

# Columns

## Enhancing the Capacity of Organizations to Deal with Differences

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**C**onflict is a dirty word in organizations. Managers invest considerable time and money on programs and policies that either contain conflict or that work to convert difference into consensus. The general aim is to make organizational functioning smooth and noncontentious.

To accomplish these tasks, corporations purchase from an expanding market a wide array of services designed to clean up the clutter of human conflict littering organizations. Among the current titles of such offerings are "dealing with diversity," "win-win negotiations," "interpersonal peacemaking," "mediation skills for managers," and "structuring for collaboration." The newest entry in the catalogue of conflict management services is dispute systems design.

Dispute systems design is an extension of alternative dispute resolution processes such as mediation and other forms of assisted negotiation into the instructional and programmatic realm.

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*Editor's Note:* In alternating issues, *Negotiation Journal* features a regular column on the subject of "dispute systems design," a concept initially proposed by William L. Ury, Jeanne M. Brett and Stephen B. Goldberg in their 1988 book, *Getting Disputes Resolved: Designing Systems to Cut the Costs of Conflict* (San Francisco: Jossey Bass). Brett and Ury are serving as coordinators for this column, which is aimed at serving as a forum for the ongoing exchange of ideas about dispute systems design.

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It is an intervention to help clients—families, organizations, communities, nations—deal systematically with a continuing stream of disputes rather than a single episode. The design of a dispute system is based on a diagnosis of the state of disputing in an organization or relationship, with an eye toward reducing the costs of conflict

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and enhancing the benefits to those involved. Costs are reduced and benefits realized by expanding the range of alternatives available while emphasizing interest-based dispute resolution methods rather than processes that rely primarily on rights (arbitration, litigation) or coercive power (war, strikes). (See Ury, Brett, Goldberg, 1988; cf. Silbey and Sarat, 1988.)

Dispute systems designers promise in-house, cost-efficient service, and consumer satisfaction for resolving conflicts. Promoters make it sound like dispute systems do it all. But does dispute systems design *prevent* conflict in organizations?

There are two primary issues to consider in discussing this question. The first concerns the concept of prevention and what it implies about the way organizations work. We want to suggest that the very notion of prevention is inconsistent with contemporary conceptions of effective process in organizations. A more useful way to view the issue is to consider, not prevention, but enhanced capacity. The second issue relates to the ways in which dispute systems designed by expert outsiders indirectly enhance or constrain the ability of members at all levels of hierarchy to deal with disputes and differences in more open and productive ways.

### **The Problem with Prevention**

What does it mean to have a dispute design system that prevents conflict? As systems designers discuss it, prevention implies that the frequency of disputes in an organization is reduced, in part, because a dispute system encourages people to deal with the underlying or deeply rooted causes of conflict. There are several problems with this conception, however.

**Dysfunctional?** First, it assumes that conflict is somehow detrimental to organizational functioning. Clearly, administrators and others in charge of organizations bemoan the existence and imputed inefficiency of conflict in their institutions and seek means of silencing it. But even observers who take a broader view that conflict is functional, mobilizes innovation, promotes flexibility and adaptation, and builds group cohesion (Coser, 1956; Bacharach and Lawler, 1981) nonetheless end up providing support for this perspective. Debates about the functions or dysfunctions of social conflict seem to reinforce the perception that the presence of conflict is evidence of organizational malfunctioning (Weick, 1979).

In contrast with these analyses of the positive and negative functions of conflict, recent scholarship on conflict in organizations is based on a different premise (Bacharach and Lawler, 1980; Kolb and Bartunek, forthcoming; Pfeffer and Salancik, 1978). Contemporary organization theory and research is marked by a shift away from consensual and rationalized models of organization process and toward ones that emphasize power and political struggle. Instead of viewing conflict as either detrimental to or facilitative of organizational functioning, this recent research defines conflict as the essence of organization. Conflict is central to what an organization is and contributes to its durability. Indeed, Pondy (1986) notes that the oldest organizations in the world, four parliaments and sixty-two universities, are ones that have conflict and diversity at their very foundations. To prevent conflict by dealing with its causes is incompatible with this view of organizations.

