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The Future of Conflict Management Systems

Abstract

This article acknowledges Chris Merchant's contribution to the development of the concept of a conflict management system (CMS). It discusses the relationship between a CMS and a closely related concept, an integrated conflict management system (ICMS), which is a more comprehensive or integrated approach to conflict management. The article reports on surveys of Fortune 1000 corporations that show that the implementation of a CMS in these corporations rose from 17 percent in 1997 to about 30 percent in 2011. Chris Merchant expressed optimism about the future of conflict management systems. Although her vision of the future of conflict management systems has not yet been fulfilled, one can hope that if these systems provide not only organizational efficiency but also workplace justice, her optimism will one day be justified.

Keywords

conflict management systems, integrated conflict management systems, workplace justice, organizational efficiency

Disciplines

Dispute Resolution and Arbitration | Labor Relations

Comments

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The Future of Conflict Management Systems

David B. Lipsky
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This article acknowledges Chris Merchant's contribution to the development of the concept of a conflict management system (CMS). It discusses the relationship between a CMS and a closely related concept, an integrated conflict management system (ICMS), which is a more comprehensive or integrated approach to conflict management. The article reports on surveys of Fortune 1000 corporations that show that the implementation of a CMS in these corporations rose from 17 percent in 1997 to about 30 percent in 2011. Chris Merchant expressed optimism about the future of conflict management systems. Although her vision of the future of conflict management systems has not yet been fulfilled, one can hope that if these systems provide not only organizational efficiency but also workplace justice, her optimism will one day be justified.

In 1996 Chris Merchant and Cathy Costantino published *Designing Conflict Management Systems: A Guide to Creating Productive and Healthy Organizations*, a book that has become a classic in the field of conflict resolution. In their book, Costantino and Merchant (1996, xiii) noted, “Typically, organizational leaders do not view the management of conflict as systematically as they do information, human resource, and financial management systems. Rather, conflict in organizations is viewed and managed in a piecemeal ad hoc fashion, as isolated events . . . that are rarely examined in the aggregate to reveal patterns and systemic issues.”

As much as anyone else I know, Chris Merchant, through her classic book and her life’s work, changed the way organizational leaders view conflict management. Although a majority of organizations may still take a piecemeal approach to conflict management, a growing proportion have adopted Chris Merchant’s ideas about a proactive, strategic approach to managing conflict. The research my colleagues and I have conducted, for example, reveals that the proportion of Fortune 1000 corporations that have a conflict management system increased from 17 percent in 1997 to approximately 30 percent in 2011 (Lipsky 2014). Chris Merchant’s legacy has been a transformation—still evolving—in organizational norms regarding the treatment of workplace conflict.

The Concept of a Conflict Management System

Costantino and Merchant (1996) closely followed standard systems theory in defining a conflict management system (CMS). They listed several characteristics of a CMS:

- **Boundaries.** Boundaries separate one system (e.g., human resources) from another (e.g., legal).
- **Purpose.** All systems have a goal or purpose, such as the resolution of various types of disputes.
- **Inputs.** A system uses resources (raw materials, human resources, and financial resources) to achieve its purpose.
- **Transformation.** A system transforms inputs into outputs that achieve the system’s purpose of transforming conflict and disputes into solutions.
- **Outputs.** Conflict management systems produce outputs (decisions, agreements, and settlements of disputes) that affect the external environment.
- **Feedback.** Conflict management systems receive feedback from clients (customers, constituents, employees) that organizations use to improve or change the system.

At about the same time that Costantino and Merchant were developing their model of a CMS, other scholars and practitioners were developing a closely related concept: an integrated conflict management system (ICMS). As a matter of definition, a CMS is a less comprehensive or integrated approach to conflict management than an ICMS. The introduction of the concept of an integrated system dates at least to the 1980s, when Rowe, Ewing, and others introduced the term (Ewing 1989;

Rowe 1984, 1997). “An integrated system goes well beyond traditional channels . . . to include other options; it includes training in first-party negotiations and conflict resolution, for example” (Rowe and Bendersky 2003, 120). Costantino and Merchant’s concept of a CMS captured the idea of using both interest-based and rights-based dispute resolution methods as part of a proactive approach to managing conflict in an organization. It followed closely on the ideas contained in Ury, Brett, and Goldberg’s (1988) classic text, a book that Costantino and Merchant (1996, 44) regarded as “revolutionary.” But it stopped short of defining more precisely how a CMS differs from an ICMS.

This gap in our conceptual and practical understanding of conflict management systems was remedied by a task force sponsored by the Society of Professionals in Dispute Resolution (SPIDR). Around 2000 SPIDR recognized that many organizations were seeking authoritative guidance on best practice in the design and implementation of a CMS but could find only conflicting points of view in the professional literature. (In 2001, SPIDR merged with two other organizations to become the Association for Conflict Resolution.) SPIDR launched an initiative it hoped would lead to the development of a consensus on the nature and design of a CMS. A committee was appointed to identify the critical elements of a CMS and provide guidance to organizations considering the adoption of such a system. After three years of deliberation, the committee published its report in 2001 (Gosline and Stallworth 2001).

The committee stated in its report, “The current trend is toward the introduction of ‘integrated conflict management systems.’ An integrated conflict management system introduces a systematic approach to preventing, managing, and resolving conflict that focuses on the causes of conflict within the organization” (Gosline and Stallworth 2001, 8). In the committee’s opinion, an authentic ICMS was a more effective means of managing organizational conflict than the use of ADR techniques. “While the more formal dispute resolution processes such as grievance procedures and mediation are necessary, they are insufficient because they usually address only the symptoms of conflict, not the sources. . . . An integrated conflict management system addresses the sources of conflict and provides a method for promoting competence in dealing with conflict throughout the organization” (Gosline and Stallworth 2001, 8).

