An Integrated Conflict Management System for the Private Sector Workplace

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ABSTRACT

This thesis begins with an examination inside the private sector workplace and the manner in which the corporate environment currently manages conflict. Upon defining the methods that seem to be best practices, this thesis will analyze what is valuable and what changes should be implemented for a more effective system. The model that is projected serves as a preliminary proposal of the content of an integrative conflict management system. It does not discuss in detail the cost / benefit analysis of a current structure versus what the costs the new system would assume. Also, its purpose is not to yet develop the curriculum behind an integrative conflict management system. Rather, it explains what current practices and generalities exist and offers suggestions for enhancements.

The field of dispute resolution is evolving from a model of conflict resolution where we only concentrate on settlement of individual disputes and only train managers. Conflict management systems need to be implemented in an organization to effectively manage all aspects of workplace conflict beginning with the roots of conflict (ethics, diversity, personality) and ending with methods of resolution. Rather than enlisting too much energy and resources on resolving disputes after they have occurred, the focus needs to be in the preliminary stages.

The conflict management system needs to represent a change in the company’s mindset on how they choose to deal with conflict. In the past, dispute resolution was addressed on a case-by-case basis. This system will acknowledge other factor’s affecting
today’s workforce and present a contemporary model of approaching conflict management.
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An Integrated Conflict Management System for the Private Sector Workplace

by

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CHAPTER ONE

What is Workplace Conflict?

In a utopian society, members irrespective of age, gender, ethnicity, race and religion would get along. Conflict based on linguistic or religious differences would not exist. However, we are surrounded by some level of conflict on a regular basis. The human condition almost guarantees that when two or more human beings spend time together in the same space, conflict will occur between them.

Defining Conflict

Conflict is described as a competitive or opposing action of incompatibles (as of divergent ideas, interests, or persons) or a mental struggle resulting from incompatible or opposing needs, drives, wishes, or external or internal demands. It is the opposition of persons or forces. Take that thought and apply it to a situation you are in for statistically almost half of your waking life. Apply it to the workplace. Employees encounter conflicts over salaries, sexual harassment, promotions, and politics. Conflict in the workplace occurs when two or more individuals or groups need to solve a problem together. Whether it is a major project that will affect the bottom line of the organization or a solution to minimize a minor office dilemma, a dispute can arise if both sides do not share the same interests. A study by the American Management Association (AMA) reported that employees spend approximately 25% of their work hours in conflict. This

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1 Brenda Campbell, “Has Your Workplace Become a Battlefield?” Black Enterprise 33, no. 4 (Nov. 2002), 67.
translates to spending two hours a work day arguing or disputing in an unproductive manner.²

If that is not enough, consider these statistics on workplace conflict: Sexual harassment claims cost Fortune 500 companies approximately $6.7 million each per year. More than 85% of departing employees cite internal conflict as the cause. Seventy-five percent of job stress is attributed to personal conflict. Between 1972 and 1992, employment lawsuits in the U.S. increased by 2,200%.³ These statistics prove the need for a more remarkable conflict resolution system to be integrated into the workplace.

If dealt with in a positive way, conflict can be used to foster creativity and growth in the organization. However, most common in the workplace are managers and human resources professionals who lack the ability to resolve disputes effectively. There is a tremendous need for training for these professionals due to promotions based on technical skills rather than management skills and the lack of a training program that teaches conflict resolution methods.⁴ Also evident in today’s workplace is the need to train all employees at all levels in order to contain conflicts that can be resolved among peers. With proper training, managers can identify the best conflict resolution methods to apply to particular conflicts and what will prevent certain disputes from arising in the workplace and employees can learn to alleviate tension between peers when conflicts first occur. Their understanding of the origin of conflicts and how to prevent them in the future will also expand.

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² Campbell, 67.
Different types of conflict in the workplace have become a norm in today’s professional environment. As long as an unstable environment continues to exist, disputes over resources and roles will continue to increase. With as many diverse ways as there are, there will be just as much conflict. As a manager or a human resources professional, learning to identify the type of conflict can help determine how to bring about resolution.

Basis of Workplace Conflict

The basis of workplace conflict involves the relationship between the parties and the cause of the conflict. The conflict can be a result of one or more of these factors. Conflict can be broken down into three main categories: (a) content-only conflict, (b) relationship-only conflict, and (c) content/relationship conflict.

In content-only conflict, the content is the only matter of importance. There is no significant relationship between the parties in conflict. The communication between the two parties will become a factor only during the actual resolution. An example of workplace content-only conflict is the situation between two employees that are arguing over a “fender bender” in the company parking lot. Assuming that they do not work for the same department, these employees are only worried about the issue at hand – the damage to their vehicles. They do not need to take into consideration a working relationship that does not exist.

A relationship-only conflict pertains to a situation where the incident is not significant but the ongoing relationship is. For example, an employee overhears the

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unkind remarks of a coworker and friend after a recent presentation that he/she had given. The major incident here is not that the presentation was depicted as poor. The issue is that the coworker has compromised their relationship.\(^6\)

The third type of conflict, content/relationship conflict, encompasses both of the above. It occurs when the parties involved have a relationship at the time a conflict occurs. The conflict is an isolated incident but the relationship will be an ongoing factor.\(^7\) In the workplace, this would be evident in an instance when two coworkers are assigned to work on a major project together. The night before the project is due and the two had planned to work late to wrap up the project details, one of the coworkers leaves early. Without notice, the other coworker is left to finish all of the work.

The most common causes of workplace conflict include differences of belief, differences in attitude, and differences resulting from inappropriate management behavior.\(^8\) They differ from the categories of conflict because they are based upon actions or views that are expressed not on what the relationship between the parties is. These causes can easily be prevented with preliminary training. This differs from the categories of conflict that can be resolved after the situation.

Conflicts of belief occur between people who have different personal beliefs. Once one party deviates from the other’s beliefs, problems can occur. This type of conflict is not appropriate nor should it be permitted in the workplace.\(^9\)

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\(^6\) Kruse, 74.

\(^7\) Kruse, 74.

\(^8\) Andrew Schwartz, “How to Handle Conflict,” The CPA Journal 67, no. 4 (Apr. 1997), 73.

\(^9\) Schwartz, 73.
Conflicts of attitude involve people who have different values, goals, and lifestyles, which may offend or annoy others. This could involve two individuals of different religion or two employees going for the same promotion with different intentions. Conflicts resulting from inappropriate management behavior frequently happen when managers fail to support employees or fail to follow through on promises and tasks. They encourage conflict between individuals by not taking charge. This can result in ridicule, embarrass, or hurt to employees, something management should avoid.\textsuperscript{10}

Personalities in the Workplace

One theory commonly applied when explaining personalities in the workplace breaks personalities down into five styles that are commonly found in most conflicts. They are (a) the pit bull (argumentative, intimidating, threatening, and competitive, avoiding concession and is most effective in a full-scale war when compromising or backing down could mean defeat); (b) the golden retriever (accommodating and loyal, the golden retriever is a people pleaser and is most effective at team building); (c) the roadrunner (avoiding conflict at all costs, the roadrunner never engages in petty disputes); (d) the cobra (includes others in the conflict rather than directly engaging the persons involved and successfully builds a consensus among the powerless); and, (e) the eagle (approaches conflict swiftly, skillfully, impartially, and with precision). Most individuals fall into one or several of these categories.\textsuperscript{11}

\textsuperscript{10} Schwartz, 74.

\textsuperscript{11} Campbell, 68.
Categories of Workplace Conflict

Experts say workplace conflict falls into two categories, productive and non-productive, and depending on how it is managed, can either be positive or negative. It can result in decreased productivity or a workplace with a deeper trust and higher morale. The goal is to capture the innovation and the power which conflict can bring to an organization. Differences of opinion, which tend to prompt conflict, can be constructive for the workplace. It protects the organization from groupthink and is as necessary for the evolution of the work world as for the evolution of humankind. Organizations that manage conflict well capitalize on its potential positives.\(^{12}\)

Avoiding, "smoothing over" and experiencing punishment for conflict can inhibit new ideas and creativity. In productive conflicts, it is believed that all groups can meet important goals. Also known as realistic conflicts, they are based on disagreements over the means to an end or over the ends themselves. The interaction focuses on the substantive issues the participants must address to resolve their underlying needs. It results in a solution satisfactory to all and produces a general feeling the parties have achieved something such as a new idea, greater clarity of others' positions, or a stronger sense of solidarity. Parties may get competitive in productive conflict as they hold strongly to their positions but they tend to be more open to movement or a solution if they are shown how that may result in the best decision. This type of conflict fosters a wide range of resolution techniques because it is focused on the resolution of a substantive problem. In this scenario, there is no need to preserve power, save face or

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make the other party look bad.\textsuperscript{13} An organization can benefit from encouraging safe and respectful disagreements. On the other hand, poor communication and personality clashes can lead to non-productive conflict and make it appropriate for management to step in.

Effective organizations understand the fine line between productive and nonproductive conflict. Nonproductive conflict occurs when the tension turns personal. This expression of aggression in which the goal is to defeat or hurt the other party is also referred to as nonrealistic conflict. An employee reacting so emotionally that it interferes with their work or one who is out to serve their own interests by undercutting those of the other party has crossed the border to nonproductive conflict.\textsuperscript{14}

To foster conflict in a productive light, a manager needs to structure his/her team with a specific approach. Each team needs to include a shaper, known as the visionary, a creative person who is good at originating solutions, a coordinator and individuals satisfied with doing the grunt work also known as the worker bees. Too many of one type will set the team up for more conflict rather than productivity.\textsuperscript{15} It is likely that too much emphasis on compatibility will produce a cookie-cutter set of personalities and only bring the company down. The key is finding a balance between personality styles as the best immunization to conflicts.


\textsuperscript{14} Withers, 75.

\textsuperscript{15} Withers, 75.
CHAPTER TWO

Methods of Conflict Resolution in the Workplace

The Theories behind the Techniques

In any conflict resolution, the parties in dispute must negotiate or bargain in order to produce an outcome. The most influential and widespread technique for negotiation is that of Roger Fisher and William Ury’s approach detailed in their book *Getting to YES: Negotiating Agreement Without Giving In*. *Getting to YES* delivers an alternative method of negotiation called principled negotiation. It focuses on the needs or interests of the parties and possible solutions to satisfy both sides. Principled negotiation is suggested in 4 steps: 1) Separate the people from the problem. 2) Focus on interests, not positions. 3) Invent options for mutual gain. 4) Use objective criteria.16

Prior to the theory of principled negotiation, disputes were typically resolved through positional bargaining. Still in use today by many, this tactic is designed to intimidate the other party and win at all costs. In contrast to the techniques of principled negotiation, positional bargaining recommends the following: 1) Arrange to negotiate on your own turf. 2) Balance or slightly outnumber the other side. 3) Time the negotiations to your advantage. 4) Lock yourself in. 5) Designate one of your demands a precondition. 6) When it is in your interest, make the other side tender the first offer. 7) Make your first demand very high. 8) Place your major demands at the beginning of the agenda. 9) Make the other side make the first compromise. 10) Use two negotiators who play different roles. 11) Be tough – especially against a patsy. 12) Appear irrational

where it seems helpful. 13) Raise some of your demands as the negotiations progress.
14) Claim that you do not have authority to compromise.17

The integrated conflict management system will use the steps of Getting to YES as its base for conflict resolution as it is the leading technique in corporations. There are variations of principled negotiation and advocates for positional bargaining, but in the workplace where the relationship is ongoing, a more collaborative mode is needed. There are also several advantages of using this theory in workplace conflict resolution that can be summarized as follows: 1) It provides more satisfying results for the parties, as it deals with their underlying needs and interest and establishes agreements which are more likely to be adhered to. 2) It is efficient, in that parties look more creatively at a range of options for dealing with their problem and reduces the likelihood of leaving anything of value at the negotiation table. 3) It provides a basis for a better relationship between the parties by dealing with emotional and interpersonal dimensions of conflict and considers the future relationship of the parties. 4) It uses objective criteria to be sure the solution is based on legitimate standards.18

Negotiation

A negotiation training class in the workplace serves as a very effective method of conflict resolution. It teaches employees the strategy of coming to a mutually acceptable agreement. It is usually used for a conflict between two parties. Negotiation has a more

18 McCarthy, 116.
formal structure than simply listening and stating your interests. It requires preparation, collaboration, and has a high success rate.

