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Abstract
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Keywords
alternative dispute resolution, ADR, conflict, industrial relations, conflict management system

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The Conflict Over Conflict Management

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Since the rise of alternative dispute resolution (ADR) over the last four decades, there has been another significant development, namely, an approach to dispute resolution called conflict management.1 Although practitioners and scholars define “conflict management” in various ways, in the workplace setting, the term usually refers to the adoption of a proactive approach to handling conflict by managers, supervisors and union representatives (in unionized settings). In organizations that adopt a conflict management approach, members do not simply wait for workplace disputes to occur and then decide, case-by-case, what technique or dispute resolution method to use to resolve it. Instead, these organizations develop policies and procedures designed to assist in addressing conflict in a manner that is consistent with their broader goals and objectives: for example, recruiting and retaining top talent, and encouraging innovation and creativity. The most sophisticated programs of this type are called “integrated conflict management systems.”

The emergence of conflict management systems and associated practices, however, has not been uncontroversial. The dramatic reconfiguration of how organizations approach workplace conflict has generated fierce debate. Interestingly, the controversies surrounding conflict management have generally not been directly acknowledged in scholarly writings on the topic. Conflict management has drawn fire from diverse organizational perspectives based on very different underlying objections. Specifically, there are two main “camps” opposed to conflict management systems. One has a progressive view of conflict and the other has a traditional view. Those asset managers are considered to be reliable due to their proven track record. Employee participation in decision making than is desirable.

In this article we look at the traditional approach to workplace conflict, the evolution of conflict management, criticism of this process by progressive and traditional critics, and then consider whether they can be reconciled by taking what we call a strategic view of conflict management in the workplace.3 This view calls for an alignment between the goals of the conflict management system and the overarching nature of the organization in which that system is implemented. The management of conflict, according to this approach, should complement the organization’s strategic posture and existing structures. We maintain that the level of fit between an organization’s conflict management philosophy and its strategic goals and objectives dictates whether the conflict management system will enhance or hinder key stakeholder outcomes.

Traditional Approach to Workplace Conflict

Dealing with conflicts in organizations has traditionally been the responsibility of managers and administrators who took an authoritarian view of conflict and how to deal with it. Organizations that address conflicts and disputes in this manner often fail to recognize that conflict is inherent in organizational life and has both potential benefits and costs.4

(Continued on page 38)
They believe that conflict is an aberration that needs to be suppressed, and, if possible, eliminated. In other words, conflict should be managed by means of managerial authority. This generally means that some form of discipline is imposed to suppress conflict. In an effort to minimize conflict, these organizations used hiring techniques to weed out applicants they thought might become the source of workplace conflict. Paradoxically, perhaps, under the authoritarian view, every-day conflicts on the shop floor were not actually managed until they rose to the level of formal disputes. Top managers delegated responsibility for handling these conflicts to first-line supervisors, even though they were rarely, if ever, trained to deal with workplace disputes. Moreover, supervisors typically had more pressing demands on their time, inasmuch as they needed to focus on the production process and on the technical requirements of their jobs. Our research has revealed that most organizations employing a traditional conflict resolution approach do not use performance appraisals to evaluate the dispute resolution skills of first-line supervisors or reward them for doing a good job of resolving conflicts on the shop floor. This view of conflict is not just historical. In our research, we have continued to encounter managers who view workplace conflict entirely in negative terms, or even deny that it exists in their own organizations. When pressed, they may acknowledge that disagreements and differences of opinion exist but deny the existence of conflict. We have concluded that many people tend to associate the word “conflict” only with disagreements that result in violence or the use of force. It took decades before a growing number of organizations began to recognize that disagreements and frictions on the shop floor could escalate into major conflicts that could disrupt the entire organization.

Transformation of the Workplace and the Implications for Conflict Management

Over the last two or three decades, many, if not most, organizations in the United States have undergone a dramatic transformation in the scope of corporate goals, employee rights, and the way in which work is organized. A brief list of the most important factors would include globalization and an increasingly competitive business environment, the restructuring of the American economy (particularly the decline of manufacturing and the growth of the service sector), technological change and the near-universal use of the Internet, the deregulation of many sectors of the American economy, and the passage of new federal statutes in the 1960s and 1970s that strengthened individual rights in the workplace.

