New York, accepted Freida into its MBA program.

Freida completed her MBA in 1977 and accepted an entry-level position at the Industrialist World Bank of Boston in a fast-track management development program. The three-year program introduced her to all facets of bank operations, from telling to loan training and operations management. She was rotated to branch offices throughout New England. After completing the program, she became an assistant manager for branch operations in the West Springfield branch office.

During her second year in the program, Freida had met James Walker, a Black doctoral student in business administration at the University of Massachusetts. Her assignment to West Springfield precipitated their decision to get married. They originally anticipated that they would marry when James finished his doctorate and could move to Boston. Instead, they decided he would pursue a job in the Springfield-Hartford area.

Freida was not only the first Black but also the first woman to hold an executive position in the West Springfield branch office. Throughout the training program Freida felt somewhat uneasy although she did very well. There were six other Blacks in the program, five men and one woman, and she found support and comfort in sharing her feelings with them. The group spent much of their free time together. Freida had hoped that she would be located near one or more of the group when she went out into the “real world.” She felt that although she was able to share her feelings about work with James, he did not have as full an appreciation or understanding as her coworkers. However, the nearest group member was located 100 miles away.

Freida’s boss in Springfield was Stan Luboda, a 55-year-old native New Englander. Freida felt that he treated her differently than he did the other trainees. He always tried to help her and took a lot of time (too much, according to Freida) explaining things to her. Freida felt that he was treating her like a child and not like an intelligent and able professional.

“I’m really getting frustrated and angry about what is happening at the bank,” Freida said to her husband. “The people don’t even realize it, but their prejudice comes through all the time. I feel as if I have to fight all the time just to start off even. Luboda gives Paul Cohen more responsibility than me and we both started at the same time with the same amount of training. He’s meeting customers alone and Luboda has accompanied me to each meeting I’ve had with a customer.”

“I run into the same thing at school,” said James. “The people don’t even know that they are doing it. The other day I met with a professor on my dissertation committee. I’ve known and worked with him for more than three years. He said he wanted to talk with me about a memo he had received. I asked him what it was about and he said that the records office wanted to know about my absence during the spring semester. He said that I had to sign some forms. He had me confused with Martin Jordan, another Black student. Then he realized that it wasn’t me, but Jordan he wanted. All I could think was that we all must look alike to him. I was angry. Maybe it was an honest mistake on his part, but whenever something like that happens, and it happens often, it gets me really angry.”

“Something like that happened to me,” said Freida. “I was using the copy machine, and Luboda’s secretary was talking to someone in the hall. She had just gotten a haircut and was saying her hair was now like Freida’s—short and kinky—and that she would have to talk to me about how to take care of it. Luckily, my back was to her. I bit my lip and went on with my business. Maybe she was trying to be cute, because I know she saw me standing there, but comments like that are not cute, they are racist.”

“I don’t know what to do,” said James. “I try to keep things in perspective. Unless people interfere with my progress, I try to let it slide. I only have so much energy and it doesn’t make sense to waste it on people who don’t matter. But that doesn’t make it any easier to function in a racist environment. People don’t realize that they are being racist. But a lot of times their expectations of Black people or women, or whatever, are different because of skin color or gender. They expect you to be different, although if you were to ask them they would say that they don’t. In fact, they would be highly offended if you implied that they were racist or sexist. They don’t see themselves that way.”

“Luboda is interfering with my progress,” said Freida. “The kinds of experiences I have now will have a direct effect on my career advancement. If decisions are being made because I am Black or a woman, then they are racially and sexually biased. It’s the same kind of attitude that the guidance counselor had when I was in high school, although not as blatant.” In September 1980, Freida decided to speak to Luboda about his treatment of her. She met with him in his office. “Mr. Luboda, there is something that I would like to discuss with you, and I feel a little uncomfortable because I’m not sure how you will respond to what I am going to say.”

### **Stan Luboda, Manager, Branch Operations**

Stan Luboda is a 55-year-old native New Englander who has managed the Springfield branch for more than a decade and has extensive ties to a tightly knit western Massachusetts community. Stan feels that he is liberal and open-minded, and is proud that he recruited Freida Mae Jones, one of only two African-American females in the Industrialist World Bank of Boston management development program. Stan feels that his working relationship with all of his assistant branch managers is cordial and working smoothly. He has structured the work so that each assistant branch manager is specialized in one part of the business.

