

GSM 688: CONFLICT MANAGEMENT

This course analyzes organizations as systems for managing conflict. Because organizations are networks of relationships, conflict is natural and inevitable. Conflict can be unproductive if it stimulates intractable disputes, impeding organizations from achieving their goals. It can be productive if it stimulates creativity in resolving disputes, promoting organizational goals. We explore how management practices influence patterns of conflict and their resolution. From that perspective, this is a course about OD: organizational development.

GSM688 has three learning objectives, all directed at understanding organizations through the lens of conflict management. At the completion of the course, you should be able to:

- 1) analyze and explain how the alignment of management practices—strategies, structures, policies, procedures and monitoring—can generate or mitigate conflicts
- 2) recommend ways to align management practices that promote productive conflicts and mitigate unproductive conflicts
- 3) apply principles of alternative dispute resolution to know when and how to design a dispute system that supplements existing organizational arrangements.

The course begins with a series of readings, lectures, and discussions to help you understand the configuration of individual and organizational conflict, that is, the elements of conflict between individuals that management practices influence. We study the “fit” or alignment of management practices and how misalignment contributes to unproductive conflicts. That’s foundational. Next, we will use case studies, readings, and lectures where you analyze organizational arrangements and the way they can influence the configurations of conflicts. Finally, we will explore mechanisms outside of or supplementary to existing organizational arrangements that you can design to resolve conflicts.

An experiential feature of the course is a field project. We run the class like mini-consulting firm, if you will, where we share our progress and challenges to help each other, relying on each other for ideas and solutions, so we can learn more and produce a valuable report for our clients. Small teams of students will undertake research to understand conflict management in real organizations. These are, in effect, living cases in real time. The projects involve diagnosing, analyzing, and making recommendations about managing a pattern of recurring disputes within an organization or between the organization and one or more of its suppliers, partners, or clients. You will be responsible for organizing yourselves into working groups, conducting the study, and reporting your conclusions to a client. You will undertake bibliographic research, study how similar situations are managed in comparable organizations, and interview interested parties. I have solicited projects from government agencies and businesses. You may suggest projects, as well; see the solicitation note at the end of this syllabus.

Course requirements:

Class sessions involve simulated negotiations, case presentations, discussing written materials and, occasionally, lectures. The required **readings** include 1) John Roberts, *The Modern Firm* (Oxford University Press: 2007); 2) Cathy Costantino and Christina Merchant, *Designing Conflict Management Systems* (Jossey-Bass: 1996) 3) AGSM Student's Guide to Field-Study Projects, which lays out the procedures for conducting a field project; and 3) cases and articles on electronic reserve or on the WISE site; 4) cases at the Harvard Business School Publishing site: <http://cb.hbsp.harvard.edu/cb/access/6381563> (if you have registered at HBSP for another course, use the same userid and password; otherwise, go to the site and register); and 5) photocopied materials distributed in class. Complete the reading assignments before coming to class.

In addition to a project scope of work for the field project (Student's Guide, pp. 36-43), individual memoranda, and a final written report and a presentation, each team will report to the class on its project during the semester. The reports should last approximately ten minutes and include three elements:

- outline and justify your work to date;
- explain your diagnosis and possible recommendations for problem you are evaluating;
- describe the difficulties you have encountered in conducting the project and plans for work to be completed by the next report.

Distribute the project schedule in writing (no more than one sheet of paper), indicating work to be completed, when, why, and who will do it. Oral reports will be evaluated as part of your class contribution score; you will receive the same evaluation as every other member of your team, whether you participate in the presentation or not.

Be prepared to contribute actively in class, whether you are negotiating in a role-play, we are discussing a case or reading, meeting with invited speakers, or considering progress reports. On the days when we discuss projects, everyone's efforts to help other teams will be assessed as part of your class contribution grade.

The things I look for include:

1. Do your comments show evidence of analysis, integrating concepts and discussion?
2. Are your points substantive, relevant to the discussion, and linked to what others are saying?
3. Do you advance our understanding of the situation by asking a key question, summarizing and recapitulating, citing relevant personal examples, or stating concepts more clearly--especially if discussion becomes muddled?
4. Do you test new ideas?