The first step is a difficult one for many people. The disputants must separate the people from the problem.\(^\text{19}\) If the parties involved are two coworkers that work together every day, this may be uncomfortable to focus on. Given the work environment, one may need to be sensitive to fostering the relationship for the future.

The next step is to focus on the interests at hand rather than the positions of the parties involved. Bargaining over what positions are versus what the issue at hand really is will only waste time and infuriate all of the parties involved.\(^\text{20}\) This is a good time for the disputants to express feelings without holding back.

Once both sides have spoken, it is important to invent options for mutual gain.\(^\text{21}\) Brainstorming solutions that take both sides' interests into consideration will leave all satisfied with the outcome. This step often involves one side collaborating or compromising with the other. Once the parties have a solution, it is important to use objective criteria to support it. Objective criteria is based on expert knowledge and results in a fair negotiation.\(^\text{22}\) In the professional environment, this may mean basing a decision on company policy. It simply gives the outcome a more justified basis.

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\(^{20}\) Fisher, 40.

\(^{21}\) Fisher, 56.

\(^{22}\) Fisher, 82.
Mediation

Mediation seems to be one of those popular buzzwords that are thrown out in employment circles these days. Many people talk about it but few really understand what the effectiveness of it is. Some think it is just a tool that human resources professionals use to solve internal disputes while some believe it to be the same as arbitration. Rather, mediation is the most valuable form of conflict resolution in the workplace in current models. When confronted with internal conflict, this is a tool for peers and managers to produce a collaborative resolution.

There are times when the parties involved cannot work directly with one another. It would make sense to involve a third party. A third party intervener can focus on the content and the relationship. This person is a neutral party. There are three main roles of third-party interveners: arbitrator, mediator, and facilitator. An arbitrator gathers information and makes a decision for the parties. A mediator helps the parties reach an agreement on their own. A facilitator helps the parties improve their communications and interactions.\(^2\)\(^3\)

A mediator can be an internal person within the organization who is trained or an outside expert. In the current models of conflict resolution, few companies offer in-house mediators. Most mediators are from outside the organization and from an organization such as the AMA (American Mediation Association) or an ombudsperson who acts as an independent mediator.

In the integrated conflict management system that is being proposed, the mediator status would be dependant upon the type and level of conflict at hand. Employees will be trained in these methods and encouraged to join a peer mediation program to guide other

\(^{23}\) Kruse, 76.
employees through interpersonal conflicts that arise on the job. Managers can also serve as successful mediators when the conflict does not have an outcome that may benefit them. If an employee in dispute feels that an internal mediator is not appropriate for their situation, they may proceed with the process for bringing in an outside mediator.

Just as negotiation training is much needed for employees, a mediation training class is essential for management. Mediation is a very effective ADR process to resolve workplace conflicts. The mediator does not have the authority to make a decision but can aid the parties in achieving a positive outcome. The basic steps of negotiation can be applied to mediation with the third party leading the parties through each one. In some cases, a mediator may be another peer in the group. In other cases, it can be an outside person brought in to handle the mediation. Mediation can reduce companies’ legal costs by 75%. It is unbiased, confidential, economic, and a faster way to solve differences, disputes and management problems.24

Arbitration

When mediation is no longer an option, employees in conflict can use arbitration where the third party involved is the decision maker in the dispute. The decision is final and binding.25 The outcome may even be enforced by the courts. Depending upon the severity of the conflict, arbitration may be voluntary, with mutual consent of the parties, or compulsory, by reliance on the law to enforce the parties’ consent. It is a faster way to solving conflicts that are more serious and less expensive than incurring court costs. It is


also more likely to preserve a better working relationship between the parties. An arbitrator must go through training outside of a company-wide conflict management system. This person commonly comes from a legal background, or may even be certified or hired on as a contractor just for this purpose.

Arbitration maintains much less formal procedures than those seen in litigation. Examples of this informality are limited discovery, motion practice, and appeals processes seen with arbitration. The parties maintain much more control of the process itself in arbitration than they ever would have the opportunity to do during litigation. They can mutually name the arbitrator, choose the time and place of the actual proceeding, and each devise procedures and solutions to the dispute itself. Another major procedural concept closely related to the use of arbitration in this context is confidentiality. Both parties can still be protected from unwarranted public disclosures. Arbitration's ability to keep the dispute confidential may even help to facilitate more reasonable settlements because the parties are prohibited from disclosing themselves or viewpoints to outsiders. The parties should understand the consequences if the conflict is not resolved in this process.

There are times when the ADR processes and those skills taught in a workplace training program will not be effective. These conflicts inevitably need to be taken to litigation. All parties involved gain legal representation and, generally, file in a civil court. This may cost a company hundreds of thousands of dollars in court costs and

settlements. In some instances, this is the only option that will resolve the conflict allowing all parties to move forward at this point.

Pre-employment Waiver

A pre-employment waiver serves as a binding contract between an employer and an employee with the commitment to waive procedural, substantive, and statutory rights. The employer requires all potential and current employees to sign the agreement in order to continue with employment in the organization. Different organizations have different approaches to the pre-employment waiver. It is most effective if a conflict management provision is used, which maintains confidentiality and to some degree limits costs and expedites the process. In accordance with the employment at-will agreement, the pre-employment waiver should require all disputes to go to arbitration rather than litigation. Thus, the company will be protecting itself from future law suits if a situation arises when an employee is terminated and attempts to retaliate.

Most employers have a mandatory arbitration clause in their pre-employment waivers that state voluntary conflict resolution processes are to be attempted prior to mandatory arbitration. A neutral party should be used to guide the pre-arbitration process in order to be fair and unbiased. The process would model that of the conflict resolution method of mediation in which the facilitator steers the parties through the steps to a mutual agreement. If this cannot be attained through mediation, the parties proceed to arbitration.

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27 Lynch, 50.

The binding pre-employment waiver discussed is the derivative of the *Gilmer v. Interstate Johnson Lane Corporation* 500 U.S. 20 (1991) case. This was a case that represented the private nonunion workplace. When Gilmer was employed by this brokerage firm, he had registered as a securities representative with the NYSE. Prior to his initial employment, Gilmer signed a pre-employment waiver. The NYSE requires employees to arbitrate any disputes between the employee and the employer that arise out of employment or the termination of employment. When Gilmer was fired six years later, he brought a suit against his company stating that it was in violation of the Age Discrimination in Employment Act. Interstate/Johnson Lane Co. moved to arbitration as in the agreement. Gilmer argued that he should not be required to arbitrate this dispute because the agreement he signed did not apply to statutory claims. Due to the fact that Gilmer had signed an agreement under the SEC, he was required by the court to arbitrate.29

Having a pre-employment waiver does not necessarily mean that the organization will prevent an employee from filing suit if they feel that they were terminated due to discrimination. However, when the waiver is presented prior to employment with full knowledge of the facts, terms, and conditions, the company will have a better chance of prevailing than without it. At least, with a waiver an employee may be bound to arbitrate their discrimination case first. The majority of employers that do make this a mandatory action for a dispute resolution see that these cases rarely move into litigation. This proves the success of having a pre-employment waiver as the goal is to keep workplace conflict out of the court system.

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Since such cases as *Gilmer*, many lawyers and judges are in full support of arbitration. They believe litigation procedures produce hostility and mistrust in an environment where people must work together. They see pre-employment arbitration waivers as a procedure that creates a better environment and relationships in the workplace. Arbitration can then be an informal dispute resolution mechanism that can maintain that more positive environment and workplace relationship.

The design of a pre-employment arbitration procedure needs to be structured in order to create a comfort level between the employee and the organization. It is communicated to the employees in the pre-employment waiver that any dispute shall be presented for resolution in accordance with this procedure. This will be the sole procedure followed, and, the resolution that may come out of arbitration will be final and binding to the fullest extent of the law. If the procedure to be developed is mandatory and binding the employee will be required to sign an agreement as a condition of future employment with the company. The arbitration procedure in place must comply with the due process protocol implemented by the American Bar Association and will make mandatory pre-arbitration methods of resolution.

When the case arises that an employee agrees to arbitration, both parties involved will need to go into a submission agreement. The agreement would state that the employee and the company would like to have their issues, which will be described in detail, arbitrated. Once both parties agree to arbitrate, they are bound to the arbitrator’s decision. If they do not agree, the next step is most likely litigation in court.

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Binding agreements set forth early on in employment such as the pre-employment waiver should be revisited on occasion with employees. Employees should be reminded that they are an at-will employee and can be terminated at any time for any lawful reason. The employee handbook along with discrimination and harassment policies should also be reviewed. An employee should be aware of the fact that the policies can be modified at any time and that it does not constitute a contract over the at-will basis.

Mediation as the Top Conflict Resolution Method

Despite all of the conflict resolution methods available, mediation has become by far the most popular and effective. Mediation is the method of choice in resolving many more conflicts than it was five or ten years ago. It continues to be on the rise as an alternative to arbitration when it comes to resolving disputes. Thirty percent of the civil cases that are filed go into mediation. Businesses and individuals are seeing that it is cost efficient and produces results. It empowers both parties to create a solution based on their own interests.

Providing mediation training for conflict resolution in the workplace will minimize the cost of conflict and contribute to the organization in a number of ways. The most apparent one is the cost savings to a company in the long run. It may be a costly effort to implement an integrative training program. However, down the road, it will reduce expensive legal costs. An efficient conflict management system will minimize

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wasted time and effort. In today’s economy and stress laden workplace, it is not ideal to take time and energy away from being constructive during one’s work day.\textsuperscript{33}

A major reason why mediation is so popular is the cost savings to the parties involved. The longer the time spent in court, paying a lawyer, the more the victory – or the loss – will cost. Corporations have found mediation to be a low-cost alternative to employer and consumer disputes. An effective mediation process can also help in areas that would cost a company more should a conflict not be resolved such as knowledge loss of employees leaving and rehiring costs.\textsuperscript{34}

Many organizations value their reputations on being portrayed as conflict free. However, a closer look would reveal a wide range of conflicts. These unresolved conflicts produce a considerable cost to the company. These costs can be attributed to time spent with internal personnel, outside costs and expenses such as legal fees and litigation expenses. There are other slight costs that come from the distraction and negative impact on the work effort that ongoing and unresolved conflict brings to the work environment.\textsuperscript{35}

Besides the cost savings, there are elements of the agreement in mediation that a court or a lawyer would never impose. The relationship may be repaired or damage minimized. Mediation can also help stabilize the workplace and foster an environment for new ideas, openness, and resolution.