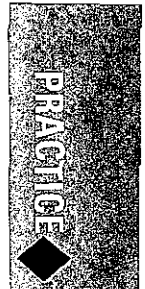
He has assigned Paul Cohen to some established accounts as well as having him work on securing new customers, while he has Freida Mae Jones managing the important processing department and supervising a staff of clerical and accounting personnel. While having lunch with Garland Smith, his boss who was visiting from the Boston head office, the subject of why Stan had assigned Cohen the more visible customer contact assignments while assigning Jones to the backroom operations role came up.

"Look Garland, you know I'm not a naive person, and I'm very open-minded, which is why I'm so pleased to have Freida Mae on my staff," said Luboda. "You know the way the world works. There are some things that need to be taken more slowly than others. There are some assignments for which Cohen has been given more responsibility, and there are some assignments for which Jones is given more responsibility than Cohen."

"Don't you think Cohen's career will advance more quickly than Jones' because of the assignments that he gets?" Smith replied.

"That is not true," said Luboda. "Jones' career will not be hurt because she is getting different responsibilities than Cohen. Both of them need the different kinds of experiences they are getting. And you have to face the reality of the banking business. We are in a conservative business. When we speak to customers, we need to gain their confidence, and we put the best people for the job in the positions to achieve that end. If we don't get their confidence, they can go down the street to our competitors and do business with them. Their services are no different than ours. It's a competitive business in which you need every edge you have. It's going to take time for people to change some of their attitudes about whom they borrow money from or where they put their money. I can't change the way people feel. I am running a business, but believe me, I won't make any decisions that are detrimental to the bank."

SOURCE: Copyright © Dr. Martin R. Moser, Associate Professor of Management, University of Massachusetts Lowell, Lowell, MA 01854. martin\_moser@uml.edu.



## **Can Larry Fit In?**

### **Melissa, Office Manager**

You are the manager of an auditing team sent to Bangkok, Thailand, to represent a major international accounting firm headquartered in New York. You and Larry, one of your auditors, were sent to Bangkok to set up an auditing operation. Larry is about seven years older than you and has five more years' seniority in the firm. Your relationship has become very strained since you were recently designated as the office manager. You feel you were given the promotion because you have established an excellent working relationship with the Thai staff as well as a broad range of international clients. In contrast, Larry has told other members of the staff that your promotion simply reflects the firm's heavy emphasis on affirmative action. He has tried to isolate you from the all-male accounting staff by focusing discussions on sports, local night spots, and so forth.

You are sitting in your office reading some complicated new reporting procedures that have just arrived from the home office. Your concentration is suddenly interrupted by a loud knock on your door. Without waiting for an invitation to enter, Larry bursts into your office. He is obviously very upset, and it is not difficult for you to surmise why he is in such a nasty mood.

You recently posted the audit assignments for the coming month, and you scheduled Larry for a job you knew he wouldn't like. Larry is one of your senior auditors, and the company norm is that they get the choice assignments. This particular job will require him to spend two weeks away from Bangkok in a remote town, working with a company whose records are notoriously messy.

Unfortunately, you have had to assign several of these less desirable audits to Larry recently because you are short of personnel. But that's not the only reason. You have received several complaints from the junior staff (all Thais) recently that Larry treats them in a condescending manner. They feel he is always looking for an opportunity to boss them around, as if he were their supervisor instead of an experienced, supportive mentor. As a result, your whole operation works more smoothly when you can send Larry out of town on a solo project for several days. It keeps him from coming into your office and telling you how to do your job, and the morale of the rest of the auditing staff is significantly higher.

Larry slams the door and proceeds to express his anger over this assignment.

### **Larry, Senior Auditor**

You are really ticked off! Melissa is deliberately trying to undermine your status in the office. She knows that the company norm is that senior auditors get the better jobs. You've paid your dues, and now you expect to be treated with respect. And this isn't the first time this has happened. Since she was made the office manager, she has tried to keep you out of the office as much as possible. It's as if she doesn't want her rival for leadership of the office around. When you were asked to go to Bangkok, you assumed that you would be made the office manager because of your seniority in the firm. You are certain that the decision to pick Melissa is yet another indication of reverse discrimination against white males.

In staff meetings, Melissa has talked about the need to be sensitive to the feelings of the office staff as well as the clients in this multicultural setting. "Where does she come off preaching about sensitivity! What about my feelings, for heaven's sake?" you wonder. This is nothing more than a straightforward power play. She is probably feeling insecure about being the only female accountant in the office and being promoted over someone with more experience. "Sending me out of town," you decide, "is a clear case of 'out of sight, out of mind.'"