The committee identified five essential characteristics of an ICMS (Gosline and Stallworth 2001, 9):

1. An ICMS provides “options for all types of problems and all people in the workplace”; that is, employees are not limited to filing complaints about wages and working conditions (in collective bargaining, contractual complaints), but may also file statutory complaints as well as complaints about the quality of their work life.
2. It creates “a culture that welcomes dissent and encourages resolution of conflict at the lower level through direct negotiation.” The committee adopted the idea of fostering a “conflict-competent” organization.
3. It provides “multiple access points”; that is, an employee is not restricted to taking a complaint to his or her first-line supervisor, but (depending on the nature of the complaint) may also approach the counsel’s office, human resources, compliance, the ethics office (if there is one), or other “portals.”

4. It provides “multiple options—both rights based and interest based— for addressing conflict.” The options available to an organization are not limited to mediation and arbitration but encompass a variety of methods, including fact finding, coaching, facilitation, early neutral evaluation, and others.

5. It provides “systemic support and structures . . . that integrate effective conflict management into the organization’s daily operations.” These “structures” might include an ombuds office or an autonomous office established by the organization specifically to manage the CMS.

Empirical Evidence on the Growth of Conflict Management Systems

In 2011, the Scheinman Institute on Conflict Resolution at Cornell completed a comprehensive survey of the use of ADR by Fortune 1000 firms. The survey was cosponsored by the International Institute for Conflict Prevention and Resolution (CPR) and the Straus Institute for Dispute Resolution at Pepperdine University. Cornell had conducted a similar survey in 1997 that had documented the emergence of a new phenomenon, conflict management systems. The 1997 survey was the first to provide empirical evidence on the emergence of conflict management systems in US corporations. On the basis of the 1997 survey, Lipsky, Seeber, and Fincher (2003) estimated that about 17 percent of Fortune 1000 companies had implemented a conflict management system.

The 2011 survey was able to identify corporations that have either all or most of the characteristics of an authentic ICMS. The researchers conducting the survey estimated that roughly one-third of the corporations at the time of the survey had some version of a conflict management system, but not necessarily an integrated conflict management system, as defined by the SPIDR task force. The researchers’ confidence in this estimate was buttressed by the identity of the corporations that met the criteria used to define a conflict management system. That list included corporations that are well known among scholars and practitioners for having sophisticated ADR programs: Coca Cola, General Electric, Eaton, Macy’s, Harman International, Prudential, Werner Enterprises, and others (Lipsky 2014).

Conclusion: Guaranteeing the Success of Conflict Management Systems

Costantino and Merchant (1996) conclude their book by saying, “An effective organizational conflict management system can have multiple implications for many groups of people,” including individuals within organizations, their coworkers, spouses, partners, children, parents, and friends. “One can hope that parts of the system will reach out to the nation, changing how the governed and the governing conduct business and how they reach resolution on issues of public policy and national identity” (227–28).

Nearly twenty years after the publication of Costantino and Merchant’s seminal text, it is safe to say that there is no evidence that their optimistic and expansive view of conflict management systems has been fulfilled. Indeed, the empirical evidence my colleagues and I have gathered suggests that only a

minority, albeit a growing number, of organizations have adopted a strategic systems approach to managing conflict. The principal evidence for this view is contained in the surveys conducted by Cornell University in 1997 and 2011. As previously noted, those surveys revealed that the proportion of Fortune 1000 corporations with a version of a conflict management system had increased from 17 to 30 percent (Avgar et al. 2013). But those surveys also showed that a significant proportion of Fortune 1000 corporations, possibly as high as 40 percent, avoid the routine use of ADR and continue to rely on traditional methods of resolving workplace disputes, including litigation (Lipsky 2014). The evidence clearly demonstrates that corporate practice has not converged around a common set of ADR techniques. Instead, there continues to be considerable variation in the strategies and tactics that US corporations use to manage workplace conflict, ranging from companies that continue to rely principally on litigation through those that routinely use arbitration and mediation and to a growing number that have adopted an ICMS. With a handful of exceptions, most ADR researchers have ignored the continuing growth of conflict management systems (among the researchers who have not ignored this phenomenon are Bendersky 2003, 2007; Bingham and Chachere 1999; Bingham et al. 2009; Conbere 2001; Roche and Teague 2011, 2012).

Chris Merchant and I were close friends for over forty years. The optimism she expressed about the future of conflict management systems was a reflection of her sunny and upbeat personality. In many ways, I share Chris's optimism, but my optimism is tempered by the experience organizations have had with the design and implementation of conflict management systems during the two decades that have passed since the publication of Costantino and Merchant's famous book.

A serious limitation on the future growth of the systems approach is that the adoption of a CMS often requires "a leap of faith on the part of management, largely because the benefits of such systems are exceedingly difficult to calculate (and possibly unknowable) while the costs of implementing and maintaining a system are not insubstantial" (Lipsky 2007, 13). In my view, the future of conflict management systems depends not only on whether their benefits to employers exceed their costs but also on whether they actually do provide employees with a fair and equitable means of resolving their complaints. "I do not believe that, in the long term, employers will be able to persuade their employees to accept systems that are manifestly unfair" (Lipsky 2007, 13). I am confident that Chris Merchant would share my view that the best way to ensure the future success of conflict management systems is to include in their design and operation the due process protections necessary to ensure that they provide workplace justice. Martin Luther King Jr. famously said, "The arc of the moral universe is long, but it bends toward justice." I believe that the arc of organizational conflict management is also long but ultimately will bend toward workplace justice.

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