

Mediation for management: Dealing with Conflict in the Workplace

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Abstract

Dealing with conflict is an important part of the process of management; however few managers have received formal training in conflict analysis and resolution methods. Mediation, the process of a neutral third party helping parties in a dispute come to a mutually acceptable solution to a dispute is a non-coercive process that can increase job satisfaction, lower employee turnover, and improve the quality of decision making in an organization. Therefore the present paper argues in favor of integrating mediation as part of the core functions of management and as part of a systemic strategy to deal with conflict in the workplace.

Keywords: *mediation, management, conflict, decision making.*

Introduction

Managers have to deal with countless conflicts on a daily basis and a large part of their working time is devoted to dealing with conflicts with both members of the organization and other stakeholders (Chene, 2008; Cinamon & Rich, 2002; Cloke, 1991, 2001; Constantino & Merchant, 1996; Cormick, 1978; Coser, 1956; Druckman, 2005; Dubinskas, 1992). Therefore an important part of the management process is serving as a third party to both internal and external disputes (S. F. Moore, 1995; Ury, Brett, & Goldberg, 1993). Managers have the authority provided by their formal positions in their organization as well as their control over important organizational resources, both tangible and intangible (Goldsmith, Greenberg, Robertson, & Hu-Chan, 2003; Kantabutra & Saratun, 2013; Lemus, Feigenblatt, Orta, & Rivero, 2015; Mann, Marco, Khalil, & Esola, 2001).

Conflict in the workplace can be very costly because a lack of proper conflict management strategies and systems can lead to high turnover, low employee morale, and to a deterioration of relations with outside stakeholders (Mintzberg & Waters, 1985; Phillips, 2001). Managers tend to acknowledge the importance of dealing with conflict in constructive ways but habits based on their experience and training tend to result in conflict resolution efforts employing coercion or at the very least, a certain degree of overt and covert persuasion for a particular outcome (Chathaway, 2002; Cloke, 2001).

Leadership in management tends to focus on guiding and motivating employees to achieve clear goals (Goldsmith et al., 2003; Hendrickson, Lane, Harris, & Dorman, 2013; Kantabutra & Saratun, 2013). This complex process involves coaching, directing, and evaluating. It is necessary for an effective and efficient manager to provide clear goals and to provide proper instructions as to how to achieve those particular goals. Nevertheless, changes in the workplace and in organizational structures favoring more horizontal structures and the inclusion of specialists in the organizational change the dynamics of leadership and require a different approach to conflict management (Bolman & Deal, 2008; Lueddeke, 2008).

Entry level workers who are learning the basics of their jobs require coaching and clear guidelines in order for them to do their jobs. Ambiguity and a high degree of autonomy may increase stress levels for this type of employees (Bolman & Deal, 2008). However, for more seasoned workers and in particular for experts, who in many cases have

higher levels of education than the managers themselves, micromanagement can decrease work satisfaction and can cancel out the benefits of the expertise they bring with them to the organization (Hendrickson et al., 2013; Stewart & Knowles, 2003).

The present paper argues that 21st century managers need to be trained as mediators because serving as third parties to help resolve disputes is a core function of management. Moreover, previously favored approaches to dealing with conflict such as serving an arbitrator can lead to low employee morale and to the disempowerment of highly skilled workers. Moreover, forceful arbitration by managers can also result in “group think” and can serve as a disincentive for constructive conflict and for creativity in the workplace (Bens, 2005).

Arbitration versus Mediation: differences and similarities

Traditional managers find arbitration more comfortable than mediation for a variety of reasons. Arbitration is a process in which a third party intervenes in a dispute and reserves the ultimate authority to impose a solution on the parties (Folger, Poole, & Stutman, 2005; Gallis, 2009). Arbitration varies in terms of how coercive or participative it can be. Most arbitrations involve a process of data gathering and discussion with the parties in the dispute but they vary in terms of how the alternative solutions are proposed and in terms of how much of an input that parties have on the final settlement. Arbitration is common in labor disputes but one important difference between traditional labor disputes between unions and management is that the arbitrator is external to the organization and is neutral and to a certain extent impartial about the outcome (Folger et al., 2005). Impartiality and being external to the organization helps professional arbitrators work with the parties to reach a solution to a dispute that might not please both sides but at least takes their interests into consideration (Folger et al., 2005). In other words, there is no conflict of interests for the external arbitrator because he does not benefit directly from the outcome of the dispute. Another advantage of arbitration is that expert arbitrators tend to be very experienced in their particular field and in many cases also possess valuable content knowledge that helps them find creative solutions to complex disputes (Gallis, 2009). Moreover both parties understand that there is a clear deadline for the resolution of the dispute and that they have an interest in providing as much information as possible with the hope that the final outcome will include at least some of their interests. Nevertheless arbitration also has important weaknesses (Folger et al., 2005). Arbitrators are not omniscient and therefore can find it difficult to gather important information about relationships and emotions which may be central to certain disputes. Moreover, arbitrators may feel detached from the dispute because they do not have to live with the consequences of the outcome. Another weakness is that arbitration usually imposes an artificial deadline which may lend itself to indirect coercion of the parties to concede central interests.