Well, it's not going to happen that easily. You are not going to roll over and let her treat you unfairly. It's time for a showdown. If she doesn't agree to change this assignment and apologize for the way she's been treating you, you're going to register a formal complaint with her boss in the New York office. You are prepared to submit your resignation if the situation doesn't improve.

## **Meeting at Hartford Manufacturing Company**

Hartford Manufacturing Company is the largest subsidiary of Connecticut Industries. Since the end of World War I, when it was formed, Hartford Manufacturing has become an industrial leader in the Northeast. Its sales currently average approximately \$25 million a year, with an annual growth of approximately six percent. There are more than 850 employees in production, sales and marketing, accounting, engineering, and management.

Lynn Smith is general manager. He has held his position for a little over two years and is well respected by his subordinates. He has the reputation of being firm but fair. Lynn's training in college was in engineering, so he is technically minded, and he frequently likes to walk around the production area to see for himself how things are going. He has also been known to roll up his sleeves and help work on a problem on the shop floor. He is not opposed to rubbing shoulders with even the lowest-level employees. On the other hand, he tries to run a tight company, and employees pretty well stick to their assigned tasks. He holds high expectations for performance, especially from individuals in management positions.

Richard Hooton is the director of production at Hartford Manufacturing. He has been with the company since he was 19 years old, when he worked on the dock. He has worked himself up through the ranks and now, at age 54, is the oldest of the management personnel. Hooton has his own ideas of how things should be run in production, and he is reluctant to tolerate any intervention from anyone, even Lynn Smith. Because he has been with the company so long, he feels he knows it better than anyone else, and he believes he has had a hand in making it the success that it is. His main goal is to keep production running smoothly and efficiently.

Barbara Price is the director of sales and marketing. She joined the company about 18 months ago, after completing her MBA at Dartmouth. Before going back to school for a graduate degree, she held the position of assistant manager of marketing at Connecticut Industries. Price is a very conscientious employee and is anxious to make a name for herself. Her major objective, which she has never hesitated to make public, is to be a general manager some day. Sales at Hartford Manufacturing have increased in the past year to near-record levels under her guidance.

Chuck Kasper is the regional sales director for the New York region. He reports directly to Barbara Price. The New York region represents the largest market for Hartford Manufacturing, and Chuck is considered the most competent salesperson in the company. He has built personal relationships with several major clients in his region, and it appears that some sales occur as much because of Chuck Kasper as because of the products of Hartford Manufacturing. Chuck has been with the company for 12 years, all of them in sales.

This is Friday afternoon, and tomorrow Lynn Smith leaves for Copenhagen at noon to attend an important meeting with potential overseas investors. He will be gone for two weeks. Before he leaves, there are several items in his in-basket that must receive attention. He calls a meeting with Richard Hooton and Barbara Price in his office. Just before the meeting begins, Chuck Kasper calls and asks if he may join the meeting for a few minutes, since he is in town and has something important to discuss that involves both Lynn Smith and Richard Hooton. Smith gives permission for him to join the meeting, since there may not be another chance to meet with Kasper before the trip. The meeting convenes, therefore, with Smith, Hooton, Price, and Kasper all in the room.

### Assignment

Groups of four individuals should be formed. Each person should take the role of one of the characters in the management staff of Hartford Manufacturing Company. A fifth person should be assigned to serve as an observer to provide feedback at the end of the meeting, using the Observer's Feedback Form at the end of the chapter as a guide. The letters described in the case that were received by Lynn Smith are shown in Figures 7.7, 7.8, and 7.9. Only the person playing the role of Lynn Smith should read the letters, and no one should read the instructions for another staff member's role. (The letters will be introduced by Lynn Smith during the meeting.)

**Figure 7.7**

**T. J. Koppel, Inc.**  
General Accountants  
8381 Spring Street  
Hartford, Connecticut 06127

February 10, 2001

Mr. Lynn Smith  
General Manager  
Hartford Manufacturing Company  
7450 Central Avenue  
Hartford, CT 06118

Dear Mr. Smith:

As you requested last month, we have now completed our financial audit of Hartford Manufacturing Company. We find accounting procedures and fiscal control to be very satisfactory. A more detailed report of these matters is attached. However, we did discover during our perusal of company records that the production department has consistently incurred cost overruns during the past two quarters. Cost per unit of production is approximately 5 percent over budget. While this is not a serious problem given the financial solvency of your company, we thought it wise to bring it to your attention.