\textsuperscript{33} Kirk Blackard, “Assessing Workplace Conflict Resolution Options,” \textit{Dispute Resolution Options} 56, no. 1 (Feb.-Apr. 2001), 60.

\textsuperscript{34} Llona Geiger, “The Value of Professional Mediation,” \textit{Association Management} 54, no. 11 (Nov. 2002), 88.

The attractiveness of mediation is shown not only in those choosing to mediate but in the increase number of professionals interested in this area. The business of training mediators is well on the rise. The popularity of the profession is due to its solution-orientated nature. Although it is a challenging job, it is gratifying to help people solve their problems and avoid conflict. In fact many attorneys are enrolling in training courses to mediate disputes and represent clients during mediations and become less of a courtroom advocate.36

While mediation’s popularity is on the rise, there are still benefits and detriments. It is the responsibility of the organization to weigh the pros and cons and establish what will work best for them.

One of the most attractive benefits of mediation is that it is a much quicker and relatively inexpensive process when compared to arbitration or litigation. The agreements in mediation are not imposed by forces outside. Any agreement made is developed by the parties during the mediation session. It is a private process that requires confidentiality from all parties involved including witnesses, attorneys, and facilitators. Overall, mediation is a more flexible process.37

The process of mediation is about working to identify the strengths and weakness of both sides of the dispute. It allows the parties to gain a better understanding of the other’s side. Mediation focuses on the common interests of the parties and the relationship for the future rather than on the mistakes that may have been made in the past.

36 Klineman, 32.

The downside of mediation includes the following: Either party can easily walk away without reaching an agreement because mediation requires such a low investment of time and money. Some mediators are so heavily trained in helping the parties settle the dispute that they overlook things such as evidence, facts, documents, and contract language. If a disputant is forced into the mediation, it is highly unlikely that a successful outcome will happen. Both parties need to be ready to mediate.38

In the last two decades, the number of EEO lawsuits filed in federal district court had increased 2,166%.39 This has created a substantial backlog at the EEOC and judicial level. Due to the number of cases filed with the EEOC, mediation may be the best alternative for disputants to resolve their conflict.

The statistics surrounding the EEOC’s success rate in mediation prove that it is successful when utilized but that it is not exercised enough. 96% of employers that participated in EEOC mediation were willing to try it again, along with 91% of employees who would do the same. In 2002, only 30.5% of employers chose to use EEOC mediation in comparison with the 83% of employees. The charges in mediation are disposed of within an average of 86 days.40 That is about half the time for charges that are not mediated.

Even with these positive statistics, there are employer reservations to participating. It is viewed as an organization set up to help employees but not actually assess if someone has been discriminated against. The EEOC is also viewed as being

38 Zack, R13.3.
40 Michael Barrier, “The Mediation Disconnect,” HR Magazine 48, no. 5 (May 2003), 54.
skewed to increase their number of settled cases. Also, employers tend to feel that mediation places too much emphasis on making a payout to workers. While no monetary benefits may be enough to resolve some mediation efforts, sometimes money will be the only answer. On the other hand, some employers appreciate the fact that the EEOC mediation is much more informal than arbitration or litigation.41

Early on, this research reflected on the circumstance of disputants not being able to settle their disagreement with the conflict resolution system in their workplace. Depending on the issue at hand, some cases may meet the guidelines for filing with the EEOC (Equal Employment Opportunity Commission). The last two decades have produced a substantial increase in the number of EEO lawsuits filed and charges relating to workplace disputes.42 This led the EEOC to also start utilizing alternative methods to conflict resolution. Mediation is now the method of choice.

Conflict Resolution Training for Managers and Employees

One major difference in the integrated conflict management system is that it allows for the much needed training of both employees and managers. This system places the expectation on the manager to prevent, manage, contain and resolve all conflicts as early as possible yet allows the employee to learn how to deal with their own conflicts and those low level conflicts around them.

Training the employee in mediation has become a much needed and vast asset in the professional environment. A trained employee may be able to recognize the signs of

41 Barrier, 55.
42 Varma, 32.
stress and tension that bring on conflict. Peers are able to see the personality differences in their workers more closely than a manager that is removed from the environment. Employees may be more apt to trust a peer mediator than someone in a more authoritative role to address their conflict. Overall, it will help the employee be able to handle their own conflicts as well as assisting as a third party in a conflict resolution of their peers.

It is crucial to give employees the option to trust and feel open with their managers and a sense of confidence in the conflict resolution process. From that trust, the bottom-up communication is also enhanced. Management can make better decisions once their ears are open to what their workers are saying.\(^{43}\)

\(^{43}\) Blackard, 61.
CHAPTER THREE

Factors Impacting Conflict Management

Although conflict is often less to do with an issue and more with a personality, an organization must acknowledge that there are significant factors contributing to workplace conflicts. The workplace has evolved into a creature that never existed before. A manager’s biggest challenges are new employees learning to work together, cultural differences, and opposing vested interests. An employee must work extended hours without salary increase, act ethically and understand its significance and work in groups with people of different religious beliefs or sexual orientation. They must act this way with the notion that there is the chance they could be dismissed in an unfavorable economy. Also, the more people who are involved in a conflict, the more difficult the situation is to resolve. These factors must be studied for an integrative conflict management system to be all inclusive. It will improve upon the factors currently addressed and introduce more modern ideas that are not taken into account in current programs.

Today’s Workplace

Even as organizations become more educated about how to deal with workplace conflict and more tolerant of it, there will still be many long-standing root causes of conflict. Change continues to come faster than we can manage it. Mergers and acquisitions present a massive potential for conflict, downsizing and budget cuts leave less mentorship, advanced technology leads to a greater sense of isolation, and flexible

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44 Withers, 75.
work schedules have not fully addressed work/life balance issues. This so-called new economy forces employees to be in roles for which may not be suited.45

Over the past five years, organizations systematically reduced their staff in hopes of becoming more efficient and profitable. This approach did not meet its expectations of increased productivity and long-term profits. Staff reengineering has proved to only create a short term gain for the organization. With all of the downsizing of middle managers since the 1980s, we lost a generation of mentors qualified to help up-and-coming managers gain workplace conflict strategies. Now, the long term contributions to a conflicted workplace have become apparent. Organizations are paying for the mistake of putting technical skills ahead of people skills in hiring during the pre-2001 boom.46

Employees who have remained within the organization are either fearful of losing their positions or bitter towards the company. They become suspicious of management and human resources related decisions and threatened by their own co-workers. Internal conflict such as fatigue, depression, a feeling of loss of control and anger is also present.47

Workplace conflict is generated by organizational partnerships that are threatened. The atmosphere should be one of collaborative nature. But, when quality and participation in the professional environment deteriorates, the organizational partnerships suffer. It may be as simple as two employees with opposing religious views placed within the same department or as complex as upper management being corrupt in a

45 Withers, 75.

46 Withers, 76.

fraudulent scandal. These and other conflicts threaten the organizational unity, business partnerships, team relationships, and interpersonal connections that employees may share. It represents a loss of perspective on common issues and creates unnecessary boundaries in the workplace.\textsuperscript{48}

In today’s downward economy and rising unemployment rate, it is no wonder why the workplace has become so stress laden. It is very different than the work environment from ten years ago. Just about every workplace has experienced layoffs. For some, these layoffs meant an increase in workload and a longer work day with no increased compensation. For others, it spiraled into a constant bitterness towards the company or prolonged fear that they would be “the next” to be let go. Besides downsizing, other factors leading to stress in the workplace are the tension of deadlines, instant communication with multiple parties, information overload, and overnight mergers.\textsuperscript{49}

Multi-Cultural Conflict

Managing a multicultural conflict needs to involve three concepts: anthropology, uniqueness, and blending. Anthropology is the discipline that teaches how people are affected by their culture or the standards and norms of the society they live and work in. Uniqueness demonstrates that each of us has our own way of thinking, behaving, valuing, and communicating as well as our own beliefs about what is right and wrong. Despite


our individual uniqueness, the culture in which we have grown up and now work in
influences us so strongly that we can identify common values and patterns of thinking
and behaving. These values are patterns that are shared by a large number of people in
any national, linguistic, religious, gender, generational, socioeconomic, ideological or
ethnic group. Blending in multinational companies means that the best results usually
come from a blend of perspectives and practices of the cultures involved. It enables the
employees of a multinational company to realize their full potential and to produce
positive interpersonal and organizational results.50

Resolving a conflict that is multicultural requires more sensitivity and attention
than normal. Multicultural conflict follows several unique steps of resolution. The first
step is problem identification, in which an organizational problem arising from a cultural
conflict, as perceived by both groups, is identified. To illustrate, the scenario of a project
team consisting of Japanese and American employees is used. The conflict was a result
of losing a major deal where the Americans blamed the Japanese for not making
suggestions and taking their time to review the proposal while the Japanese blame the
Americans for being shoddy with their work and aggressive with their ideas. The
problem identification here is what should have been done from the start of the project:
deciding how meetings would be run, relationship building to allow them to be one
global team rather than two separate teams, open communication of expectations to
mutually decide deadlines and how they prefer to work, and clarification of how to
handle customers’ requests while balancing the needs of the US and Japanese
marketplace. The parties involved have the potential of reaping several benefits in this

50 Clifford Clarke and Douglas Lipp, “Conflict Resolution for Contrasting Cultures,” Training and
Development 52, no. 2 (Feb. 1998), 23.
step. They can release emotions, which can prepare them for learning; find that they are not alone in experiencing conflict; explore strategies for cross-cultural interaction that they have found effective in the past; generate useful feedback to share with the other cultural group; and may have different perceptions of the situation that are more personal than cultural. 51

The next step in resolving a multicultural conflict is problem clarification. 52 This involves comparative intentions where the Japanese and Americans can learn to understand what was intended by their individual actions. The Americans learned that they needed to slow down when they speak as the Japanese had trouble following their English and their speed. That is why they did not speak up much. Comparative perceptions of what really happened vary according to culture as well as interpretation and judgment on one’s behavior. The Japanese felt that their customers in Tokyo would not deem it appropriate to inflict pressure to sign the proposal the way the Americans were forcing them to in order to meet a deadline. 53

Cultural exploration is the step that examines each culture’s values and how they play out in the light of each party’s contrasting expectations and assumptions, which drive their intentions and perceptions. Hidden cultural expectations will always exist as one side wishes the other would simply do something their way. For example, the Japanese recognize sending an email rather than walking down the hall as an insult. Hidden cultural assumptions and values allow each side to look deeper at the origins and

51 Clarke and Lipp, 25.
52 Clarke and Lipp, 26.
53 Clarke and Lipp, 26.
assumptions of culturally determined behaviors. The disputing parties usually discover that what they consider to be common sense is different in every culture. For example, Americans tend to believe that accomplishing the task is more important than building and nurturing the relationships involved.54

The next step in the process is organization exploration. It looks at the organizational issues that affect the conflict under discussion. Each side involved in the conflict needs to understand the organization pressures of the other side. The Americans should have been educated on the global imperatives of the Japanese market and the characteristics of the Tokyo headquarters. Just as important as a global awareness is to understand the local conditions that affect a company’s competitiveness. Facilitation strategies should have been established to determine how government laws and the difference between corporate cultures of headquarters differed.55

Finally, the conflict resolution step in a multicultural conflict is reached. This step establishes what the goal of the parties is and how they achieve it. Detailed later in this research are the common methods used in a conflict resolution system. A multicultural conflict would use the same methods at this point to come to a mutually acceptable goal, decide on a strategy for getting there, and translate their strategic plan into specific steps.