The peculiar position of managers as arbitrators is even more problematic. Managers have an obvious vested interest in the outcome of the dispute (Goldsmith et al., 2003). In addition to that, there can be conflict of interests in certain disputes which involve interests held by managers. Thus, the insider position of the manager is both an asset and a liability. Managers do have more knowledge about the needs of the organization and about their employees than do outsider arbitrators (Fritz, 1996). At the same time, managers may shorten the data gathering period because of the assumption that they already know enough about the parties when that may not be the case. The power asymmetry between the manager and the parties is also a challenge because it is clear to the parties, in particular when they directly report to that particular manager, that the manager controls important resources which may serve as a tool for coercion (Bush & Folger, 2005).

The previous discussion should not be interpreted to mean that forceful management arbitration is not appropriate in some situations. Minor disputes or issues of breaking company rules can be effectively and efficiently settled through forceful management arbitration. However, there are disputes which may create positive or negative externalities for which coercive arbitration may not be the best choice. The flattening of organizational structures and the inclusion of a wide range of experts increases the wealth of perspectives, knowledge, and also of conflicts (Broome, DeTurk, Kristjansdottir, Kanata, & Ganesan, 2002; Hall, 1982; Kantabutra & Saratun, 2013). For many organizations the power distance between managers and employees is much smaller than in the past. There are increasing situations in

which managers are in charge of subject experts with more experience and credentials than them and thus coercive arbitration may damage employee morale and it can also result in suboptimal outcomes (Fritz, 1996).

Mediation on the other hand is a conflict resolution method which includes a third party who facilitates a search for a solution that integrates the interests of both parties (Augsburger, 1992; Iji, 2010). Mediation is voluntary and therefore the outcome has to be acceptable to both parties. The role of the mediator is to facilitate communication and to aid the parties in the process of problem-solving so as to reach a mutually acceptable solution (LeBaron, 1998; Phillips, 2001). At the core of mediation is the empowerment of the parties which in turn results in greater acceptance of the outcome and in an easier implementation process for the settlement (Rupesinghe, 1996). Among the challenges of mediation is to help the parties identify their needs and interests, to help them develop alternative solutions, and to help them evaluate the alternative solutions based on the integration of their interests so as to jointly reach a mutually acceptable plan with clear action steps (Winslade & Monk, 2001). Thus, mediators require training in communication techniques, problem solving methods, and in some cases also require content expertise (Iji, 2010).

In summary, arbitration is coercive in that the arbitrator has the power to impose a solution to the parties (Folger et al., 2005). The arbitrator tends to control the timeline of the process and in many cases limits the alternatives under discussion. In other words, the arbitrator is at the center of the process while in the case of mediation, the mediator is a facilitator or catalyst. Mediation is voluntary while arbitration is not. Another difference is that the parties are expected to actively participate in the development of both the solution as well as of the timeline for implementation (Folger et al., 2005).

Types of Mediation

There are several schools of mediation and there is even a hybrid version of mediation which combines mediation and arbitration (Bush & Folger, 2005). The three main style of mediation are: transformative, narrative, and problem solving. Narrative mediation has a constructivist paradigmatic framework in that it focuses on the joint construction of a new story between the parties to a dispute (Winslade & Monk, 2001). It uses the power of storytelling to explore the past while imagining the future. Narrative mediation borrows techniques taken from counseling in order to guide the parties through a process of self discovery. Even though narrative mediation has shown excellent results in a wide variety of contexts, it is very time consuming and it requires a highly trained mediator. Thus, narrative mediation is not a very good candidate for the training of managers because of the steep learning curve that is required in order to master it. Moreover, there are externally imposed deadlines for the resolution of most workplace disputes and therefore the usually time consuming process may not be practical. Nevertheless, narrative mediation has been applied to the private sector successfully by outside expert mediators with excellent long term results. Narrative mediation has been shown to have long lasting positive effects on relationships and in particular in terms of improving job satisfaction (Winslade & Monk, 2001).