Respectfully,

T. J. Koppel

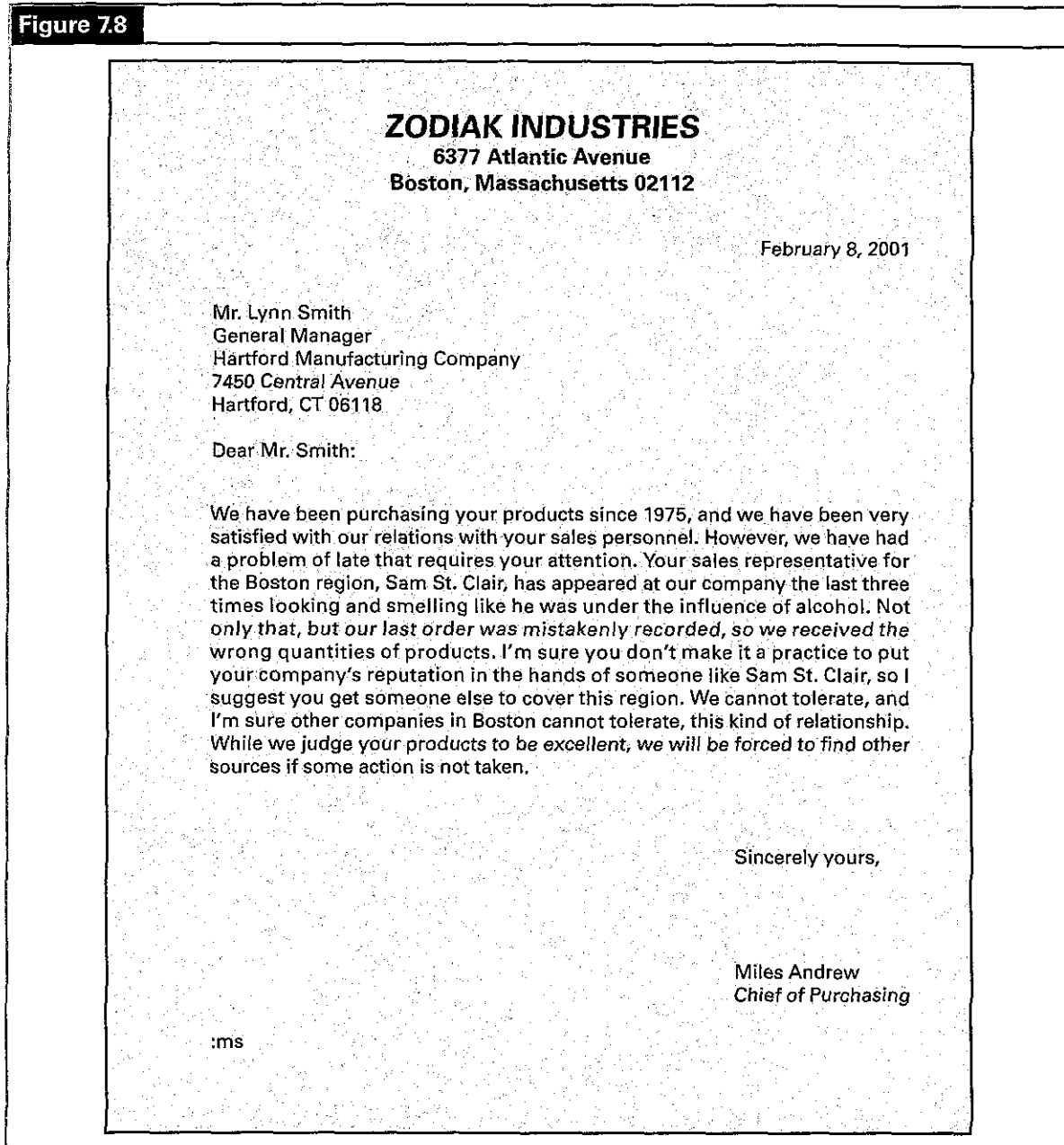
TJK: srw

### **Lynn Smith, General Manager**

Three letters arrived today, and you judge them to be sufficiently important to require your attention before you leave on your trip. Each letter represents a problem that requires immediate action, and you need commitments from key staff members to resolve these problems. You are concerned about this meeting because these individuals don't work as well together as you'd like.