5. Do you play devil's advocate with the instructor and students so that the difference of opinion serves as both counterpoint and a basis for exploring all sides of concept, issue, or practice?
6. Do you offer constructive criticism of ideas and work presented by others?

Have no more than one unexcused absence. Failure to attend will reduce the contribution portion of your grade.

Evaluation

Your grade will be based on

1. your contributions to learning in class (20%);
2. team case analysis (see cases in italics in the schedule) and discussion (20%) See syllabus appendix for expectations.

Each team will prepare and present 1 case to the class. Other teams will act as role players and/or evaluators. The presenting team will prepare an action memo supported by a more detailed analysis, due at the class after the presentation so that the team can absorb comments from the class. Classmates will provide feedback to the presenting team both on the presentation and on the analysis.

The presenting team has 20 minutes to present its case. The class will play the role of the decision maker, usually a manager or the Board of the organization and will have approximately 30 minutes to ask questions to the presenters upon the completion of their presentation. We will take 5-10 minutes following each presentation to allow the class members time to write out thoughtful questions.

3. the project (60%)
 - a. team's problem statement, project proposal and plan, 10%;
 - b. individual memorandum: history and configuration of individual conflicts and stakeholders, 10%
 - c. individual memorandum: configuration of organizational conflicts (management practice alignments), 10%
 - d. final written report and presentation, 30% (20/10: see attached evaluation guide).

Client feedback will be taken into account in grading the project and presentation (see client letter, to be distributed separately). Team member evaluations of individual contributions to the projects will be taken into account in assigning individual grades to the team project.

Administrative details:

1. Class sessions begin at 2:00 PM and end at 3:30 PM.

2. If you must miss a class, notify me in advance.
3. The class will be web-enabled using WISE (wise.willamette.edu).
4. My office hours will be Noon to 1:30 PM before class, or email me for an appointment. My email address is smaser@willamette.edu. I encourage you to give me feedback on how the class is progressing and actions I can take to improve it.
5. The School or the client will cover reasonable project expenses, such as travel requiring an over night stay, if needed. Approval by the instructor in advance is required.

Access and accommodation

Willamette University seeks to be a diverse community and to provide equal opportunity in its educational programs, activities and employment. In keeping with the letter and spirit of federal and state laws, the institution is committed not to discriminate on the basis of race, color, religion, sex, national origin, disability, age, marital status, or sexual orientation.

Students requesting accommodations for a disability need to be registered through the Willamette University's Disability Services Office. Any student requesting academic accommodations due to a disability is requested to provide a Schedule of Academic Accommodations from Disability Services within the first two weeks of classes.

Contact the Bishop Wellness Center Disabilities Services Office by phone at 503-370-6471 or visit their website at <http://www.willamette.edu/dept/disability/>

SCHEDULE OF CLASS MEETINGS AND ASSIGNMENTS

(Schedule and Assignments Subject to Revision)

- August 24** Introduction: Content, cases and projects
- August 26** Fundamental concept 1: The Configuration of individual conflict
- Reading: Lax and Sebenius, The Manager as Negotiator, Ch. 1
- Role Play: Give 'n Take (in class)
- August 30** Fundamental concept 2: The Configuration of organizational conflict
- Readings Costantino and Merchant: Chapter 1
- Due** Preferences for field projects; Preferences for case analysis
- September 2** Fundamental concept 3: The management system as dispute system
- Reading: Costantino and Merchant, Ch. 2, 3; Roberts, The Modern Firm, Ch. 1
- Activity Field projects and cases assigned; contact your project sponsor to arrange an initial interview for September 17 or as soon thereafter as possible.
- September 7** Fundamental concept 4: Alignment, misalignment, and conflict
- Reading Roberts, Ch. 2; Watkins, Intervention Strategy, HBS 9-903-095;
- Activity Project assignments; schedule sponsor interview for 9/17 or soon after
- September 9** Fundamental concept 5: Productive vs unproductive conflict
- Reading Roberts, Ch. 3
- Case (Classic) Lincoln Electric Company HBS 376-028
- Questions Why does the Company's approach work? What are the potential conflicts and how does it channel them?
- What's the applicability of Lincoln's management practices to other companies? Why don't more companies operate like Lincoln?
- What would you recommend to Mr. Willis?