The second type of mediation is known as transformative. Transformative mediation was developed by Bush and Folger from a post-modern perspective (Bush & Folger, 2005). Borrowing techniques from phenomenology, Bush and Folger developed a flexible framework to explore ideas and emotions as part of the mediation process. The goal of transformation mediation is to produce a transformation in both the parties and in nature of the dispute itself (Bush & Folger, 2005). Transformative mediation has shown great results in dealing with complex interpersonal disputes in which the relationship is central to the dispute and in which the parties have a high degree of interdependence. This process is non-linear and it can be cyclical and thus many sessions are required in order to achieve concrete results (Bush & Folger, 2005). The emphasis is not on a specific settlement but rather on the general disposition of the parties towards both the dispute and to each other. Therefore transformative mediation deals with emotions, values, and mores and can thus be intrusive in comparison to other mediation methods (Bush & Folger, 2005).

The third and final method of mediation is the problem solving style of mediation which is the one favored by the business sector. Problem Solving mediation is based on the scientific method and assumes that the parties are rational agents with the capacity to work together to find an optimal solution to the dispute (Phillips, 2001). There are many versions of problem solving meditation but they all follow the same basic process of fact finding, data gathering, exploration of interests, development of alternatives, evaluation of alternatives, integration of interests, and development

of an implementation plan (Phillips, 2001; Wehr & Lederach, 1996). This type of mediation separates “the people from the problem” and while acknowledging the importance of relationships, emphasizes interests rather than emotions (Phillips, 2001). A common metaphor used for this process is that the parties become researchers dealing with a jointly defined problem with the help of a senior coordinator, who serves as the mediator (Phillips, 2001). Problem solving mediation has many attractive features such as a relatively short timeframe, a focus on concrete interests, and an overarching paradigmatic framework that is compatible with the dominant schools of economics and business administration.

Mediation and Management

As mentioned in previous sections of this study, an important part of management is conflict analysis and resolution (Goldsmith et al., 2003). Problems are conflicts and they can lead to growth and to positive changes or to strife and unnecessary expenses. Therefore a more explicit focus on this important part of management would increase productivity, improve problem solving, and help organizations constructively leverage the diverse expertise of their members (Abu-Nimer, 1996).

Including problem solving mediation as part of the standard curriculum for management is an important first step. Nevertheless structural changes require a more systemic approach which integrates the mediation process as part of the standard operating procedures for both the organization as a whole and for individual members (Cloke, 1991). Thus, the recruitment of managers with mediation training is an important step but systems need to be in place for there to be a conducive environment to mediation, and there should also be a clear incentive structure to do so. There are myriad case studies of organizations which have tackled high levels of conflict with the introduction of mediation training without taking into consideration system wide structural factors (Chene, 2008; Childs-Grebe, 1992; Cobb, 1997; Cohen, 1996; Davidheiser, 2008; LeBaron, 1998; Masser & Abrams, 2004; C. W. Moore, 2003). The result of such piecemeal approach is structural oscillation (Fritz, 1996). An initial burst of excitement over a new method gives way to backtracking to traditional confrontational methods because of systemic disincentives. Sustainable organizational learning requires a holistic approach to the problem; in this case the problem is high levels of conflict due to the increased complexity of the workplace and of the workforce (Krauss, Rohlen, & Steinhoff, 1984; Kriesberg, 2003).

Best practices in the subfield of conflict systems design posit that training should happen concurrently to changes in the incentive structure (Kriesberg, 2003). The integration of mediation as part of the core functions of management is an imperative as a mid and long term strategy to achieve social justice and empowerment. Moreover, strategic changes should include both top down and grassroots training and input with a sustained effort to include minorities and other subjugated voices (Bush & Folger, 2005; Kibbey, 2002). Research in the field of organizational behavior supports the claim that employee participation in decision making improves “buy in” for new initiatives. Mediation can provide managers with a structured method to include employees in the decision making process and thus foster a greater sense of ownership over outcomes and a greater sense of duty towards the organization as a whole (Feigenblatt, Paliwal, Rivero, Orta, & Lemus, 2015; Kibbey, 2002).

Conclusions and Recommendations

Management and the field of leadership studies in general, span the grey area between “art” and “science” (Goldsmith et al., 2003). The truism that human capital is the most valuable asset is part of the training for most managers but the process of harnessing the power of those resources needs to transcend outdated “command” and “control” models. Problem solving mediation is a method that can help managers gain the trust and respect of their employees while also reaching more effective and efficient solutions (Pruitt & Kim, 2004). Empowerment and ownership are core indicators of quality leadership and problem solving mediation as part of a systemic conflict management system can help managers become catalysts for creativity and innovation (Felkins, 1995; Frey, 1995).

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