For example, Richard Hooton is very difficult to pin down. He always seems suspicious of the motives of others and has a reputation for not making tough decisions. You sometimes wonder how a person could become the head of production in a major manufacturing firm by avoiding controversial issues and blaming others for the results.

Figure 7.8



In contrast, Barbara Price is very straightforward. You always know exactly where she stands. The problem is that *sometimes she doesn't take enough time to study a problem before making a decision*. She tends to be impulsive and anxious to make a decision, whether it's the right one or not. Her general approach to resolving disagreements between departments is to seek expedient compromises. You are particularly disturbed by her approach to the sales incentive problem. You felt strongly that something needed to be done to increase sales during the winter months. You reluctantly agreed to the incentive program because you didn't want to dampen her initiative. But you aren't convinced this is the right answer, because, frankly, you're not yet sure what the real problem is.

Chuck Kasper is your typical, aggressive, "take no prisoners" sales manager. He is hard-charging and uncompromising. He is great in the field because he gets the job done, but he



**Figure 7.9**

**HARTFORD MANUFACTURING COMPANY**  
7450 Central Avenue  
Hartford, Connecticut 06118

"A subsidiary of CONNECTICUT INDUSTRIES"

Memorandum

TO: Lynn Smith, General Manager  
FROM: Barbara Price, General Supervisor, Sales and Marketing  
DATE: February 11, 2001

Mr. Smith:

In response to your concerns, we have instituted several incentive programs among our sales force to increase sales during these traditionally slow months. We have set up competition among regions, with the sales people in the top region being honored in the company newsletter and given engraved plaques. We have instituted a "vacation in Hawaii" award for the top salesperson in the company. And we have instituted cash bonuses for any salesperson who gets a new customer order. However, in the last month these incentives have been in operation, sales have not increased at all. In fact, in two regions they have decreased by an average of 5 percent.

What do you suggest now? We have advertised the incentives as lasting through this quarter, but they seem to be doing no good. Not only that, but we cannot afford to provide the incentives within our current budget, and unless sales increase, we will be in the red.

Regretfully, I recommend dropping the program.

sometimes ruffles the feathers of the corporate staff with his uncompromising, "black-and-white" style. He is also fiercely loyal to his sales staff, so you're sure he'll take the complaint about Sam St. Clair hard.

In contrast to the styles of these others, you have tried to use an integrating approach to problem solving: focusing on the facts, treating everyone's inputs equally, and keeping conversations about controversial topics problem-focused. One of your goals since taking over this position two years ago is to foster a "team" approach within your staff.

[*Note:* For more information about how you might approach the issues raised by these letters in your staff meeting, review the collaborating approach in Table 7.2 as well as the mediator's behavioral guidelines at the end of the Skill Learning section of this chapter.]

### **Richard Hooton, Director of Production**

The only times you have had major problems in production are when the young know-it-alls fresh from college have come in and tried to change things. With their scientific management concepts coupled with fuzzy-headed human relations training, they have more often made a mess of things than helped to improve matters. *The best production methods have been practiced for years in the company, and you have yet to see anyone who could improve on your system.*

On the other hand, you have respect for Lynn Smith as the general manager. Because he has experience and the right kind of training, and is involved in the production part of the organization, he often has given you good advice and has shown special interest. He mostly lets you do what you feel is best, however, and he seldom dictates specific methods for doing things.

Your general approach to problems is to avoid controversy. You feel uncomfortable when production is made the scapegoat for problems in the company. Because this is a manufacturing business, it seems as if everyone tries to pin the blame for problems on the production department. You've felt for years that the firm was getting away from what it does best: mass producing a few standard products. Instead, the trend has been for marketing and sales to push for more and more products, shorter lead times, and greater customization capability. These actions have increased costs and caused significant production delays as well as higher rejection rates.

[*Note:* During the upcoming meeting, you should adopt the avoidance approach shown in Table 7.2. Defend your turf, place blame on others, defer taking a stand, and avoid taking responsibility for making a controversial decision.]

### **Barbara Price, Director of Sales and Marketing**

You are anxious to impress Lynn Smith because you have your eye on a position that is opening up at the end of the year in the parent company, Connecticut Industries. It would mean a promotion for you. A positive recommendation from Lynn Smith would carry a lot of weight in the selection process. Given that both Hartford Manufacturing and Connecticut Industries are largely male dominated, you are pleased with your career advancement so far, and you are hoping to keep it up.