**What is a Cause of Conflict?** Secondly, claims to prevent conflict by

dealing with root causes confuse what we mean by *cause*. Conflict is foundational in organizations because it is built into the very structure and modes of operating. For instance, we know that when you create different departments and divisions in order to work more efficiently, conflict often arises between departments over matters such as scheduling and responsibility. It has also been observed that when a new layer of management is created in order to organize and rationalize work, others in the organization simultaneously lose some autonomy and control. Sometimes two or more groups in an organization, formerly separate with independent and different modes of operating, have to work closely in an integrated fashion to bring out a new product. Division of labor, the delegation of authority, the requirements for task interdependence, and more immediate issues such as sharing a common resource pool, all cause conflict in organizations.

These causes are not usually obvious. The reason is that conflict in organizations is typically embedded in the ongoing events and activities of members, and specific conflict episodes are not easily disentangled from other forms of interaction. What is a cause and, indeed, what is in dispute will be understood in different ways depending upon who gets involved, the interests they have to serve and protect, and the kinds of outcomes envisioned (Burroway, 1979). Ask the manager of an organization about the working relationship between two professionals, then ask the professionals, then ask the support staff. The stories each tells about that relationship—and particularly about conflict in that relationship—will be different, as will the attribution of cause.

Diagnosing cause is also compli-

cated by conflict “splitting” in organizations—that is, when conflict splits off and moves around an organization and gets expressed in locations quite different from its point of origin (Smith, 1989). For example, two male senior managers who act outwardly in a congenial and collaborative manner ship their disputes with each other to two female subordinates elsewhere in the organization. The women develop reputations as contentious and difficult to work with. Feeling that this relationship is having a detrimental effect on the organization, the senior managers hire a consultant to help “fix the women,” that is to help them work out their difficulties (Smith and Berg, 1987). Over a period of several months, the consultants begin to trace the problem back to the senior managers who were not consciously aware of their own dispute.

There is also a consistent finding in the literature that those engaged in conflict tend to experience it in personal and immediate terms, and to attribute cause to the personality or behavior of the other—the “unreasonable” boss, the uncooperative subordinate in sales, the ambitious colleague, the generic “difficult” person (Pettigrew, 1973; Kolb, 1989a). Determining whether the person is the problem or whether it is the particular situation or the encompassing systemic structure, will always be both a methodological and theoretical judgment that has a major impact on the kinds of causal diagnoses a dispute system designer might make.

***Too Many Disputes?*** A third problem with the “dispute-systems-design-decreases-conflict” concept is that designers, in their desire to reduce the frequency of conflict, suggest that a major problem in organizations is that there are just too many disputes. This judgment is challenged by numer-

ous studies which suggest that most conflicts in organizations, as well as other settings such as families, communities, and informal groups, never get publicly expressed as disputes. When probed, people reveal all sorts of grievances, complaints, and differences that could be—but rarely are—voiced. Sometimes people fear retribution or loss of social acceptance, others avoid entrapment in complex processes; others believe that they lack sufficient resources to pursue their grievance; while yet others see complaining and confrontation as evidence of moral laxity or lack of independence (e.g., Miller and Sarat, 1980-81; Merry and Silbey, 1984; Bumiller, 1987; Greenhouse, 1986; Goodman, 1986). For example, in a study of professional accounting firms, Morrill (forthcoming) reports that 73% of conflict episodes among partners are never expressed directly. Avoidance and toleration are the modal forms of conflict management rather than confrontation and negotiation. The consequences of avoidance are serious. Not only does the organization lose opportunities for innovation and change, but suppressed conflict also generates resistance to organizational goals.

In summary, we suggest that the notion of prevention is problematic because it is based on assumptions that conflict is dysfunctional for organizations; that its causes are accessible to objective diagnosis and remedy; and that there are too many disputes in an organization rather than too few. Recent scholarship challenges all of these assumptions. Further, prevention in the service of organizational agendas (lower costs and greater tranquility) inevitably leads to the preservation of the status quo to the detriment of those who may be disempowered or disadvantaged by current

arrangements (See Martin, forthcoming).

However, there is another way to think about dealing with the clutter of conflict in organization, and that is in terms of *enhancing capacity* for the expression of differences.