54 Clarke and Lipp, 26.
55 Clarke and Lipp, 28.
Sex and Religion

Two factors affecting diversity in the workplace that most people try to avoid are sex and religion. However, they are colliding in such a forceful way that employers can no longer afford to ignore these diversities. Employers need to be aware that the federal law does not afford these two characteristics equal protection. Religious discrimination and harassment are barred by federal law in Title VII of the Civil Rights Act of 1964.\(^5\) According to the Equal Employment Opportunity Commission (EEOC), this means that employers need to abide by this fact sheet: 1) must permit employees to engage in religious expression if they also permit them to engage in other forms of personal expression at work, unless the religious expression would impose an undue hardship; 2) may not force employees to participate or prevent them from participating in a religious activity; and, 3) may not treat employees more or less favorably because of their religious beliefs or practices. Because of this, companies that do not already have sexual orientation anti-harassment policies are being encouraged by employment attorneys to adopt them.\(^6\)\(^7\)

Employers are obligated to step in if they learn an employee’s religious expression is unwelcome and should cease it before it becomes a severe and pervasive conflict. It may be impossible to regulate affairs of the heart, but employers can create an environment where employees can work together without fear of intimidation, alienation


and retribution. It is a difficult task but is among the most important ones an organization will assume in the diverse workplace of the twenty-first century.\textsuperscript{58}

Multi-Generational Workforce

When considering the factors contributing to workplace conflict, an organization must look internally at the dynamics of its staff. While four generations of different experiences and attitudes converge in the workplace, the potential for conflict increases. The main cause contributing to this is the breakdown of hierarchies and the increased volatility in a company. An “us” versus “them” mentality is the common theme in generational conflict. However, just as we say that conflict can be positive, here too, the workplace can be a productive and compatible home for old, not so young, and young workers alike. The organization needs to allow these generations to identify with one another rather than conform as one. Members of a generation are united by everything from historical events to popular music. Even if an employee distances themselves from generational norms, they still have a relationship to them. Experiences of entering the workforce is one of these influential factors in shaping their worldviews.\textsuperscript{59}

There are four generations that exist in the workplace: traditionalists from the World War II generation, the Baby Boomers, the Gen Xers, and the Nexters, or


Generation Y. Each group has different views about work ethic, work and home life balance, leadership and technology.\textsuperscript{60}

The traditionalists were born before 1945 and influenced by the Great Depression and World War II. Fifty percent of Traditionalist men are war veterans. This generation rebuilt American by having faith in and partnering it with institutions. They displayed a strong work ethic and fueled the economic boom.\textsuperscript{61}

Growing up in an optimistic time of expansion, Baby Boomers were born between 1946 and 1964. This generation had great expectations and the world had great expectations of them. Their parents had fought wars abroad and returned home heroes while the Boomers fought for their glory at work.\textsuperscript{62}

Generation Xers were born between 1965 and 1976. This group experienced economic difficulties early on while they were entering the work force. They may have been forced to accept jobs outside their area of specialty or study. Their world view was shaped by a bleak job market, soaring national debt, the Gulf war, and lack of opportunities. They come to the work force with responsibility and knowledge that there are no guarantees.\textsuperscript{63}

The Nexters, or Generation Y, was born between 1977 and 1994. The early years for this generation were ones of economic expansion and unprecedented prosperity. By now, this generation has seen more at an early age than most in previous generations,

\textsuperscript{60} Zemke, 17.


\textsuperscript{62} Sujansky, 17.

\textsuperscript{63} Sujansky, 17.
such as the Oklahoma City bombing, the Columbine shootings, and the tragedy of September 11th. Twenty-four hour media coverage has brought the world to them instantly. This techno-savvy generation has “seen” the work and it has a global perspective and expanded definition of diversity than previous generations.64

At no other point in history have organizations been faced with four generations of employees working together. Each group possesses its own values, attitudes, and expectations. The generation gap in the workplace has become visible but undefined in its contribution to conflicts.

The first of the baby boomers will be turning sixty-five in roughly fifteen years from now. By 2025, 62.2 million Americans will be classified as senior citizens, an increase from 33.6 million in 1995. Workforce planning will become more difficult for human resources professionals as older workers no longer retire at traditional ages. Positions that would normally be vacated and serve as a promotion for middle-aged employees will not become available. Advancement also becomes difficult for the junior staff.65

Perception of one another’s age causes conflict between older and younger employees. Older workers are perceived as rigid, difficult to retrain and too expensive. Conflicts often exist between older workers and their younger managers. Younger managers may see older workers as potential threats because of their number of years of experience and, not to mention, the availability of legal protection through age discrimination legislation. Older workers may be concerned with the thought of being...

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64 Sujansky, 17.

replaced by the younger workers. Younger workers may also dispute that an older worker doing the same job may be compensated more.66 Those workers from a generation ago typically came from larger families and had early training in diplomacy. Today’s generation of workers are typically raised with one or no siblings, giving them an inflated sense of having the right solution.67

Conflict will arise when compensation packages are forced to change as employers look to reduce costs by linking pay to performance rather than seniority. There are several guidelines that human resources professionals and managers can follow to prepare for the higher percentage of older workers in the future: 1) Obtain demographic projections for your organization’s area to see if older Americans are expected to make up a significant percentage of the local population in coming decades. 2) Establish a strategy to recruit older workers that recognizes their needs. Traditional benefits and enticements may not be appropriate. 3) Offer accommodations for older workers. Amplified telephones, large-print documents, orthopedic and ergonomic furniture, and wellness programs, for example, will help older workers perform their jobs well. 4) Include age issues in your organization’s diversity training. Both older and younger workers worry about intergenerational conflict in the workplace – especially when younger employees have authority over older employees. Appropriate training will help alleviate those concerns.68

66 Dogan and Vecchio, 60.
67 Withers, 74.
68 Minehan, 208.
Despite the conflicts that occur between the generations, studies show that younger and older employees working at similar jobs show only minor differences in objective performance. Older workers are equally productive; less likely to change jobs or be absent, slightly more satisfied with their jobs, and have a stronger work ethic than younger workers.\textsuperscript{69} Statistics do not override the conflict that occurs in the workplace; therefore, an organization must be proactive in resolving it.

This multi-generational workforce needs to be treated as a critical new aspect in workplace diversity. The differences between these groups do not need to result in conflict and loss of productivity. A successful conflict management system will recognize what individuals make up the workforce in the organization. There are specific principles to follow when focusing on multi-generational conflict that would offer choices, training opportunities, and an evolving workforce.\textsuperscript{70} The goal is to have these groups work together and appreciate the generation difference, which is in essence another culture group to belong to.

Generation X and Generation Y have some similarities in that offering more choices in the workplace would benefit them the most. These generations both demand a more innovative workplace with flexible hours, state-of-the-art resources, cooperative scheduling, and supervisors who listen. They are looking to build on their skill and are committed to career development. They will continue to negotiate a work-life balance while the Traditionalist and Baby Boomers have never asked for it. These two older generations many not require as many choices but still value inclusion. The significance

\textsuperscript{69} Dogan and Vecchio, 60.

\textsuperscript{70} Sujansky, 18.
of them being afforded these options if they want them will only enhance their productivity.\textsuperscript{71}

It is important to all of the generations that an organization offer training opportunities. Not only does it fulfill one's desire to learn but it also emphasizes career growth, paid training, and skill development. Threatened with downsizing, older employees feel that they had not been afforded training opportunities in the past to keep their skills current. The younger employees feel that they could not gain business knowledge that was required for the job without the opportunity to gain hands on work experience. Managers need to learn to really listen to what matters most to their employees regardless of age. Management styles that worked with the Traditionalists and Baby Boomers will not work with the Generation X and the Nexters. It is necessary to develop the younger workforce to become the skilled managers that will eventually replace the retiring Traditionalists and Boomers. This will be vital to any organization hoping to compete and be successful in the future.\textsuperscript{72}

Just as training opportunities need to be present for a company to prosper in the future, the organization must also offer an evolving workplace. The incoming employees of Generation Y will be so large that the organization will have to accommodate to their unique attributes. Managers will be required to evolve as leaders to create new motivational techniques to motivate their employees to obtain the highest performance and output possible. Traditionalists and Baby Boomers may be content to "wait their turn" while Generation X and the Nexters expect a relationship-intensive atmosphere

\textsuperscript{71} Sujansky, 18.

\textsuperscript{72} Sujansky, 18.
with one-on-one communication and feedback. They also anticipate that everyone would make adaptations for the team while Traditionalists and Baby Boomers agree to follow the rules set.73

In order to reduce conflict brought on by a multi-generational workforce, the organization must be committed to recognizing that these groups will have different perspectives just as any culture would. They also differ in the way that they see the world and approach their job. By integrating this into a conflict management system, a company can implement and reward collaborative strategies with a multi-disciplinary approach. This will benefit the relationship among the employees and help put closure on the generation gap.

Violence

When we mention workplace violence, images of a violent, disgruntled employee comes to mind. Such portrayals of workplace violence dominate the media. They account for such a small percentage of acts of violence in the workplace. The most common occupational violent acts are emotional harassment, physical aggression, sabotage, vandalism and theft. Those acts combined with workplace homicide cost companies almost $36 billion a year in legal expenses, lost profits and negative publicity. Studies have shown that there is still an annual increase in all types of workplace violence.74 There are many factors that can contribute to stress leading to workplace violence.

73 Sujansky, 18.

violence. Both a motive and an opportunity need to be present in order for a violent act to occur.

Under the 1974 Health and Safety Act and the 1992 Health and Safety at Work Regulations, companies are legally required to assess and provide a safe work environment. This is why corporations cannot ignore workplace violence. Dealing with workplace violence is not just about disciplining the aggressor. The organization needs to look internally to see if there are any factors contributing to this and also protect the other employees’ safety.

Group Dynamics

Conflict is an inevitable part of interpersonal relationships. It is a process where the parties involved perceive, shape, and attempt to handle the situation or conflict. Research has shown that there is an almost innate sense of conflict in a group life and the development regardless the size of the group known as inherent conflict. In simpler words, no matter how hard the group tries, conflict will form at some point. There are two approaches to the inherent conflict in a group life. One is Tuckman’s (1965) classical group development model and the other is the concomitant approach by Smith and Berg (1987).