September 14 Fundamental concept 6: Symptoms and diagnosis of misalignment

Reading Maser, “The Karenina Principle and the pathology of administrative appeals: A chiropractic approach to improving DOD acquisitions”

Case Worldwide Construction Company

Questions What conflicts are likely to appear and how might they be resolved? How would you assess the company’s systems in terms of their contributions to generating conflicts that lead to claims? What are the alternative mechanisms for resolving disputes and how might you change them? What additional information would you collect to prepare your diagnosis? Explain how the additional information bears on the recommendations you might make to management to reduce the company’s claims problem.

September 16 Projects: Initial design, research methods, and protocol

Reading Ury, Brett, Goldberg, Getting Disputes Resolved, Ch. 2; Costantino and Merchant, Ch. 6; “Guide to Field Projects” (GFP) 1-43 (skim)

Assignment Project teams of students review past final reports, summarize problem, research methods, and recommendations, with constructive critique

September 21 Develop a Scope of Work

Prepare to discuss the sources of current and potential conflicts in your project

Due: Written draft of the scope of work/project plan to WISE, including problem statement and work schedule. Oral report: describe your project: assume you have entered an elevator and your employer has asked you what you are working on; if you can't answer clearly and concisely during one minute, you probably do not grasp the key issue. Rethink the problem. Include a summary of the organization’s background and external environment; budget history; structure; key resources and interested parties.

September 23 The impact of strategy on organizational conflict

Case *Komatsu and Dresser: Putting Two and Two Together* (Harvard Business Services; 898269)

Question Evaluate the joint venture’s structure. Why do you think problems and conflicts began to emerge in the Komatsu Dresser alliance? What would you do to manage them? It is 1991: what should Ytterberg do?

September 28 The impact of structure on organizational conflict

Reading Roberts, Ch. 5, 6.

Case *Stone Finch* HBS4158-XLS-ENG

Question What is your assessment of the subsidiary concept? How can companies manage conflicts associated with managing existing products and innovations?

What are the sources of the conflicts and their implications for organizational performance?

What should Billings do and why?

September 30 The impact of policies such as human resource management on organizational conflicts

Reading Tushman and O'Reilly, "Managerial Problem Solving, A Congruence Approach," HBS 2430BC-PDF-ENG

Case *Taking Human Resources Seriously in Minneapolis* HBS PEL-059

Question What were the performance problems and conflicts associated with the existing system and how was the new policy, interview and select, designed to address them?

What new conflicts might arise with interview and select and how should they be managed?

What recommendations would you make to Pratt Cook?

October 5 Project update to class and sponsor

Project Update and report on the configuration of individual conflicts

Questions What are the dimensions of the conflicts (frequency, number, impact)? Describe the culture of the organization (s). Who are the stakeholders and how are their relationships managed? Describe and explain the pattern of conflicts in terms of whether they are productive or unproductive. Are opportunities for gains missed or pursued?

Due Memo 1 (5 pages, max.)

October 7 The impact of policies on organizational conflicts

Case *Becton Dickenson: Ethics and Business Practices (A)* HBS 9-399-055

Question See questions at end of the case (continued on next page)

Given your recommendation, what patterns of conflict would you expect to arise and how should Becton Dickenson manage them?

October 12 The impact of monitoring systems on organizational conflicts

Reading Thompson and Mathy, “The aligned balanced scorecard: An improved tool for building high performance organizations,” *Organizational Dynamics*, V. 37, #4, 378-393, 2008

Case *Analog Devices: The Half-Life System* (Harvard Business Services 190061)

Question What is the role of Schneiderman’s “Half-Life” target-setting system and what could limit its applicability? Why do conflicts arise between the operational QIP measures and the measures reported by the financial summaries, such as in Exhibit 10. How could these result in disputes within the organization and between the organization and its other stakeholders?