One current concern is Lynn Smith's suggestion some time ago that you look into the problem of slow sales during the winter months. You implemented an incentive plan that was highly recommended by an industry analyst at a recent trade conference. It consists of three separate incentive programs: (1) competition among regions in which the salesperson in the top region would have his or her picture in the company newsletter and receive an engraved plaque, (2) a vacation in Hawaii for the top salesperson in the company, and (3) cash bonuses for salespeople who obtained new customer orders. Unfortunately, these incentives haven't worked. Not only have sales not increased for the company as a whole, but sales for two regions are down an average of five percent. You have told the sales force that the incentives will last through this quarter, but if sales don't improve, your budget will be in the red. You haven't budgeted for the prizes, since you expected the increased sales to more than offset the cost of the incentives.

Obviously, this was a bad idea—it isn't working—and it should be dropped immediately. You are a bit embarrassed about this aborted project. *But it is better to cut your losses and try something else rather than continue to support an obvious loser.*

In general, you are very confident and self-assured. You feel that the best way to get work done is through negotiation and compromise. What's important is making a decision quickly and efficiently. *Maybe everyone doesn't get exactly what he or she wants, but at least they can get on with their work.* There are no black and whites in this business—only “grays” that can be traded off to keep the management process from bogging down with “paralysis by analysis.” You are impatient over delays caused by intensive studies and investigations of detail. You agree with Tom Peters: action is the hallmark of successful managers.

[*Note:* During this meeting, use the compromise approach shown in Table 7.2. Do whatever is necessary to help the group make a quick decision so you can get on with the pressing demands of your work.]

### **Chuck Kasper, Regional Sales Director**

You don't get back to company headquarters often because your customer contacts take up most of your time. You regularly work 50 to 60 hours a week, and you are proud of the job you do. You also feel a special obligation to your customers to provide them with the best product available in the timeliest fashion. This sense of obligation comes not only from your commitment to the company but also from your personal relationships with many of the customers.

Lately, you have been receiving more and more complaints about late deliveries of Hartford Manufacturing's products to your customers. The time between their ordering and delivery is increasing, and some customers have been greatly inconvenienced by the delays. You have made a formal inquiry of production to find out what the problem is. They replied that they are producing as efficiently as possible, and they see nothing wrong with past practices. Richard Hooton's assistant even suggested that this was just another example of the sales force's unrealistic expectations.

Not only will sales be negatively affected if these delays continue, but your reputation with your customers will be damaged. You have promised them that the problem will be quickly solved and that products will begin arriving on time. Since Richard Hooton is so rigid, however, you are almost certain that it will do no good to talk with him. His subordinate probably got his negative attitude from Hooton.

In general, Hooton is a 1960s production worker who is being pulled by the rest of the firm into the new age. Competition is different, technology is different, and management is different, but Richard is reluctant to change. You need shorter lead times, a wider range of products, and the capacity to do some customized work. Sure, this makes production's work harder, but other firms are providing these services with the use of just-in-time management processes, robots, and so forth.

Instead of getting down to the real problems, the home office, in their typical high-handed fashion, announced an incentives plan. This implies that the problem is in the field, not the factory. It made some of your people angry to think they were being pressed to increase their efforts when they weren't receiving the backup support in Hartford to get the job done. Sure, they liked the prizes, but the way the plan was presented made them feel as if they weren't working hard enough. This isn't the first time you have questioned the judgment of Barbara, your boss. She certainly is intelligent and hard-working, but she doesn't seem very interested in what's going on out in the field. Furthermore, she doesn't seem very receptive to "bad news" about sales and customer complaints.

[*Note:* During this meeting, use the forcing approach to conflict management and negotiations shown in Table 7.2. However, don't overplay your part, because you are the senior regional sales manager, and if Barbara continues to move up fast in the organization, you may be in line for her position.]