Tuckman found that in social or interpersonal group activities, development goes through four sequential stages: testing-dependence, conflict, cohesion and functional roles. In task activities, the group goes through a series of orientations: emotional,

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76 Appelbaum, 216.
relevant opinion exchange, and the emergence of solutions stages. Tuckman proposed a developmental model of groups combining those social and task dimensions. The five stages include: 1) forming: where group members identify the boundaries of social and task activities through testing; 2) storming: where members experience conflict and polarization around interpersonal issues, with concomitant emotional responding in the task sphere; 3) norming: where in-group feeling and cohesiveness develop after resistance is overcome; 4) performing: where interpersonal structure becomes the tool of task activities, roles become flexible and functional, and group energy is channeled into task; 5) adjourning: where task forces disband when the project is completed.

This developmental model of groups suggests that intragroup conflict is inherent in the second stage of group development. In the social or interpersonal dimension, group members become hostile to one another as they express their individuality and resist the formation of the group. In the task dimension, the group members act emotionally to the task as a form of resistance to the task’s demands. It is in this storming stage that group members need to begin to adjust their emotions.

Tuckman’s research on group process can be applied to a project team in the workforce. The four stages in a project life cycle are project formation, build-up stage, main program stage, and phase out stage. In each of these stages are seven types of conflict: conflict over project priorities, administrative procedure, technical opinions and performance trade-off, cost schedules and personality.77

Smith and Berg do not believe that a group must develop sequentially. They studied group conflict from a concomitant perspective. It suggests that conflict is an

77 Appelbaum, 216.
inevitable and recurring factor of all groups who are rooted in the differences of bringing people together and the unconscious ambivalence caused by individuals becoming a part of a group.78

The concomitant perspective to group process uses a paradoxical framework to explain group experiences. There are seven group paradoxes: 1) The paradox of identity: the dilemma of the individual within a group who seeks to preserve an identity that remains differentiated from the group while the group seeks to maintain a coherent identity in the face of inevitable turnover in membership. 2) The paradox of disclosure: the dilemma of the individual who is willing to disclose him/herself when he/she knows the strengths and weaknesses of the group while the group is willing to reveal its weakness only when the individual discloses him/herself. 3) The paradox of trust: the dilemma is who starts the trust-building process, the individual or the group? 4) The paradox of individuality: the dilemma arises from the group’s dependency on the individuality of its members and the individual’s dependency on the commonality of the group. 5) The paradox of authority: members must subordinate their autonomy to the group for it to become strong enough to represent members’ collective interests; yet, in authorizing the group, members may diminish themselves and lessen the capacities of the group that derives its potency from the strength of its members. 6) The paradox of regression: occurs when individuals permit part of themselves to let go in order to let the group integrate its parts into a whole. At the same time, the group has to develop in a collective way, which is established upon the individuality of each member.

78 Appelbaum, 216.
7) The paradox of creativity: the creative process, the making of the new, involves destruction of the old, the very antithesis of what creativity symbolizes. However, the refusal to destroy blunts creativity's possibilities of the group.\(^{79}\)

Smith and Berg view these paradoxes as sources of conflict in a group. They suggest that only when the members in the group accept there are multi-facets in these group experiences and that conflict is inherent in a group experience, can they reduce rather than resolve group conflict.

There are visible cultural differences in perceptions and styles of conflict. It is important for a company to understand what cultures make up their organization to effectively manage the group dynamics. In a study of conflict communication between African-American and European-American women in the workplace, it was determined that others see European-American women as more avoidant than African American women. African-American professional women see directness as a means of conflict reduction where European-American professional women believe less direct approaches reduce workplace conflicts. Professional women in both groups see themselves and their culture as trying to reduce conflict in the workplace but do not believe so of the other culture.\(^{80}\)

Data from a study of Americans and Japanese in the business world identified communication difficulties based on cultural differences in language/communication behavior, work style/orientation, management style/orientation and decision-making.

\(^{79}\) Appelbaum, 217.

The Japanese were critical of American’s focus on speaking and lack of intuitive understanding while the Americans had difficulty with the Japanese lack of verbal clarity and specificity. Americans have tendencies toward individualism, informality, and hasty decision making. Overall, Western protocol tends toward public argumentativeness; majority (vs. consensus) decision making; formalized, downward communication patterns; reliance on print and electronic communication more than face to face interactions; and the prioritization of task goals over relational goals where as Japanese protocol tended toward the opposite. These differences lead to conflict as well as in imbalance decision making power.

The communication styles of North Americans and Mexicans differ in terms of the quantity of talk. The linguistic style of Americans in business is known as exacting where no unnecessary communication should be included in one’s verbal interaction. Americans are very task oriented and find ambiguity, excessive verbosity, and obscure expressions unnecessary. However, Mexicans are considered elaborate for their use of very expressive and rich language. In order to make good business decisions, Mexicans feel that they need to establish a positive relationship first. Americans are focused on the issue rather than on the relationship and figure the rest will follow. When in conflict, Americans believe that a good argument will work through the problem while the Mexicans usually avoid confrontation.\textsuperscript{81}

Most research has found that diversity in work groups produces simultaneous positive and negative effects on conflict and decision making. The functional background diversity increased task conflict but promoted cognitive task performance

\textsuperscript{81} Broome, 242.
through problem solving, decision making, and idea generation. In a project team consisting of technology and finance employees who are negotiating over which brand of software to choose, background diversity is demonstrated. The workers from the finance department are thinking of saving the company money as a primary thought. The technology staff focuses on what software performs the best and requires the least maintenance. If the two sides use their backgrounds to come to a collaborative decision, the company will most likely save money by purchasing a system that may not be top of the line but will not require as much maintenance as an obsolete one. Conversely, social diversity is more likely to introduce emotional conflict but less likely to enhance team performance. The differences in the groups tend to increase conflict but also tend to decrease the productivity of the group at the end of the task.\[^{82}\] Social diversity is exemplified in a work group where the task at hand is to generate sales leads from the company’s competitors. There are many social factors in this group that should be identified and matched up to the tasks that need to be done in order to meet the goal. Those in the group with more extroverted personalities should be doing the cold calls. Those who are meticulous and organized should be tracking the information on the leads.

The evolution of today’s organization is encouraging despite the number of factors that affect workplace conflict. In a fast-paced world, we can only anticipate the quantity and severity of the factors to increase. But, with a commitment from the employer to its employees, the productive conflict can begin to outweigh the negative conflict. Incorporating diversity awareness that is inclusive of generational and cultural differences is just the beginning. Empathizing and partnering with employees over staff

\[^{82}\] Broome, 242.
reengineering and the economic state of the company will prove more successful than segregating management and human resources from the rest of the work population.

Leadership courses and cultural sensitivity training will help employees of all ranks navigate their way through the corporate culture and help avoid potential non-productive conflict. A well-designed integrated conflict management system will include the theories of group dynamics and relay them in its curriculum. Observers have already reported that the sources of conflict currently in growth mode are most productive while the roots of unproductive conflict are lessening.\textsuperscript{83}

\textsuperscript{83} Withers, 75.
CHAPTER FOUR

The Evolving Role of Diversity in a Conflict Management System

Traditional diversity programs over the past two decades have focused on changing employees’ values and belief systems. The theory was that if employees were given training for each other’s differences, they would give up their biases and prejudices. Seventy-two percent of Fortune 500 firms have a current diversity program and eight percent are in the process of creating one. The majority of the programs have failed to bring much change to the discrimination and harassment in the workplace. Millions of dollars have been spent on diversity training to buy social peace, but the result has been greater social conflict, disruptiveness, and hostility.

Corporations initially created diversity training programs to help the women and minorities employed as a result of affirmative action. The goal was to reduce and, eventually, eliminate discrimination and harassment towards women and minorities. Some people thought that diversity training was to change white men. The programs were designed to teach the value of human differences. If employees understood one another’s differences, it was thought that discrimination and harassment would be reduced. The theory was that with this new-found understanding, employees would be sympathetic to each other’s differences and they would work together more effectively and productively. Nevertheless, this only produced a failure to manage diversity.

Current Diversity Training

According to a study of diversity experts in the US, current diversity training programs exist because of four reasons: 1) according to all of the respondents, the top reason is to improve productivity and remain competitive; 2) to form better work relationships with employees; 3) to enhance social responsibility; and, 4) according to only half of the experts, to address legal concerns.\(^\text{85}\) Another survey conducted in conjunction with the AMA (American Management Association) and the ASTD (American Society for Training and Development) states that over 80% of employers are more inclined to have diversity training for reasons of improving customer relationships and productivity while only about 30% are concerned with discrimination laws. There is no interest in how the attitudes and behaviors of the employees are changed.\(^\text{86}\)

Diversity trainers are mostly those of groups that are traditionally discriminated against but not advocates for their own discriminated groups. They average about five years of training experience while serving several hundred clients. Their delivery is based on professional experiences, not personal ones. The standard course has a ratio of 25 trainees to one or two instructors for an average of ten hours. Ninety percent or more of the employers surveyed use written handouts, group exercises, and lectures to deliver the information. Other common methods in use are discussions of occurrences in the workplace or case studies, role playing, videotapes, and self-awareness exercises.\(^\text{87}\)

\(^{85}\) Wentling, 242.


\(^{87}\) Bendick, 10.
Training/education is one of the best strategies for managing diversity that most all organizations use. The other strategies that the diversity experts agree to be the most effective are implementing organizational policies, mentoring programs, career development programs, and encompassing diversity into a broader employee training agenda. However, these techniques are only used in about 25% of diversity programs.  

The common themes of current diversity training that are addressed by almost all organizations are: 1) discrimination in the workplace: typically covered by 97.2% of survey respondents; 2) stereotypes in perceptions and decisions: 91.3%; 3) how to make different groups welcome in the workplace: 84.3%; 4) how a diverse workforce contributes to productivity: 82.4%; 5) the organization’s policy on discrimination: 66.7%; 6) non-discriminatory employee evaluations/promotions: 65.7%; 7) the content of stereotypes about different groups: 65.4%; 8) white male backlash: 64.9%; 9) promoting retention and development of different groups: 64.8%; 10) equal employment opportunity law: 61.1%; 11) cultures of different demographic groups: 61.1%; 12) nondiscriminatory recruiting/hiring: 58.3%; and 13) discrimination outside the workplace: 55.6%.  

The mistake with current diversity training is that it attempts to achieve unrealistic goals. It is too broad to teach all of the existing differences. Additional topics are frequently added to include any and all possible differences such as age, disabilities, politics, religion, sexual orientation and values. Trainers attempt to teach history, culture,

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88 Wentling, 243.

89 Bendick, 15.
ethnicity, gender, and race in one session. It is unfeasible to think that three to five hours of diversity training would address and resolve these issues.90

Proper training has not been provided to employees to effectively work with those whose beliefs are different than their own. It has proved to be pointless to lecture on differences such as race, creed, and lifestyle without offering the skills to manage and deal with those differences. Experts agree that unless diversity education is treated as a cultural issue versus a training issue, it will not be effective.91 By encompassing diversity awareness into the conflict management system, organizations can take a more proactive approach to purge tensions around discrimination and harassment.