Commentators agree that a hallmark of the transformation of employment relations has been the decline in the importance of hierarchy and the rise of team-based work. At its most highly developed, the so-called “high performance work system” usually operates with less supervision (often referred to as “delayering”), and fewer job classifications (sometimes only two or three—a practice known as “broad banding”). It delegates a broad range of responsibilities to the work team (including, in some cases, the authority to hire, discipline, and make job assignments), and even provides for them to change their job assignments periodically (job rotation). It also uses a flexible and contingent system of compensation (either “pay for knowledge” or “pay for performance”) and provides ongoing training and opportunities for upgrading skills.

Organizations that have adopted advanced workplace practices are also more likely to adopt more advanced methods of conflict management.
with a fair and equitable means of resolving their complaints. They recognized that the unilateral exercise of managerial authority was insufficient to effectively manage workplace conflict and often resulted in unnecessary and costly litigation. As a result, top management in a growing number of companies came to believe that conflict should be proactively managed in the same fashion as sales, marketing, and other business functions.

We have estimated that about 20% of the Fortune 1000 companies, among them Prudential, Raytheon, General Electric, Nestle, Johnson & Johnson, and PECO Energy, have an integrated conflict management system. In addition, a large majority of Fortune 1000 companies have a dispute resolution policy that includes some characteristics of an integrated conflict management system, such as multiple options and multiple access points. Moreover, a growing number of smaller companies are adopting some elements of a conflict management system.

**Characteristics of a Conflict Management System**

Research into integrated conflict management systems has revealed five essential characteristics:

1. **Broad Scope**: The system should provide options for all people in the workplace, including employees, supervisors, professionals, and managers, to have all types of problems considered.

2. **A Culture of Toleration and Early Resolution**: It should welcome or at least tolerate dissent and encourage early resolution of conflicts through direct negotiation.

3. **Multiple Access Points**: Employees should be able to identify the individual, department or entity within the organization that has authority, knowledge, and experience from which they can obtain advice about the system and how to manage the problem in question.

4. **Multiple Options**: The system should have rights-based and interest-based options for employees to consider.

5. **Support Structures**: Strong support structures should coordinate and manage the multiple access points and multiple options. Essentially, these structures should bring conflict management “into the organization’s daily operations.”

In spite of the trend toward using conflict management techniques, many managers remained opposed to that approach, and in some cases, opposed the use of any form of ADR. They prefer to retain authority to address workplace conflict. Others fear that, despite the rhetoric, conflict management systems do not weaken managerial authority. Rather, they are another tool through which they can exert it. In what follows, we discuss both arguments against the rise of organizational conflict management.

**Progressive Critics of Conflict Management**

The trend toward using integrated conflict management systems in business organizations has given rise to substantial debate. In a classic work on industrial relations, John Dunlop noted that in every workplace a “web of rules” governs the relationship between employers and employees. Rules exist for every aspect of the workplace; for example, how much employees should be paid; when they should begin the workday and when they should end it; what constitutes an adequate level of performance; the criteria governing promotions and demotions; and scores of other matters. In Dunlop’s view, the critical questions in every workplace are: who writes the workplace rules and who enforces them?

The same questions could be asked about the rules governing the management and resolution of workplace conflicts: who writes those rules, and who enforces them? These questions are central to the debate over conflict management systems. In the majority of organizations that have adopted some form of conflict management system, it appears that the rules and procedures have been promulgated solely by top management, with little or no participation by employees, unions, or other stakeholders. Our consulting assignments and field research confirm this. We have been constantly surprised to discover how infrequently top managers made an effort to take into account their employees’ views and interests in the design of a conflict management system.

For example, a federal agency with 70,000 employees that had formed a committee of management representatives from headquarters and regional bureaus to design a conflict management system did not name a single union official to the committee, even though the vast majority of agency employees were represented by a federal-sector union. When we raised this issue with the agency’s key administrators and suggested that union representation on the committee might be desirable, they conceded that perhaps the employees’ views should be heard on the committee. At the next meeting of the committee, the agency had added a local union president to the committee.