### Enhancing Capacity

Dispute system designers seek to improve the handling of conflict by directly addressing the organizational barriers that interfere with low cost, interest-based resolution of persistent disputes. This approach tends to focus on proximate or presenting causes of conflict. If one accepts the notion that organizations are patterned systems of conflict, it is clear that the capacity of dispute systems designers to reduce the frequency of conflict by attending to underlying causes is severely limited.

Nonetheless, there may be other ways that dispute systems designers, like the wide range of currently available management consultants and interventionists, might have an impact on the capacity of an organization and its members to deal with conflict. Rather than directly prevent disputes (which we have argued is mistaken) they may indirectly reduce the frequency of disputes that are processed through *formal* systems. There are three ways that this might occur.

***Alter Understandings of Conflict and Its Causes.*** Disputes can be read in many ways. One indirect effect of a dispute-focused intervention may be that new, and more complicated, ways of understanding conflict, its causes and possible outcomes, become possible. For example, when members of an organization view their disputes as ones based on personal differences, they are often reluctant to voice problems and work toward accommodating difference. A dispute interventionist working on this

organization may enlarge members' understanding of causality (i.e., that conflict is in the structure and roles of the organization rather than within particular personalities).

Another example of the enlarged understanding that can develop is the case of a vice-president in an aerospace company, who insisted that the two people charged with planning and operations on a special project just could not get along with each other because their personalities were incompatible. After several reorganizations had failed to resolve matters, expert intervention helped the aerospace vice president to see that the problem was not in the personnel but in the organization's structure and goals. The existing arrangement of tasks and responsibilities continually had put the two managers at odds with each other while the vice president had failed to establish or assist in setting priorities for balancing long- and short-term milestones.

Similarly, people experience bias as an individual problem. Racist remarks and sexist treatment is typically viewed as the conscious or unconscious mistreatment by particular persons rather than a product of the culture within which the incident occurred (Silbey, 1989). Thus, a woman manager speaks of her sexist boss who refuses to allow her the visibility to attract clients necessary for her success. She complains through an ombudsman's office and, by exploring the problem, she and the ombudsman come to see the problem differently. They then recast the problem in terms of the institutional culture that legitimates what appears to be individual actions. Changing this situation will require much more than dealing with the particular supervisor.

When dispute systems designers enlarge people's understandings of the

causes of conflict, new outcomes are possible. Broader understanding may also produce greater tolerance for conflict. A culture of tolerance can lead to effective changes in informal arrangements as people feel able to communicate openly. Organizational creativity may also be enhanced as people are empowered to confront those in positions of authority. Studies of organizations in which the capacity for the expression of conflict is high suggest that these cultures, which value difference and diversity, channel these differences into productive and imaginative, task-related endeavors (Kunda, forthcoming).

Enhanced capacity can result in significant structural change as well. When members' understandings about their disputes shift from isolated individual episodes to ones that question the entire system, the possibilities for emancipatory changes in organizations become possible.

***Encourage Spillovers from the Formal Dispute System.*** When interventionists describe themselves as dispute systems designers, they typically emphasize deliberate and segregated mechanisms for monitoring, handling, and resolving conflicts. If conflict is the essence of organization, however, disputes should not be pigeonholed into specialized procedures. Acknowledging and embracing the intransigence of conflict, dispute interventionists and management consultants should attend to the informal, diffuse, routine interactions that may result from experiences with formalized procedures. There are two primary ways this may occur:

First, experience in the legitimate expression of differences, collaborative and cooperative problem solving, as well as interest-based forms of conflict management (learned in the context of a formal disputing system) can spill

over into other aspects of organizational life and impact earlier stages in a disputing process. Thus personnel who participate in dispute resolution procedures generally become more adept at dealing with their differences not only at the negotiating table but within the content and experience of the dispute.

For example, in a dispute over who should get overtime, a machine operator with recent experience in mediation observed that the current practice of assigning overtime failed to take account of the family responsibilities of the women on the line, and so decided to use this mediation experience to engage her supervisor in a discussion of these assignments. For this kind of interaction to occur, however, employees must be able to express diverse interests and supervisors need to be tolerant of employees who challenge their decisions and authority. Those expressions of interest and challenge are not perceived as welcome nor legitimate if they are segregated and isolated in specialized procedures. Legitimacy and tolerance require taking the conflict out of the closet.