## ACTIVITIES FOR IMPROVING MANAGING CONFLICT SKILLS

### Suggested Assignments

1. Select a specific conflict with which you are very familiar. Using the framework for identifying the sources of conflict discussed in this chapter, analyze this situation carefully. It might be useful to compare your perceptions of the situation with those of informed observers. What type of conflict is this? Why did it occur? Why is it continuing? Next, using the guidelines for selecting an appropriate conflict management strategy, identify the general approach that would be most appropriate for this situation. Consider both the personal preferences of the parties involved and the relevant situational factors. Is this the approach that the parties have been using? If not, attempt to introduce a different perspective into the relationship and explain why you feel it would be more productive. If the parties have been using this approach, discuss with them why it has not been successful thus far. Share information on specific behavioral guidelines or negotiation tactics that might increase the effectiveness of their efforts.
2. Select three individuals whom you know who are from diverse cultural backgrounds and have experience working in American companies. Discuss with them the sources (especially the personal differences) of previous conflicts they have experienced at work. Ask them about their preferences in dealing with conflict situations. What strategies do they prefer to use? How do they generally attempt to resolve disputes? What relevant situational factors influence the way they manage conflict situations with individuals from other cultures and with individuals of their own cultures? With the help of these three persons, identify specific behavioral guidelines for managing conflict more effectively with other persons from their respective cultures.
3. Identify a situation in which another individual is doing something that needs to be corrected. Using the respondent's guidelines for collaborative problem solving, construct a plan for discussing your concerns with this person. Include specific language designed to state your case assertively without causing a defensive reaction. Role-play this interaction with a friend and incorporate any suggestions for improvement. Make your presentation to the individual and report on your results. What was the reaction? Were you successful in balancing assertiveness with support and responsibility? Based on this experience, identify other situations you feel need to be changed and follow a similar procedure.

4. Volunteer to serve as a mediator to resolve a conflict between two individuals or groups. Using the guidelines for implementing the collaborative approach to mediation, outline a plan of action prior to your intervention. Be sure to consider carefully whether or not private meetings with the parties prior to your mediation session are appropriate. Report on the situation and your plan. How did you feel? Which specific actions worked well? What was the outcome? What would you do differently? Based on this experience, revise your plan for use in related situations.
  
5. Identify a difficult situation involving negotiations. This might involve transactions at work, at home, or in the community. Review the guidelines for integrative bargaining and identify the specific tactics you plan to use. Write down specific questions and responses to likely initiatives from the other party. In particular, anticipate how you might handle the possibility of the other party's using a distributive negotiation strategy. Schedule a negotiation meeting with the party involved and implement your plan. Following the session, debrief the experience with a coworker or friend. What did you learn? How successful were you? What would you do differently? Based on this experience, modify your plan and prepare to implement it in related situations.

### **Application Plan and Evaluation**

The intent of this exercise is to help you apply this cluster of skills in a real-life, out-of-class setting. Now that you have become familiar with the behavioral guidelines that form the basis of effective skill performance, you will improve most by trying out those guidelines in an everyday context. Unlike a classroom activity, in which feedback is immediate and others can assist you with their evaluations, this skill application activity is one you must accomplish and evaluate on your own. There are two parts to this activity. Part 1 helps prepare you to apply the skill. Part 2 helps you evaluate and improve on your experience. Be sure to write down answers to each item. Don't short-circuit the process by skipping steps.

#### **Part 1. Planning**

1. Write down the two or three aspects of this skill that are most important to you. These may be areas of weakness, areas you most want to improve, or areas that are most salient to a problem you face right now. Identify the specific aspects of this skill that you want to apply.
  
2. Now identify the setting or the situation in which you will apply this skill. Establish a plan for performance by actually writing down a description of the situation. Who else will be involved? When will you do it? Where will it be done?  
Circumstances:  
Who else?  
When?  
Where?

3. Identify the specific behaviors you will engage in to apply this skill. Operationalize your skill performance.
4. What are the indicators of successful performance? How will you know you have been effective? What will indicate you have performed competently?

**Part 2. Evaluation**

5. After you have completed your implementation, record the results. What happened? How successful were you? What was the effect on others?
6. How can you improve? What modifications can you make next time? What will you do differently in a similar situation in the future?
7. Looking back on your whole skill practice and application experience, what have you learned? What has been surprising? In what ways might this experience help you in the long term?