Progressive critics of conflict management systems are not necessarily worried that shifting to a conflict management approach will lead to any real change in managerial power. What concerns
them is the failure to include stakeholders in the process of designing and implementing conflict management systems. Indeed, these critics are skeptical of all policies that management develops without the participation of individuals whose welfare is likely to be directly affected by those policies. Nonparticipation of employees is especially troubling in nonunion organizations where the employment at-will doctrine applies because employees have no means to express their displeasure with policies imposed on them by management.

One reason why conflict management practices have been developed from the top-down, even in unionized settings, is that it is usually management that presses for a conflict management system. This leaves the union in the position of needing to defend the conventional approach to managing day-to-day conflict under collective bargaining, namely, the grievance procedure.

In general, unions have viewed conflict management systems with skepticism. Beyond doubt, some nonunion organizations have instituted such systems as a means of avoiding unionization. Indeed, the director of the conflict management system at a major defense contractor routinely acknowledged in public arenas that his corporation established an integrated conflict management system for precisely this reason—to forestall unionization efforts at its nonunion plants. As a result, employees and unions often have legitimate reasons to mistrust management’s motives in creating a conflict management system despite the fact that such programs have the potential to benefit them.

A few years ago, the New York State Office of Court Administration (OCA) asked the Scheinman Institute to help design a conflict management system for employees of the State’s Unified Court System. A joint union-OCA design committee was formed. From the outset, the unions representing court employees were full partners in the design committee. However, for much of that time, the unions balked at moving away from the traditional grievance procedure. It took nearly two years to produce a plan that could be implemented. Although it was piloted in Nassau County and Western New York, funds were never allocated to implement the plan statewide. Nevertheless, the design process taught us lessons about labor’s reluctance to adopt a new approach to conflict management. It took many meetings and much debate before the union representatives on the committee were prepared to consider an alternative to the grievance procedure for managing workplace disputes. In the end, two factors persuaded the union to join with the OCA’s administrators in supporting the proposed plan.

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First, the design committee agreed that the scope of the new conflict management system should be broadened to include interpersonal conflicts between employees, which were not within the scope of the grievance procedure. Second, and of greater importance, the design committee agreed that joint labor-management committees should be established at the local level to administer the new system. Moreover, these committees would have authority over both union and nonunion court employees. The union representatives on the design committee soon realized that sharing authority with OCA administrators in the administration of the new system would represent a significant de facto expansion of their power.

Civil rights organizations, plaintiffs’ attorneys, and other stakeholders are also critics of contemporary conflict management. As a result of our conversations with individuals in various “progressive” groups, we have come to understand that many of them believe that management’s professed belief in the value of teamwork and employee participation in decision making is a charade designed to put an appealing public face on management’s age-old quest to control the workplace. In effect, the progressive critics of conflict management systems tend to think that is just rhetoric. Despite globalization, technological and other forces of change, they believe...
an iron fist continues to reside inside management’s velvet glove. They think managers only pay lip service to the supposed end of hierarchy because in most organizations hierarchical relationships are the norm.

**Traditional Critics of Conflict Management**

In previous research, we noted that an organization’s policies on conflict management hinge to a large extent on top-management’s attitudes toward conflict. Traditional managers often view the resolution of conflict as a zero sum game. They believe the resolution of conflict usually produces a winner and a loser. They differ from variable sum managers who are able to see in most conflicts a possibility of both parties’ winning.\(^\text{17}\) Zero sum managers believe that conflicts should be prevented if possible, but if conflicts occur, managing them means prevailing. Zero sum managers attach great value to “victory” and dislike compromise. In this regard they are unlike variable sum managers for whom winning or losing a dispute is not as important as achieving a solution that serves the organization’s best interests. Zero sum managers also tend to disapprove of newer conflict management techniques, which is why they are considered “traditional” in outlook.

In our work, we have encountered many traditional managers who distrust mediation and arbitration. They regard third-party neutrals as outsiders who undercut their authority, and they have little regard for the expertise or judgment of ADR neutrals. It appears that many corporate attorneys may hold the same views as traditional managers. A survey of general counsels of the Fortune 1000 revealed that nearly half of respondents lacked confidence in arbitrators and nearly 30% lacked confidence in mediators.\(^\text{18}\) When asked why they did not use arbitration, 54% said it was because arbitration awards were “difficult to appeal” and 49% percent said it was because they thought the arbitration process was “not confined to legal rules.”\(^\text{19}\) In addition, some expressed the belief that neutrals lacked the specialized expertise these attorneys were seeking.\(^\text{20}\) Some traditional managers also believe that the benefits of adopting a more contemporary approach to conflict management do not outweigh the costs. They are not willing to make the investment of financial and human resources to install a conflict management system in the face of uncertain benefits.\(^\text{21}\)