Secondly, dispute capacity can be enhanced as experience in a dispute system is generalized and members come to see the consequences of their actions in new ways. In grievance mediation, for example, there is a practice in some organizations to invite an audience of managerial and union personnel to participate alongside the parties immediately involved in the grievance. This broad participation often encourages the immediate parties to the grievance to see their actions from the variety of perspectives presented in the process, an insight that may lead to new models of conflict management on the shop floor (Kolb, 1989b). In this way, con-

flict escalation—here defined as movement into specialized procedures—may be contained.

*Learning from Dispute Data.* Dispute processing mechanisms in organizations cover a wide range of formal procedures and informal processes (Ewing, 1989). These include grievance procedures, peer review boards, ombuds offices, speak-outs, open-doors, electronic bulletin boards, etc. The complaints that funnel through these systems are most often individual—that is, they are initiated by members based on a specific experience.

However, taken as a whole, these complaints provide data that can be analyzed to diagnose organizational well-being and to identify sources of stress. If dispute processing data is to become a source of insight about organizational effectiveness, however, expressions of grievance, conflict, and difference must be solicited, respected, and prized rather than suppressed, contained, or prevented.

These data may be the basis for both narrow and broad-based change agendas in organizations. In one organization, for example, continual complaints about the provision of certain insurance benefits led to a change in procedures that eliminated this particular problem. In another organization, several complaints from women about their limited career options led to a wide-ranging analysis and subsequent intervention to effect changes in the organizational culture (Kolb, 1989a). Similarly, in yet another organization, persistent complaints by minority members about subtle forms of exclusion led to an in-depth analysis of the institutional culture and, ultimately, to the commitment of resources to effect significant change (Silbey, 1989).

For these kinds of action to occur, those charged with overseeing a dispute system need to encourage expressions of conflict and pay attention to patterns among individual cases, aggregating issues where appropriate. This would require that they define their roles as change agents and not simply dispute resolvers and preventers.

### **Barriers to Increased Capacity**

It is clear that dispute systems designers can have both direct and indirect impacts on the capacity of organizations to deal with conflict. However, it is also well to consider the ways in which such systems designers may interfere with some of the naturally occurring ways that conflicts are handled in organizations.

Disputes arise in the context of relationships and within a structure of everyday activities. While some differences may be publicly aired, field research on conflict processes in organizations suggests that the vast majority occur out of sight (Kolb and Bartunek, forthcoming).

Some people in organizations emerge as mediators or peacemakers, working behind-the-scenes to empower members in confronting disagreement and orchestrating the airing and resolution of disputes (Kolb, 1989a). Peacemakers are sought out by their organizational colleagues for their position, their skills, the relationships they have with others, and often, their gender (cf. Merry, 1982). In conducting a peacemaking process, the locus of the dispute and the intervention are closely entwined. There is also an emphasis on preserving and enhancing relationships (Putnam, 1990).

Dispute systems design may work against these less public approaches.

The danger is that conflicts are channeled into a system, often centralized and rationalized, that is removed from the work settings in which the conflicts occur. Dispute processing comes to be seen as something external to routine interactions, the province of experts or outsiders, rather than an integral part of the organization's structure and culture. People need to bring problems to the expert system rather than problem solving indigenously. What we know about expert-designed systems is that, over time, they create a dependency among users, simplify and categorize people and problems, routinize solutions, and mask power by claiming to be neutral (Silbey and Sarat, 1988). Ironically, while informal dispute resolution takes place with little or no fanfare, the expert systems seem to require constant "selling" and negotiation to attract users and to implement solutions (see Ury, Brett, and Goldberg, 1988, Chapter 6).

### **Conclusion**

Conflict is a pervasive fact of organizational life. Enhancing members' capacities to understand their disputes in new ways, to feel free to express differences and know they will be heard, and to have multiple channels available makes for more humane and, perhaps, more productive organizations. While unlikely to reduce the frequency of disputes in organizations, dispute systems, if broadly construed, can contribute directly and indirectly to this end.

In designing these systems, however, we need to attend to the informal, behind-the-scenes, interstitial and nourishing forms of disputing. These interactions are often unnoticed and devalued in organizations. However, from a fuller appreciation of informal and formal modes of conflict manage-

ment and the interplay between them comes the potential for enhancing the capacity of organizations to deal with differences and diversity. This—not prevention—is the real service which dispute interventionists can offer.

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