October 14 Risk Management

Reading “Enterprise Risk Management: Integrated Framework”

Case *Risk management at Hydro One* HBS 9109001

Question What are the problems and risks that the company faces, given its strategic objectives, its evolving risk profile, and the changing environment?

What is the role of the chief risk officer, and the relationship between risk management, strategic planning and capital budgeting.

October 19 Alternative Dispute Resolution Systems

Reading Costantino and Merchant, Ch. 4, 5, 6

Question What is your role in working with your clients?

October 21 Work in project teams

October 26 Project update to class and sponsor

Project Update; report on the configuration of organizational conflicts

Questions What are the relevant management practices? Describe their alignment and potential misalignment. How does this contribute to patterns of conflict, productive or unproductive. Are opportunities for gains missed or pursued?

Due Memo 2 (5 pages, max)

October 28 Applying ADR systems

Reading Costantino and Merchant, Ch. 7

Case *ADR Choices* (Harvard Business Services 908040)

Question Recommend the appropriate method of dispute resolution (mediation, arbitration, mini-trial, etc.) for each of the six short cases, depending on the circumstances. Assess likely barriers to unassisted negotiation.

November 2 Criteria for using ADR

Reading Costantino and Merchant, Ch. 8-11

Case *GE's Early Dispute Resolution Initiative* (Harvard Business Services: 801395)

Question Assess GE's EDR system in terms of the criteria proposed by Costantino and Merchant. What issues of organizational change are associated with installing it? What are the benefits and costs of operating it? What changes, if any, would you recommend and why?

November 4 Work in project teams

November 9 Update class and project sponsor

Activity Describe how other organizations manage the same phenomenon as your client. Compare the performance and effectiveness of the programs/organizations. Do you find significant differences in management practices? Does it seem to impact the patterns of conflict?

November 11 Work in project teams

November 16 Project update for class and sponsor

Due Oral presentation to class of preliminary findings and recommendations with request for feedback

November 18 Draft Reports Due

Due Draft reports: revised problem statement, diagnosis, analysis, preliminary recommendations

November 23 Final Reports Due (submit to sponsor)

Reading Costantino and Merchant, Ch. 12-13, Epilogue

Question: What obstacles do you anticipate if the organization implements your recommendations and how would you advise the organization to manage them?

What questions do you have? What do you like about the reports and what would you improve?

November 25 Thanksgiving Holiday

November 30 Presentations to Clients

Read *Guide*, pp. 47-56

December 2 Debrief: Lessons Learned

December 5 Submit evaluation of your colleagues' contributions, as well as your own. Use the form on WISE

This schedule is subject to revision as the dictates of the field projects and class discussions require.

Case Discussion Guidelines

Basic Steps in Case Analysis and Discussion

Step 1. Effective case analysis begins with data collection. This means: read the case quickly to get a feel for the major issues, then read the assigned chapters looking for help in addressing them; reread the case to master the facts; then, read it again, and review the assigned readings to find theories, ideas, and tools that apply to the case.

Prepare for yourself a brief summary of your analysis of the situation. Focus on the questions asked at the end of the case or in the syllabus. Include those facts relevant to the formulation of your problem statement and the description/evaluation of your alternatives. A successful case analysis makes a recommendation that is logically consistent with the situation analysis and the position of the organization.

Step 2. Once you have mastered the case, your next step is to identify the most salient issue or problem in the case, i.e., the problem or issue with the most potential to effect the organization (negatively or positively) related to conflict management. Learning to separate problems from symptoms is an important skill to develop. Moreover, there will often be a number of related "sub-issues" or "sub-problems," which are related to the central issue in the case. Sometimes, it is necessary for you to look for the common cause of related symptoms to ascertain the most compelling problem or issue. This problem or issue is the focal point of your analysis; often, it is the problem/issue to which the executive you are advising must direct his/her attention and the organization's resources. It can be helpful to think about problems and opportunities in the context of organization goals and the extent to which goals have been achieved. Be able to state the problem and its selection must be motivated/justified by the situation analysis. That is, the reasons for your formulation of the problem should be brief, carefully summarized, and be logically consistent with your situation analysis.