In sum, managers with a traditional view of conflict are critical of conflict management systems, seeing them as part of a broader movement to undermine managerial authority and prerogatives. They prefer management to retain control of conflict resolution. There is a nostalgic element to this view: it reflects a yearning for a bygone era—when a compliant workforce readily accepted management’s authority. Unlike the progressive critics who do not believe that a conflict management shift will lead to any real change in managerial power, the traditionalists fear that it will.

**Proposing a Strategic Viewpoint**

Traditional and progressive critics of conflict management are united in their view that a proactive conflict management approach is, on balance, a negative organizational phenomenon. Traditional critics see it as wholly negative, while progressive critics see the usual mode of adoption as negative.

We maintain that whether conflict management systems and associated practices are beneficial or detrimental to a given organization and its stakeholders is primarily a function of how they are integrated alongside the organization’s dominant culture and strategic objectives. Conflict management practices, according to this view, must be adopted and implemented to be compatible with the organization’s fundamental “DNA.” We view a strategic approach to conflict management as one that provides for the deployment of specific practices in a manner that assists in the attainment of established organizational goals and objectives.\(^\text{22}\) Thus, the potential of a given conflict management system to add value to the organization can only be realized where it is aligned with the organization’s existing strategy and culture.\(^\text{23}\) We believe that this view can bring both traditional and progressive critics together. They both are critical of organizations whose goals and objectives for the conflict management system are not aligned with goals and objectives of the organization. In the absence of this fundamental fit, conflict management systems can appear to undercut traditional managerial authority (the key concern of traditional critics), or mask underlying authoritarian organizational motives and intentions of management (the concern of progressive critics).

In order to take a strategic approach to conflict management, management must shift from a best practice approach to a “configurational” approach that emphasizes the best fit.\(^\text{24}\) How can organizations implement conflict management systems to meet this “best fit” criterion? As suggested above, it is by aligning the goals and objectives of the system with the goals and objectives of the organization. A first step would be to identify the different objectives of the contemplated conflict management system. Building on
our previous research in a variety of settings, we have come to view conflict management systems as serving three possible types of objectives.25

One objective is to deal with micro-level conflicts between individuals once they arise, and/or head off potential formal disputes when they are at a more manageable stage. This objective can be achieved using a simple one-step ADR procedure, for example mediation or arbitration. Micro-level conflict resolution is a core conflict management outcome. A conflict management system that focuses on micro-level conflict resolution aligns conflict management practices with the overarching strategy of many organizations.26

A second possible objective of conflict management systems is to provide members of the organization with voice—that is, a mechanism through which to raise individual and collective concerns and suggestions.27 This mechanism allows for bottom-up input. This objective of a conflict management system could be a core goal of high performance organizations that wish to provide employees with opportunities to participate in certain policy-making decisions. However, not all organizations have the structures and corporate culture to metabolize workplace voice. When that happens, providing voice through the conflict management system is unlikely to lead to meaningful discussion and potential change. Instead of aligning the outcomes delivered by the conflict management system with the organization’s goals and culture, the result will be a misalignment. It is precisely this type of misalignment that can fuel the traditionalist and progressive critiques of emerging conflict management practices.

The third possible objective of a conflict management system could be to improve internal communication and organizational coordination. We discovered that for some organizations managers and supervisors leveraged the conflict management system to identify weak coordination and communication linkages within and across departments and units. Sophisticated conflict management systems include designated offices that go beyond individual disputes and conflict and provide stakeholders with input regarding organizational challenges and dominant patterns and trends. These systems provide a unique mechanism through which coordination and communication can be facilitated. Our research has shown that in organizations characterized by frequent change and restructuring, conflict management systems can serve an especially important coordination role.28 For example, organizations that adopt an ombuds office or a designated executive serving as the central hub for the conflict management system are also creating an organizational institution that has the potential to assist with both horizontal (peer to peer or unit to unit) and hierarchical (management to front-line and vice versa) information sharing and coordination.29 Here, too, alignment of the coordination goal with the organization’s more general strategy and structures is crucial to success of the system.