Creating a workplace that supports diversity is essential. Most organizations implement a diversity training program to avoid conflict and meet the requests of upper management. It should be a part of a conflict management system to welcome workers regardless of age, race, gender or sexual orientation. A diverse workforce gives an organization a competitive edge by attracting diverse candidates and customers / clients.92


91 Zhu, 7.

Improvements for Diversity Awareness

The deficiencies in the current diversity training programs are unclear objectives, backlash effects, short-term focus, and lack of evaluation and feedback. There needs to be a more systemic approach to diversity training from a preparation stage, the needs analysis, establishing objectives, developing content and process, creating awareness, skill building, action planning and other steps to reinforce desired behavior. By building off of what already exists, diversity training can more effectively achieve its goal.

There are several guidelines and course corrections of current diversity training that need to be implemented into the proposal of this integrated conflict management system. These enhancements will make employees feel more comfortable about addressing the clash of corporate and ethnic cultures and, as a result, produce less negative conflict based on the assumption that conflicts stemming from discrimination would decrease. In precedence to discussing the framework of a diversity awareness program, the diversity training label must be removed. When an organization pitches a mandatory diversity training class, individuals become resistant to attending. The term “diversity” lacks consistency and accuracy in meaning and use. It has a negative connotation and implies a minority agenda. The purpose of this awareness program is to encourage employees to talk openly about their ethnic differences. The training portion is only the first step in managing diversity. It is the ongoing effects that will make for successful conflict management.


94 Thayer, 749.

95 Zhu, 7.

96 Zhu, 7.
The first guideline is to have the training focus on behavior rather than attitudes, beliefs, and knowledge of different cultures. An organization must recognize that discrimination and harassment practices are happening in the refusal of employment, lack of promotions, sexual intimidation, verbal slurs, negative body language, discounting, devaluing, excluding, harmful labeling and violence. The law states that companies are not responsible for what their employees think or feel but, rather, for what they do. Therefore, companies are liable in a court of law for employee behavior on the job.97

The second guideline for integrating diversity into the conflict management system is to have strong support from top management.98 Once employees see the level of commitment being given to the topic, it is taken more seriously. This can be achieved by having training where all levels are present or through a corporate communication sent out from the executives.

The next guideline is to train all levels of employees including senior executives. Research has shown that the influence of a diversity training program is not noticed until at least 25% of the organization has received training.99

Another guideline to enhance a diversity program is to offer follow up or ongoing training to the employees.100 Discrimination and harassment are relationship issues. It may be necessary for some employees to identify their thoughts and emotional habit patterns that lead to inappropriate actions, and reframe them. Managers and employees need to increase their listening skills, reframe negative thoughts, understand the

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97 Zhu, 7.
98 Bendick, 20.
99 Bendick, 21.
100 Bendick, 20.
communication process and improve their conflict management skills. An integrative approach gives the employee ongoing education in the interrelated components that will essentially reduce negative conflict in the workplace and promote positive conflict. A company must commit to a plan of action to eliminate its discrimination and harassment practices and follow the "zero tolerance" mind set. The action plan must include: a written policy, an ongoing employee orientation and education program, a complaint procedure, an accountability procedure, and an appeals process.101

The written policy should be a part of the company's mission and vision statements. The policy should include the following elements: 1) a caveat, to mention that discrimination and harassment are illegal under state and federal law; 2) mission statement, acknowledges that discrimination and harassment are contrary to the policies set forth by the company, infraction will not be tolerated and discipline of unlawful behavior will be immediate; 3) a commitment statement, to enforce that all discrimination and harassment complaints will be investigated promptly and thoroughly, and anyone found guilty of discrimination and harassment will be disciplined accordingly; 4) disciplinary procedures, methods of discipline to be spelled out clearly; 5) consequences, relate directly to the misconduct cited and not to be left up to individual interpretation or whim.; and, 6) an audit, a semi-annual internal audit of the policy's process to be made by professional outside auditors.102

The next guideline to follow surrounds the methods of delivery for diversity training. A trainer should talk less and listen more. Lectures and hand-outs do not yield

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101 Zhu, 8.
102 Zhu, 8.
high retention. Discussions about real life experiences and role plays will allow behaviors to be learned and adjusted for a diverse workplace.  

The last guideline suggests that the organization embrace diversity at all times in order to be part of an integrated conflict management system. Some organizations commemorate holidays or traditions that allow employees of different cultures to share their background. Employees, especially those in a management role, can act as an “intercultural ambassador” by making tact and respect the rule for discussions of ethnic, cultural, racial or gender differences. In doing this, one needs to stay within the EEO guidelines. Ethnic-based jokes and slurs, even in good nature, are not acceptable. Management needs to take the lead on this with a “zero tolerance” policy. The training should also encourage employees to speak with their co-workers of the same culture for guidance. This approach makes it clear that the culture of the organization is not based on one person’s perceptions or biases.

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103 “Corporate Culture vs. Ethnic Culture”, 9.


Current Diversity Training

According to a study of diversity experts in the US, current diversity training programs exist because of four reasons: 1) according to all of the respondents, the top reason is to improve productivity and remain competitive; 2) to form better work relationships with employees; 3) to enhance social responsibility; and, 4) according to only half of the experts, to address legal concerns.\(^8^5\) Another survey conducted in conjunction with the AMA (American Management Association) and the ASTD (American Society for Training and Development) states that over 80% of employers are more inclined to have diversity training for reasons of improving customer relationships and productivity while only about 30% are concerned with discrimination laws. There is no interest in how the attitudes and behaviors of the employees are changed.\(^8^6\)

Diversity trainers are mostly those of groups that are traditionally discriminated against but not advocates for their own discriminated groups. They average about five years of training experience while serving several hundred clients. Their delivery is based on professional experiences, not personal ones. The standard course has a ratio of 25 trainees to one or two instructors for an average of ten hours. Ninety percent or more of the employers surveyed use written handouts, group exercises, and lectures to deliver the information. Other common methods in use are discussions of occurrences in the workplace or case studies, role playing, videotapes, and self-awareness exercises.\(^8^7\)

\(^8^5\) Wentling, 242.


\(^8^7\) Bendick, 10.
Training/education is one of the best strategies for managing diversity that most all organizations use. The other strategies that the diversity experts agree to be the most effective are implementing organizational policies, mentoring programs, career development programs, and encompassing diversity into a broader employee training agenda. However, these techniques are only used in about 25% of diversity programs. 88

The common themes of current diversity training that are addressed by almost all organizations are: 1) discrimination in the workplace: typically covered by 97.2% of survey respondents; 2) stereotypes in perceptions and decisions: 91.3%; 3) how to make different groups welcome in the workplace: 84.3%; 4) how a diverse workforce contributes to productivity: 82.4%; 5) the organization’s policy on discrimination: 66.7%; 6) non-discriminatory employee evaluations/promotions: 65.7%; 7) the content of stereotypes about different groups: 65.4%; 8) white male backlash: 64.9%; 9) promoting retention and development of different groups: 64.8%; 10) equal employment opportunity law: 61.1%; 11) cultures of different demographic groups: 61.1%; 12) nondiscriminatory recruiting/hiring: 58.3%; and 13) discrimination outside the workplace: 55.6%. 89

The mistake with current diversity training is that it attempts to achieve unrealistic goals. It is too broad to teach all of the existing differences. Additional topics are frequently added to include any and all possible differences such as age, disabilities, politics, religion, sexual orientation and values. Trainers attempt to teach history, culture,

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88 Wentling, 243.

89 Bendick, 15.
ethnicity, gender, and race in one session. It is unfeasible to think that three to five hours of diversity training would address and resolve these issues.\textsuperscript{90}

Proper training has not been provided to employees to effectively work with those whose beliefs are different than their own. It has proved to be pointless to lecture on differences such as race, creed, and lifestyle without offering the skills to manage and deal with those differences. Experts agree that unless diversity education is treated as a cultural issue versus a training issue, it will not be effective.\textsuperscript{91} By encompassing diversity awareness into the conflict management system, organizations can take a more proactive approach to purge tensions around discrimination and harassment.

Creating a workplace that supports diversity is essential. Most organizations implement a diversity training program to avoid conflict and meet the requests of upper management. It should be a part of a conflict management system to welcome workers regardless of age, race, gender or sexual orientation. A diverse workforce gives an organization a competitive edge by attracting diverse candidates and customers / clients.\textsuperscript{92}


\textsuperscript{91} Zhu, 7.

Improvements for Diversity Awareness

The deficiencies in the current diversity training programs are unclear objectives, backlash effects, short-term focus, and lack of evaluation and feedback.\textsuperscript{93} There needs to be a more systemic approach to diversity training from a preparation stage, the needs analysis, establishing objectives, developing content and process, creating awareness, skill building, action planning and other steps to reinforce desired behavior. By building off of what already exists, diversity training can more effectively achieve its goal.\textsuperscript{94}

There are several guidelines and course corrections of current diversity training that need to be implemented into the proposal of this integrated conflict management system. These enhancements will make employees feel more comfortable about addressing the clash of corporate and ethnic cultures and, as a result, produce less negative conflict based on the assumption that conflicts stemming from discrimination would decrease. In precedence to discussing the framework of a diversity awareness program, the diversity training label must be removed. When an organization pitches a mandatory diversity training class, individuals become resistant to attending.\textsuperscript{95} The term "diversity" lacks consistency and accuracy in meaning and use. It has a negative connotation and implies a minority agenda. The purpose of this awareness program is to encourage employees to talk openly about their ethnic differences.\textsuperscript{96} The training portion is only the first step in managing diversity. It is the ongoing effects that will make for successful conflict management.


\textsuperscript{94} Thayer, 749.

\textsuperscript{95} Zhu, 7.

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The first guideline is to have the training focus on behavior rather than attitudes, beliefs, and knowledge of different cultures. An organization must recognize that discrimination and harassment practices are happening in the refusal of employment, lack of promotions, sexual intimidation, verbal slurs, negative body language, discounting, devaluing, excluding, harmful labeling and violence. The law states that companies are not responsible for what their employees think or feel but, rather, for what they do. Therefore, companies are liable in a court of law for employee behavior on the job.  

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97 Zhu, 7.

98 Bendick, 20.

99 Bendick, 21.

100 Bendick, 20.
communication process and improve their conflict management skills. An integrative approach gives the employee ongoing education in the interrelated components that will essentially reduce negative conflict in the workplace and promote positive conflict. A company must commit to a plan of action to eliminate its discrimination and harassment practices and follow the “zero tolerance” mind set. The action plan must include: a written policy, an ongoing employee orientation and education program, a complaint procedure, an accountability procedure, and an appeals process.101

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101 Zhu, 8.

102 Zhu, 8.
high retention. Discussions about real life experiences and role plays will allow behaviors to be learned and adjusted for a diverse workplace.\textsuperscript{103}

The last guideline suggests that the organization embrace diversity at all times in order to be part of an integrated conflict management system. Some organizations commemorate holidays or traditions that allow employees of different cultures to share their background. Employees, especially those in a management role, can act as an "intercultural ambassador" by making tact and respect the rule for discussions of ethnic, cultural, racial or gender differences. In doing this, one needs to stay within the EEO guidelines.\textsuperscript{104} Ethnic-based jokes and slurs, even in good nature, are not acceptable. Management needs to take the lead on this with a "zero tolerance" policy. The training should also encourage employees to speak with their co-workers of the same culture for guidance. This approach makes it clear that the culture of the organization is not based on one person's perceptions or biases.\textsuperscript{105}

\textsuperscript{103} "Corporate Culture vs. Ethnic Culture", 9.