Step 3. At this step, you must identify alternative courses of action that, with a high probability, will result in solving the problem in a manner consistent with the organization's goals and values. Usually there are several plausible solutions to the problems in a case, and you should be careful not to lock on one alternative before each of the most attractive alternatives have been thoroughly evaluated. Every alternative has pros and cons, and they should be presented crisply. You should also consider both the short and long-term ramifications of any proposed action. Explicitly consider these in your memorandum.

Step 4. After each of the alternatives has been thoroughly analyzed, you must make a recommendation concerning the specific course of action the manager should take. You must clearly convey your reasoning and demonstrate how your recommended course of action will, with a high probability, "solve" the problem.

Project Solicitation: Workshop on Conflict Management
Atkinson Graduate School of Management

Willamette University

Purpose

The workshop examines recurring conflicts within an organization, with clients or suppliers, or with other organizations. This can occur, for example, in contracting, in delivering services, or in managing programs and partnerships. Past projects have reviewed conflicts arising 1) between construction companies and their clients; 2) between State government property managers and developers/ landlords; 3) across State agencies in preparing for labor negotiations; 4) between management and physicians/nurses in a hospital; 5) between state and county criminal justice agencies implementing new legislation. Researching patterns of repeated conflict that impact performance can be helpful for not-for-profit organizations, government agencies and businesses.

Personnel

A team of 3-4 advanced graduate students in management, many with prior work experience, and law students. For larger projects, more students or teams can be assigned. Professor Steven Maser supervises the project. Estimate 150-200 person-hours of effort per team.

Procedure

Working with Professor Maser and the team, the organization defines the problem and prepares a Scope of Work. Teams of students research it (conduct a literature review; interview participants in the conflicts, using the University as a neutral venue; explore practices in comparable organizations); study the client organization's policies and procedures; prepare recommendations to mitigate conflicts or make them more constructive; solicit reactions to their recommendations; revise and present a final report to the organization. Student working papers and reports are proprietary to the client.

Project Criteria

Successful projects: 1) can be executed between September and December 15; 2) involve recurring conflicts that are not major or politically contentious; and 3) are sufficiently "ripe" to motivate managers and other parties to participate. This is a great opportunity to deal with "middle burner" conflicts that keep landing on a manager's desk. The emphasis in the workshop is on management practices and systems.

Cost

The sponsor—an individual responsible for the program—will appoint a liaison to the project team to provide background and access to relevant documents and materials, read and comment on the draft report, and attend and critique the final presentation. The organization will cover direct research costs, which are likely to be minimal unless the project requires overnight travel.

Contact Professor Steven Maser by 7/15: 503-575-8256 or smaser@willamette.edu.

CRITERIA FOR EVALUATING FIELD STUDY PERFORMANCE

Name: Date:

PRODUCT:

- ___ Clarity and rigor of issue definition
- ___ Resourcefulness in identifying and using information (internal client data, past research, external sources)
- ___ Creativity in developing "theory" and hypotheses
- ___ Subtlety and rigor in using and interpreting empirical evidence
- ___ Power of the "bottom line" (creativity, decisiveness and usefulness of recommendations)
- ___ Quality of written presentation (includes attention to detail, clarity, ability to focus, persuasiveness)
- ___ Quality of oral presentation (includes clarity, ability to focus, persuasiveness, conduct of discussion)

PROCESS:

- ___ Completeness and feasibility of action plan (including team meeting schedule and progress checkpoints)
- ___ Effectiveness in organizing the project, structuring team member assignments, and implementing the project statement
- ___ Handling relationships with outside people and organizations
- ___ Cost-effective use of instructor's time
- ___ Ability to work without intensive supervision
- ___ Willingness to work as a cooperative team member (varied by individual)
- ___ Willingness to make personal sacrifices for the good of the projects; e.g., giving 110%, honoring project commitments)

**GSM Conflict Management
Possible Projects
Fall 2010**

Your name _____

First choice _____

Second choice _____

Third choice _____

If you have a team of up to four who would like to work on the same project, identify them here.
I reserve the right, however, to adjust team membership. Team member names and project: