Organizational Conflict and Dispute Resolution

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Introduction

Conflict among humans is a naturally occurring event (Davis, 1991). It can often be described in terms of competition for scarce resources, or in terms of the struggle for survival. In the contemporary business organization these forms of conflict manifest themselves as inter-department competition for corporate resources, and the struggle for power in the political arena. For example, negotiations over budget dollars, prime parking spaces, or the empire building so common in business today.

However, a certain amount of tension is natural and necessary. In mechanical engineering for example, friction between moving parts is necessary in order for mechanical systems to function properly, i.e., belt tension between a pulley and the motor driving the pulley. We therefore, walk a fine line attempting to reduce friction, so the parts do not wear out prematurely, even while we know that friction is necessary if the system to function properly (Davis, 1991).

Mary Parker Follett

Although her name has slipped from view, Mary Parker Follett was one of the early authors on the subject of conflict and conflict resolution. At the beginning of the 20th century, she identified three principal methods individuals use to deal with conflict: domination, compromise, and integration (Davis, 1991).

She defined domination as the victory of one side over another and suggested that this is the easiest way to resolve conflict. However, she knew that while success was quickly attained, it was momentary and rarely lasted. Likewise she defined compromise, the way most disputes are settled, as a meeting of the minds arrived at after both sides had given up a little. Finally, she felt that the integration of the two desires or positions together meant that neither side had to sacrifice their position. She believed that this approach was the most effective in the long run (Davis, 1991).

Ms. Follett was a pioneer and advocate of the creative and constructive approaches to dispute resolution. Currently her ideas are enjoying a rebirth, and rightfully so, for these concepts are applicable in today's corporation more than ever. For example, Follett agreed with Frederick Taylor that authority is derived from function and not position. This view is consistent with the team building activities of today where authority is shifted to people with knowledge, and not necessarily the owner of the hierarchical position. Her concept of "power with" instead of "power over" is the essence of the integration position towards conflict that she proposed (Wren, 1987)

Constructive Conflict

Having recognized that conflict is a natural phenomenon, it is worth identifying sources of conflict in today's organizations. As might be expected, an organization in which all departments mesh well together, suffers less from contradictory situations or tensions at the margin of departments (Pascale, 1990).

However, one would be hard pressed to find such a tranquil organization, furthermore, it is not clear that such an organization would be the most efficient model. Research has shown that the best run companies (Ford, Federal Express, and Honda to name a few) fall into an

organizational model with a high degree of coherence and significant internal tension (Pascale, 1990).

By examining these and other companies, Pascale (1990) determined that contention within organizations arises in very predictable domains. He further divides these domains into seven specific vectors of contention:

Contending Opposites

Strategy:	Planned	<--------->	Opportunistic
Structure:	Elitist	<--------->	Pluralist
Systems:	Mandatory	<--------->	Discretionary
Style:	Managerial	<--------->	Transformational
Staff:	Collegiality	<--------->	Individuality
Shared Values:	Hard Minds	<--------->	Soft Hearts
Skills:	Maximize	<--------->	"Meta-mize"

Pascale (1990) further explains, that it is not the specific list of dialectic domains that drives this model, but only the fact that polarities exist in an organization. These polarities are the source of energy for what he calls "constructive disequilibrium."

Constructive disequilibrium suggests that internal differences can broaden a company's outlook by generating new points of view. In other words, as Follett believed it is not in the winning or compromising of conflict that an organization benefits, but in the integration of conflicting ideas. It is noteworthy that this model of conflict has a lot of similarity with the physical, mechanical model discussed earlier.

Non-Constructive Conflict

The above model is helpful in explaining how conflict can be useful, and in fact benefit an organization. However, not all conflict is constructive; although it is interesting that the same conflict behavior that is developed previously is only one sided. Like all human behavior there is potentially a dark or negative side of conflict.

Internal Competitiveness

By their nature, groups can become very committed to their own goals and beliefs. If they become too internally focused, however, they can become competitive with other groups and seek to undermine other teams. If this is the case, the conflict between groups then becomes a liability to the organization (Hersey & Blanchard, 1988).

Change

Changes must/will occur constantly in an organization. Normally when we think of change with think of large organizational changes, for example, re-engineering. However, organizations change continually, in small incremental steps, i.e., personnel assignments, or the movement of office equipment (Lawrence, 1969).