\textsuperscript{105} "Corporate Culture vs. Ethnic Culture", 9.
CHAPTER FIVE
The Role of Ethics in the Prevention and Resolution of Workplace Conflicts

Defining Ethics

Philosophers have theorized about ethics since the time of the Ancient Greeks. The root of ethics goes as far back as Plato’s dialogue “Protagoras”, a myth about the origin of morality. The myth suggests that Zeus sent morality to humans because without it there was the danger that the conflicts between them would lead to the extinction of the human race. In the twentieth century, the philosopher Ralph Barton Perry wrote a similar view. “Morality is man’s endeavor to harmonize conflicting interests: to prevent conflict when it threatens, to remove conflict when it occurs, and to advance from the negative harmony of nonconflict to the positive harmony of cooperation. Morality is the solution of the problem created by conflict – conflict among the interests of the same or of different persons.”

Despite centuries of conflicting opinions and debate, there has not been one universal definition of ethics. For the most part, we equate ethics with aspects of morality. We relate it to common sense, right versus wrong, and good versus evil. In the event of workplace conflicts, it seems practical to use the aspects of morality to come to a resolution. Morality provides the framework for determining how conflicts are to be settled and for optimizing mutual benefits of people working together. Therefore, ethics

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107 French and Allbright, 178.
become our guideline for workplace conduct and morality is the basis of conflict resolution.

Most corporations have begun to introduce business ethics in the workplace. Some are even upgrading its conflict management curriculum to be more than just a method to resolve disputes but to give advanced training to managers and encourage employees to take an active role in unwanted situations they find themselves a part of. Consequently, this provides the right opportunity to incorporate ethics training into an improved, integrated conflict management system.

A recent study on corporate values and behaviors polled employees at every level in major corporations. While 76% of the 175 respondents said that ethics and integrity ranked among their top core values, only about one-third said their company's public statements sometimes conflicted with internal messages and realities. Thirty-six percent disclosed that their organizations would always do what was legal but not always what could be perceived as ethical. It appears that a significant portion of those surveyed are noticing behaviors that conflict with corporate values. These behaviors were micromanagement, hidden agendas, disagreement in senior management ranks, and failure to give proper credit. Ultimately, these are the behaviors that lead to a variety of workplace conflicts.108

A recent national survey found that human resources professionals spend close to 20% of their time dealing with ethical conflicts. CEO's reportedly spend about 18% of their time while the company's middle managers spend 26%. Another survey found that a corporation loses about 60 days of productivity per employee each year due to conflicts

and misunderstandings between colleagues or between the employee and their manager. The cost here is reduced productivity, creativity, and morale if the conflicts are not resolved effectively.109

If dealt with in the best way possible, conflict and ethics can be used to foster creativity and growth in the organization. However, most common in the workplace are managers and human resources professionals who lack the knowledge of what business ethics are and lack the ability to make effective decisions. There is a tremendous need for training in this area.

The concept of business ethics has come to have different meanings to different people, but in general it is what is right or wrong in the workplace and doing what's right in regard to effects of products/services and in relationships with stakeholders. In times of fundamental change, values that were previously taken for granted are now strongly questioned. The scandals that we hear going on within organizations prove that many of these values are no longer followed. Consequently, there is no clear moral compass to guide leaders through complex dilemmas about what is right or wrong. Attention to ethics in the workplace sensitizes leaders and staff to how they should act. Perhaps most important, attention to ethics in the workplaces helps ensure that when leaders and managers are struggling in times of crises and confusion, they retain a strong moral compass.110


The field of business ethics has traditionally been the domain of philosophers, academics and social critics. Most of the resources that can be found in business ethics are not geared toward the practical needs of leaders and managers, who are the people primarily responsible for managing ethics in the workplace. The most frequent forms of business ethics literature today typically include: a) philosophical, which requires extensive orientation and analysis; b) anthologies, which require much time, review and integration; c) case studies, which require numerous cases, and much time and analyses to synthesize; and d) focus on social responsibility, which includes many examples of good and bad actions taken by companies. This is not the fault of philosophers, academic or social critics. Rather, it is the insufficient involvement of leaders and managers in discussion and literature about business ethics.\(^1\) Also, if ethics is given more importance in the workplace, employees will be more likely to see the correlation between acting ethically, good decision making, and positive conflict.

Ethics in the Workplace

Conflict has been defined and explained as it relates to the workplace. The employees involved have been characterized with personality types and cultural differences that may cause them to become involved in these conflicts. What has not been discussed is the precursor to all of this – the ethical and moral conditions from which these employees stem. Are employees’ day to day decisions influenced by their moral structure? Do they listen to advocates on what is ethically the right thing to do?

Or, are employees today basing their workplace decisions on what has the most profitable outcome for them in the end?

The public’s perception on ethics in the workplace has deteriorated as a result of recent, highly publicized fraudulent acts. The large-scale ethical violations at places such as Enron, WorldCom, and Arthur Andersen, extend not only to issue of value corrosion and employee harm, but also effect stock valuations and political stability. In the past, the emphasis of unethical behaviors was placed solely on the individual involved.\textsuperscript{112} These recent events have forced organizations to look internally at their own foundation of ethics and what may be wrong.

The majority of the research on ethical decision-making in the workplace has been primarily focused upon ethical codes, cultures, and leadership styles. However, identifying the underlying factors that influence whether an individual perceives an act as ethical or unethical and why they choose to act in an unethical manner would be more significant. It is easy to determine what is legal and what is not but more difficult to determine what is ethical and unethical.

Today’s emerging workforce encourages us to merge personal and professional values. An employee’s character, personality, and belief systems are what will influence him/her in making ethical decisions. There is a clear need for ethics training in the workplace that is evident from instances such as the immoral actions that took place at Enron and MCI WorldCom. If a company focuses on implementing an awareness of ethical principles for professional conduct, it will allow the employee to make decent decisions based on what they have been taught rather than on past, personal

experiences. Otherwise, each employee will be using their own individual discretion of what is right and wrong when making decisions.

A formal code of ethics is a set of general statements of principles that serve to articulate an organization’s highest moral aspirations. They cannot dictate specific behaviors or predict how employees will interpret these principles when making a business decision. Rather, employees will seek out their own personal morals. Leaders are the primary influencers of ethical conduct in the workplace and set the ethical standards. Yet, research shows that the primary influence of leaders on ethical behavior is to lower employees’ ethical standards, while the drive to resist such pressures and the decision to raise one’s ethical standards remains a personal choice.

With a diverse workforce of different religions, genders, and racial backgrounds, the notion of an employee using his/her personal beliefs in decision making can be frightening. People evaluate behaviors from their own cultural context and, consequently, are vulnerable to making decisions that may be ethical in one cultural context and may be judged as unethical in another.

The speed at which our society is developing has caused many of the problems we face in the workplace. The faulty economy and unethical business decisions have lead to failed companies, deteriorated relationships and conflicts in organizations. Of these, it is conflict that can be used as a tool to measure where companies are lacking in ethical decision making. It can provide an overall picture of the company and a thorough

113 Giacalone and Jurkiewicz, 87.

114 Giacalone and Jurkiewicz, 86.

description of the problems. Conflicts can easily occur out of a violation of some ethical principle.\textsuperscript{116}

Another area of ethics that relates to conflict in the workplace is how managers are treating their employees. An analysis of corporate conflicts showed that an employee’s right to participation and right to job satisfaction were violated most frequently. These were found to stem from two general attitudes of managers: 1) managers underestimate the importance of an ethical criterion – it seems that managers do not realize that a good, conflict free working environment encourages people to work in a more committed manner, which in the end is profitable for the company; and, 2) the human aspect seems to be insignificant – it seems that most of the conflicts end in two ways. Either an employee gets fired or, an employee leaves his/her job without any opportunity to defend him/herself. There is no consideration for what their side of the situation may be. Managers do not realize that the loss of an employee is a loss not only for the employee but also for the company. In conflicts where solutions are found, the employees’ interests are still violated.\textsuperscript{117}

Statistics show that 82\% of workplace conflicts were between employees and managers (or those at different hierarchical levels) and 18\% were between those at the same hierarchical levels.\textsuperscript{118} This proves the point that our managers are the ones who are demanding a lot and may not have an understanding of realistic implementation of these tasks at the employee’s level. The problem seems to point to shortcomings in


\textsuperscript{117} Virovere, 80.

\textsuperscript{118} Virovere, 80.
management, communication, and training. Much of this current situation can be improved through proper education and training on ethics and problem solving.\textsuperscript{119}

Ethics Training in the Workplace

By implementing ethics into the conflict management system, the company is building the framework of the company's values and the importance of each individual. A good ethics process is the first line of defense against unethical and illegal activities and workplace conflict.\textsuperscript{120} The ethical training portion of the program will create awareness on what is valued by the organization. Ultimately, values influence behavior. Values display an employee's approach to reaching certain goals and objectives and how one treats another.\textsuperscript{121} Therefore, ethics training would not only teach one how to make ethical decisions but also how to have respect for the individual.

A successful conflict management system will incorporate all of the sectors of the company. The training should include ethical conduct and conflict-resolution processes that encourage employees to make ethical decisions, have mutual respect for those they work with, and work through conflicts and use them to build better partnerships. It is also very effective in preventing, managing, and resolving the full range of issues that arise. The conflict management system should focus on encouraging quality,

\textsuperscript{119} Virovere, 81.

\textsuperscript{120} Lawrence Ponemon and Andrew Felo, "Key Features of an Effective Ethics Training Program," \textit{Management Accounting} 78, no. 4 (October 1996), 66.

\textsuperscript{121} Frances Burke, "Ethical Decision-Making: Global Concerns, Frameworks, and Approaches," \textit{Public Personell Management} 28, no. 4 (Winter 1999), 538.
participation, and partnership to produce collaborative problem solving for when communication breaks down.\textsuperscript{122}

Unfortunately, research by the Council of Ethical Organizations, indicates that managers and employees are skeptical of ethics training courses. Lack of involvement from managers in the field of business ethics has caused a misunderstanding among leaders. When someone brings up the topic of business ethics it tends to bring up cynicism, righteousness, paranoia, and laughter. They may also believe it to be superfluous because it seems to merely assert what is obvious – to do good.\textsuperscript{123} They assume the message of the training is not inclusive of their own interests. Many employees may have the notion that they already know what is right or wrong or that ethics is not much more than common sense. This can be overcome by the evidence of the company’s commitments to the initiative.

Another challenge in an ethics training program is stimulating ethical understanding, moral reasoning, ethical decision-making, and eventually ethical action. It is important to provide a social and political context to such training. The key elements of a successful ethics training program are: 1) a historical background on the development of ethics; 2) a decision-based focus – aimed at improving decision-making and reasoning skills rather than preaching legal compliance or rule adherence; 3) a powerful senior executive message – focused well-defined message from the company’s chief executive, executive committee, or board; 4) realistic case materials – use actual

\textsuperscript{122} Kenneth Cloke, “Conflict Resolution that Reaps Great Rewards,” The Journal for Quality and Participation 23, no. 3 (May/June 2000), 29.