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Conclusion

We believe the design of conflict management systems needs to move away from a “one size fits all” approach. Organizations differ dramatically in their structure and culture, as well as in their objectives. Therefore, they have very different conflict management needs. Addressing these needs requires managers to devise conflict management practices that are compatible with the organization’s objectives, existing culture and organization structure.30

The scholarly shift toward a strategic approach to conflict management is still in its infancy. We see a need for research examining how different conflict management configurations actually play out in different organizations with distinct strategies and cultures. More importantly, there is a need for greater strategic focus on the part of organizations adopting conflict management systems. Managers who routinely do strategic thinking with regards to areas such as finance, human resource management, product development and marketing should apply similar principles when dealing with organizational conflict and its management. We strongly believe that designing and implementing conflict management systems in a strategically aligned manner will provide organizations with a competitive advantage and cause many of the criticisms of such systems to lose their appeal.
Conflict management has been the subject of a considerable amount of scholarship. For example, the International Association for Conflict Management (IACM) and the Organizational Conflict Management Section of the Association for Conflict Resolution study the practice with the intention of improving it. Academic journals, such as the International Journal of Conflict Management and Negotiation and Conflict Management Research, publish research on the topic. A growing number of colleges and universities offer courses on conflict management, including our universities (Cornell and the University of Illinois). Some universities have conflict management programs that offer degrees on the topic. For example, the University of Maryland has a Center for International Development and Conflict Management. Both Kennesaw State University and Lipscomb University have programs and offer M.S. degrees in conflict management.

Several years ago, the senior author of this article was a member of a task force sponsored by the Association for Conflict Resolution that was charged with investigating and writing a report dealing with the emergence and characteristics of integrated conflict management systems. The task force was chaired by two prominent arbitrators, Ann Gosline and Lamont Stallworth. See Ann Gosline, et al., Designing Integrated Conflict Management Systems: Guidelines for Practitioners and Decision Makers in Organizations. (Inst. on Conflict Resolution, Cornell U. 2001).

For a theoretical discussion of these alternative approaches to conflict management, see David B. Lipsky & Ariel C. Avgar, “Toward a Strategic Theory of Workplace Conflict Management,” 24(1) Ohio St. J. Disp. Resol. 143-90 (2008).


For a further discussion, see id. at 29-73. Social contract theory is used in this work to describe the evolution of conflict management in the U.S.

For a discussion of the potential civil rights challenges associated with conflict management systems that include mandatory arbitration see Lewis Maltby, “Paradise Lost: How the Gilmer Court Lost the Opportunity for Alternative Dispute Resolution to Improve Civil Rights?” 12(1) N.Y.L. Sch. J. Hum. Rts. 1-29 (1994).

Lipsky, Seeber, & Fincher, supra n. 5, at 119-21. We interviewed the chief administrative officer of a multibillion dollar corporation who had very rigid traditional views. He opposed any form of ADR, let alone a conflict management system. His views seemed to embody the traditional belief that conflict is dysfunctional and needs to be suppressed.


Lipsky, Seeber, & Fincher, supra n. 5, at 101-5.


Lipsky, Seeber, & Fincher, supra n. 5, at 13. The five characteristics of an integrated conflict management system were initially identified in Gosline, et al., supra n. 2, at 35-36.

For a discussion of the dispute resolution policies of some of these companies, see id. at 138-41.


The expanded scope of the new system covered a range of so-called “quality of work life” disputes. For example, court employees were often dissatisfied with the resources they were given to perform their work; they often lacked office supplies, and even the staff responsible for record keeping often worked without computers. The new approach to conflict management would have allowed employees to complain about these matters.

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See the discussion in Lipsky, Seeber, & Fincher, supra n. 5, at 173-79.

See the discussion in Lipsky, Seeber, & Fincher, supra n. 5, at 321-31.


For a detailed discussion of these categories of outcomes see Lipsky & Avgar, supra n. 3, at 172-79.

Id. at 175-76.


Id. In organizations where coordination is primarily a top-down function and employees and mangers are given relatively little discretion to make workplace decisions, this conflict management outcome category is less likely to deliver gains for the organization.

Lipsky, Seeber & Fincher, supra n. 5, at 117-152.