Changes of all kinds can be sources of conflict, and often it is not the visible significant changes that develop disputes, but the little almost invisible issues that develop hard feelings within an organization. Often the hard feelings within a group become insidious, and hence difficult for the local manager to identify. Furthermore, even if the conflict is recognized, often the local manager does not have the knowledge or skills to deal with the situation (Maccoby, 1988).

Diversity

The work force of today, and more increasing in the future is a very diverse group. The implications of the diversity issue are still unclear and confusing to most managers (Jamieson & O'Mara, 1991). In addition social stresses between diverse groups coupled with managerial uncertainty is frequently a source of conflict. This conflict can either be focused internally or externally. In either case it can be destructive to the goals of the organization

Furthermore, the cultural differences inherent to the diversity of the work force are complex in and of themselves. Janosik (1991) has identified four distinct approaches that imply a connection between culture and behavior:

1.   Culture as a learned behavior

2.   Culture as a shared value

3.   Culture as dialectic

4.   Culture-in-context

While it is beyond the scope of this paper to delve deeply into the cultural issues above, it is important to realize "culture" is a very complex element. The fact that culture can be operating at different levels in different people implies that when conflict is a manifestation of diversity issues, it can be very difficult to find an "integrated" solution to the conflict.

Role Conflict

The modern corporation is becoming increasingly more complex. Furthermore, with the advent of globalization, a multinational corporation is now composed of set of quasi-independent systems operating in several countries, with different priorities and cultures. The senior manager in this environment no longer has one simple role to play in the organization. Role conflict can therefore be defined as a conflict of system priorities (Shenkar & Zeira, 1992).

Role conflict tends to be more internally focused than the other types of conflict described in this paper. Additionally, it can manifest itself in the relationship behavior of individuals working together across systems boundaries. In this regard, when coupled with the inherent cultural diversity of a multinational corporation, this combination can be a major source of destructive discord within the corporation.

Dispute Resolution

When Conflict Becomes a Dispute

Since the nature of organizational conflicts can be quite complex, it is likely that many individuals will not be able to resolve their differences, on occasion, without assistance. While keeping in mind that some level of conflict is normal and healthy, a company would be well advised to develop methodologies for dealing with excess levels of destructive conflict or organizational disputes.

Resolution

The dispute resolution process has been cultivated in the public sector for some time, partly because there seems to be no end to the number of disputes both in and out of court. Recently, public disputes have taken a path away from the more adversarial methodologies of

the past (O'Connor, 1992). These newer self-supporting systems are more in keeping with the approach Follett advocated years ago, and hence may find favor in the private sector.

Furthermore, any system installed for dispute resolution must be staffed with personnel with the requisite skills and proper resources (McKinney, 1992). Logically this system would be under the Human Resources umbrella, and may or may not utilize outside experts.

Taken from public policy and the state of Montana's experiences in 1988, a Follett compatible dispute resolution environment might have the following characteristics:

1.   The issues in dispute are well defined;

2.   The different parties having a stake in the decisions to be made are well-known and organized;

3.   Power between these parties has become well-developed and somewhat balanced;

4.   It is costly for all parties to continue in an adversarial process;

5.   The issues must be resolved and a decision made in an adversarial process;

6.   The parties are willing to participate in good faith and learn to trust one another. (O'Connor, 1992).

The environment depicted above appears remarkably similar to the prevalent inter-departmental corporate environment. For unlike the public sector where some adversaries have no vested interest in getting along with each other, everyone in a corporation has an interest in obtaining some level of cooperation with others. In this environment, an effective dispute resolution process can be installed.

Finally, dispute resolution systems should be installed, or an existing system changed prior to a crisis (Ury, 1988). For example, when the marketing department and R&D are involved in a major dispute over product development, it is not the optimum time to change the system.

Conclusion

Conflict among individuals in an organization is a natural and often healthy occurrence. Often tension between individuals and departments broadens the view of the organization. therefore, it does not make sense to attempt to manage it out of the system. The proper approach to conflict is to manage its level and focus, and capitalize on the constructive aspects of inter-personal tension.

However, regardless the leader's efforts, there will come a time when conflict is out of the desired bounds, and the issues must be resolved. In this regard the public sector has sophisticated dispute resolution techniques that appear to be applicable to business. It is worth researching these techniques and possibly adapting them to the organization's needs.

Whatever method of dealing with conflict an organization takes, it is important to realize that the potential for non-constructive conflict will increase in the future. As organizations become more interdependent with their environment, issue of conflict will demand more of management's attention.

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