**Managing Interpersonal Conflict**

**Scoring Key**

<i>SKILL AREA</i>	<i>ITEM</i>	<i>ASSESSMENT</i>	
		<i>PRE-</i>	<i>POST-</i>
Initiating a complaint	1	_____	_____
	2	_____	_____
	3	_____	_____
	4	_____	_____
	5	_____	_____
	6	_____	_____
	7	_____	_____
	8	_____	_____
Responding to a criticism	9	_____	_____
	10	_____	_____
	11	_____	_____
	12	_____	_____
	13	_____	_____
	14	_____	_____
	15	_____	_____
	16	_____	_____
Mediating a conflict	17	_____	_____
	18	_____	_____
	19	_____	_____
	20	_____	_____
	21	_____	_____
	22	_____	_____
	23	_____	_____
	24	_____	_____
	<b>Total Score</b>	_____	_____

### Comparison Data (N = 1,500 Students)

Compare your scores to three comparison standards:

1. The maximum possible score = 144
2. The scores of other students in your class.
3. Norm group data from more than 1,500 practicing managers and business school students.

<u>Pre-Test</u>		<u>Post-Test</u>	
113.20	= mean	=	122.59
122 or above	= top quartile	=	133 or above
114-121	= second quartile	=	123-132
105-113	= third quartile	=	115-122
104 and below	= bottom quartile	=	114 or below

### Strategies for Handling Conflict

#### Scoring Key

<i>FORCING</i>		<i>ACCOMMODATING</i>		<i>COMPROMISING</i>	
<i>Item</i>	<i>Score</i>	<i>Item</i>	<i>Score</i>	<i>Item</i>	<i>Score</i>
1	_____	2	_____	3	_____
6	_____	7	_____	8	_____
11	_____	12	_____	13	_____
16	_____	17	_____	18	_____
<b>Total</b>	_____	<b>Total</b>	_____	<b>Total</b>	_____

<i>AVOIDING</i>		<i>INTEGRATING</i>	
<i>ITEM</i>	<i>SCORE</i>	<i>ITEM</i>	<i>SCORE</i>
4	_____	5	_____
9	_____	10	_____
14	_____	15	_____
19	_____	20	_____
<b>Total</b>	_____	<b>Total</b>	_____

Primary conflict management strategy (highest score): \_\_\_\_\_  
 Secondary conflict management strategy (next-highest score): \_\_\_\_\_

### SKILL PRACTICE Exercises for Resolving Interpersonal Disputes

#### Observer's Feedback Form

##### Rating

- 1 = Low  
5 = High



### **Initiator**

- \_\_\_\_\_ Maintained personal ownership of the problem, including feelings
- \_\_\_\_\_ Avoided making accusations or attributing motives; stuck to the facts
- \_\_\_\_\_ Succinctly described the problem (behaviors, outcomes, feelings)
- \_\_\_\_\_ Specified expectations or standards violated
- \_\_\_\_\_ Persisted until understood
- \_\_\_\_\_ *Encouraged two-way interaction*
- \_\_\_\_\_ Approached multiple issues incrementally (proceeded from simple to complex, easy to hard)
- \_\_\_\_\_ Appealed to what the disputants had in common (goals, principles, constraints)
- \_\_\_\_\_ Made a specific request for change

### **Respondent**

- \_\_\_\_\_ Established a climate for joint problem solving
- \_\_\_\_\_ Showed genuine concern and interest
- \_\_\_\_\_ Responded appropriately to the initiator's emotions
- \_\_\_\_\_ Avoided becoming defensive or overreacting
- \_\_\_\_\_ Sought additional information about the problem (shifted general to specific, evaluative to descriptive)
- \_\_\_\_\_ Focused on one issue at a time, gradually broadened the scope of the discussion, searched for integrative solution
- \_\_\_\_\_ Agreed with some aspect of the complaint (facts, perceptions, feelings, or principles)
- \_\_\_\_\_ Asked for suggestions for making changes
- \_\_\_\_\_ Proposed a specific plan of action

### **Mediator**

- \_\_\_\_\_ Acknowledged that a conflict exists; treated the conflict and disputants seriously
- \_\_\_\_\_ Broke down complex issues, separated the critical from the peripheral; began with a relatively easy problem
- \_\_\_\_\_ Helped disputants avoid entrenched positions by exploring underlying interests
- \_\_\_\_\_ Remained neutral (facilitator, not judge) and impartial towards issues and disputants
- \_\_\_\_\_ Kept the interaction issue oriented (e.g., pointed out the effect of the conflict on performance)
- \_\_\_\_\_ Made sure that neither party dominated conversation, asked questions to maintain balance

- \_\_\_\_\_ Kept conflict in perspective by emphasizing areas of agreement
- \_\_\_\_\_ Helped generate multiple alternatives, drawn from common goals, values, or principles
- \_\_\_\_\_ Made sure that both parties were satisfied and committed to the proposed resolution

**Comments:**