\textsuperscript{123} McNamara, http://www.managementhelp.org/ethics/ethxgde.htm.
case histories that impacted the organization and its many stakeholders and current topics of ethics in workplace situations.

The following guidelines can be presented to help an employee make an ethical decision when faced with a conflict:

"Is the action legal?

"Does it comply with our values?

"If you do it, will you feel bad?

"How would it look in the newspaper?

"If you know it’s wrong, don’t do it!

"If you’re not sure, ask.

"Keep asking until you get an answer.”

In due course, a code of ethical conduct needs to be founded for a corporation to identify what is considered moral and legal in the workplace. Professional ethics usually include a set of principles which address equality, responsibility, equity, and loyalty. It is, in essence, the agenda that is covered in the ethics training portion of a conflict management system. In the past, ethics was judged only when the outcome of a bad decision became sour. The focus needs to be on how decisions are being made.

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124 Ponemon and Felo, 67.


126 Burke, 540.

In conflict management systems, there needs to be a comprehensive approach to conflict and its management including tools to prevent and resolve it. The need for ethics training in the workplace had become evident by factors occurring in employees’ daily lives – inside and outside of the workplace. Because of economic and demographic trends in the professional environment, many companies need to focus on employee recruitment and retention as a method for managing conflict from the beginning. This will, in consequence, produce a more people-centered and healthy work environment.

Ethics-based training is just the beginning of an overall conflict management system. It is essential to teach employees these basics that may help prevent conflicts before they arise. There will still be employees who find they have made unethical decisions, acted in immoral ways, or been in a dispute with another employee in the workplace. This is where the remainder and bulk of the conflict management system will come into effect.

The hidden benefits to having workplace training on ethics and conflict resolution support diversity efforts and foster cultural change. Employees at all levels learn to value the differences that make each person unique. Though it may never be a perfect workplace, they learn to understand the differences and disparity between one another. Training also emphasizes that today’s workplace will be constantly changing in order to keep up with the competitiveness of their business and the economy. The employees learn to deal with these changes rather than become disgruntled about them.\(^{128}\)

As ethics becomes a management discipline, human resources departments and managers have recognized this broader constituency, and in their planning and operations

\(^{128}\) Blackard, 61.
have replaced the word "stockholder" with "stakeholder," meaning to include employees, customers, suppliers and the wider community. Today, ethics in the workplace can be managed through use of codes of ethics, codes of conduct, roles of ethicists and ethics committees, policies and procedures, procedures to resolve ethical dilemmas, ethics training, etc.\textsuperscript{129}

\textsuperscript{129} McNamara, http://www.managementhelp.org/ethics/ethxgde.htm.
CHAPTER SIX
The Proposal for an Integrative Conflict Management System

Introduction

An evolution is occurring in the field of dispute resolution moving from a model of conflict resolution based on settlement of individual disputes and only management training. A conflict management system should be implemented in an organization to effectively manage all phases of workplace conflict. This proposal is for an integrated conflict management system that begins with the roots of conflict (ethics, diversity, personality) and ends with methods of resolution. Rather than utilizing too much energy and resources on resolving disputes after they have occurred, this proposal shifts the attention to the preliminary stages.

This conflict management system represents a change in how an organization chooses to deal with conflict. Conflict resolution was addressed on a case-by-case basis using one of the methods of resolution such as mediation, negotiation, or arbitration. The stand-alone resolution processes were addressed in three distinct phases: power, rights, and interests. In the power phase, management would be responsible for making a decision without any alternative to resolving the dispute. The rights phase is backed by legislation, employer policy, collective agreements, and contracts. In the interests phase, methods such as mediation, facilitation, or negotiation are used on a case-by-case basis.\(^{130}\)

\(^{130}\) Lynch, 208.
The conflict resolution system, seen in Exhibit A, was a system for resolving disputes. It incorporated diversity training to fulfill a legal requirement, provided conflict resolution training solely for management, and dealt with conflict only at a certain entry point. Mediation and negotiation were attempted, however, only conflicts with legal implications were given high priority. Arbitration was the preferred method of conflict resolution. This conflict management system diagramed in pyramid format represents this conflict management model. The upper portion of pyramid represents where the least effort, least time, and fewest resources were applied. The lower portion is where maximum effort was needed, more time was spent, and less productivity for the organization was a result.

The proposed model is a new integrated approach, seen in Exhibit B, demonstrating a shift in the conflict management system. This model recognizes that conflict can occur at anytime and is prepared to deal with a variety of conflicts. It starts from day one with a new employee orientation to present the company policies and introduce the pre-employment waiver. Diversity awareness and ethics training add value by reducing conflict that may be a result of discrimination, stereotyping, or unethical practices and decision making. Conflict resolution training in mediation and negotiation is provided for all levels of employees acknowledging the need for all employees to be able to deal with day to day conflicts as well as more serious disputes in the workplace. The preferred method of conflict resolution is mediation and negotiation with arbitration as the method for a dispute that cannot be contained within the organization due to conflict of interest with the parties or one party requesting an outside facilitator. Litigation is used minimally on an as needed basis.
The integrative approach is distinguished from other corporate conflict resolution programs by the following three factors: 1) The model is all encompassing by providing a broad range of solutions for all types of problems. 2) The model gives employees an environment where they can raise any issue and resolve it at a low level. 3) There are multiple access points where trained members of management can be approached for help in the conflict resolution process. 4) Diversity and ethics training are incorporated rather than as stand alone training classes.

**Cost/Benefit Analysis**

This model does not detail the cost/benefit for an organization to move to an integrated conflict management system. Research is to be conducted in order to determine what the organizational expenditure in comparison to this proposed model. Since this model entails more than a training program, additional figures are required to fully estimate the cost. The goal, visible in exhibit B, is to invest more on conflict management education (diversity awareness, ethics training, mediation, and negotiation) and spend less in legal costs and potential employee turnover due to workplace conflict.

A generalization of the return on investment (ROI) that a training program can have is illustrated in the following example: A sample company with 1,000 employees is estimated to have an average cost of $200,000 to run a standard training program and pay for the employees’ time. Approximately 20% of all employment-related claims go to trial. Prior to training, the company had 60 claims in a year with 15 going to trial. After the training, this is reduced to 35 claims with 7 going to trial.\(^{131}\)

Before Training
Attorney's Fees $250,000 X Claims 15 = $3,750,000
Settlement Costs (Avg.) $1,880,000 X Claims 15 = $28,200,000
Total Cost = $31,950,000

After Training
Attorney's Fees $250,000 X Claims 7 = $1,750,000
Settlement Costs (Avg.) $1,880,000 X Claims 7 = $13,160,000
Total Cost = $14,910,000

Savings
By reduced claims $15,040,000
Cost of Yearly Training $200,000

ROI
Benefits / Costs * 100
$15,040,000 / $2000,000 * 100 = 7500
ROI of 7,500%\(^{132}\)

The above is a broad and nonspecific example of the cost/benefit of implementing a training program. To demonstrate an actual example, the diversity awareness program at Nextel Communications, a Fortune 200 company and a leader in the wireless communications industry, will be used to demonstrate the ROI that training can have on retention alone. In 2001, Nextel spearheaded a program they named the “All Inclusive Workplace”. Scorecards were put in place to measure the effects of the training. Below are the statistics:

9.77% of improvements in retention were the result from the program
36 employees retained
Estimated employee turnover costs $89,000
$89,000 X 36 = $3,204,000
Cost of training $1,216,836
ROI of 163%\(^{133}\)


Dealing with workplace conflict can lead to personal and organizational growth. It is normal and healthy for a workplace to have conflict. An environment with no tension or worries does not foster creativity or personal development. An organization needs to adopt a philosophy that employee conflict is not necessarily a negative thing. Conflicts give the opportunity to grow personally and become more productive, thus adding to the bottom line of the company.

Successful conflict resolution builds confidence to help in more difficult situations that may surface later on in one’s career or personal life. Unresolved conflicts will not disappear and poor conflict resolution training will be more costly when not resolved properly. When proper training is in place and conflicts are well-handled, conflict can bring new energy and added value to an organization.
CONCLUSION

The former model of conflict resolution that existed mandated a diversity program, offered training for just managers, and allowed for only one entry point at which conflict could occur. Diversity training was more about meeting EEOC and affirmation action initiatives than developing a strategy for the organization to follow. Conflict resolution training left out more than half of the company’s population by only training managers and human resources professionals. The system decided when and what conflicts to deal with rather than embracing it and allowing peers to work through their own disputes at a certain level.

The new model includes more contemporary theories for conflict resolution and encompasses other factors effecting today’s workplace. Upon hire, new employees are provided with an orientation that will serve as the first preventative step in this integrative process. This provides an opportunity for questions regarding at-will employment, the new hire personnel forms, or the employee handbook. Diversity awareness is embraced rather than mandating diversity training. The diversity segment provides an opportunity to understand the different cultures in the organization including ethnicities, gender, and generations, thus, showing how diversity is valued by the organization. The integrative conflict management system is prepared for conflict to enter at any time and fosters productive and nonproductive conflict. It educates all employees on conflict resolution methods with an emphasis on mediation and negotiation. The integrative approach moves away from dealing with conflict on a case by case basis and, rather, encourages positive conflict to occur. Arbitration still exists in this new model but is used only as a
last alternative. The integrated conflict management system represents a shift in the company’s mindset to modernizing its style and a commitment to its employees.

The integrated conflict management system addresses the cause of conflict and attempts to prevent the negative and embrace the positive. The term “conflict” needs to be recognized not only as a dispute but also as relationship problems, stress in the workplace, and issues that have not yet been brought to the surface as disputes. In the long run, this is expected to produce a more respectful environment that has, in essence, gone through a cultural transformation. The organization’s attitudes and practices can be changed to positively affect the work setting.
APPENDIX

Exhibit A
Former Model of Conflict Resolution

Oversights of the Former Model of Conflict Resolution

- Diversity training was mandated by the organization as an attempt to appease the EEOC and affirmative action initiatives.

- Conflict resolution training targeted management and human resources professionals.

- The process did not allow conflict to enter at any time.

- The system decided when to deal with the conflict and what conflicts to deal with.

- Mediation and negotiation were used as methods of conflict resolution by managers and human resources without allowing peers to work through their own dispute.

- Arbitration was the key method of resolution.
**Exhibit B**
New Model of Conflict Management

- Upon hire, new employees are provided with an orientation that will serve as the first step in this process.
- The pre-employment waiver and employee handbook is presented.
- Diversity awareness provides an opportunity to understand the different cultures in the organization (ethnicities, gender, generations) and that diversity is valued by the organization.
- Ethics training is encouraged to promote good decision making and maintaining an anti-fraudulent organization and to reinforce an organizational ethic.
- Conflict is fostered at any point.
- Training on conflict resolution methods is provided to all levels of employees.
- Mediation and negotiation are encouraged.
- Arbitration is offered as a last alternative to resolving the dispute within the organization.

**Framework for the New Model of Conflict Management**


Redmond, Arlene and Randy Williams. "Enter the Watchmen: The Critical Role of an Ombuds Program in Corporate Governance." Risk Management 51, no. 9 (September 2004): 48-54.


