MANAGING CONFLICT

Antecedent Conditions

• Conflicts may be due to a variety of conditions. Many conflicts will involve more than one condition, and the sources are not always mutually exclusive.

Competition

• Resources- budget, space, supplies, personnel, support services

• Exacerbated by- poor communication, distrust...
Values, Beliefs, Traits

- Competition for status
- Dominance vs. Subordination
- Insecurity
- Religious, Ethical or Cultural Values
- Intolerance, Dogmatic, Inflexible
- Narcissistic Dissent

Reactions to Conflict

- Accommodation
- Withdrawal or Avoidance
- Smoothing and Conciliation
- Persuasion
- Forcing
- Bargaining

Integrative Problem Solving

- An attempt to find a settlement that satisfies the needs of both parties.
- Each party tries to understand the conflict from the others perspective.
- Discovery of needs to satisfy all
The Process

- Define the problem together
- Explore the issues
- State the problem specifically
- State objectives, priorities and beliefs
- Develop alternatives together
- Explore a range of solutions
- Be equitable

Positional commitments and specific hard demands are inconsistent with a flexible, exploratory approach to problem solving. The use of fore or bargaining is likely to undermine any efforts to carry out integrative problem solving. This approach is best utilized when there is a solution that would optimally benefit both parties.

(WIN – WIN)

Third Party Intervention

- The previous approaches have been focused on situations that directly involve the manager. In this section, we will shift to the situation where a manager attempts to resolve conflict between two other parties.
Mediation or Arbitration

- Mediators try to help two parties resolve a conflict in a constructive manner.
- An Arbitrator hears both sides of the argument then makes a binding decision.

Mediators Can:
- Encourage face to face negotiations
- Be a communication link
- Facilitate Bargaining
- Seek concessions
- Clarify information
- Clarify settlement preferences
- Build Trust between parties
- Discover integrative solutions

Process Consultation

- The focus of mediation is the issues.
- Sometimes the relationship between the parties will not allow for successful mediation.
- Process Consultation is directed at developing capacity of the parties to resolve conflicts.
The Process

• Help each party understand how they are perceived by the other.
• Have each party prepare a written description of how they perceive themselves and the other party.
• Include goals, intentions, attitudes, and relevant behavior

Process Continued

• Exchange and analyze the others description.
• Analyze the discrepancies.
• Conduct separate meetings with each party.
• Bring parties together to discuss the difference in perception.

Process Continued

• Facilitate active listening.
• Use restatement.
• “Seek first to understand, then to be understood.” Covey
• Discourage non-productive comments.
• Identify issues and actions to be taken.
Process Continued
• Concentrate on behaviors
• Do not permit interruptions
• Select 1 or 2 behaviors pointed out by the other party to work on.
• Describe specific actions to take
• Schedule follow-up meetings

Organizational Changes
• Reduce conflict thru organizational changes.
• Eliminate incentives for competition.
• Replace with for cooperation.
• Compensation and Joint Goals
• Foster teamwork and respect

Changes Continued
• Reorganize workflow
• Improve Communication
• Reduce Physical Separation
• Provide Common Training
• Reduce Status symbols such as uniforms, parking, dining...
Problem-Oriented Actions
- Encourage shared definition of problems
- Provide factual information
- Encourage disclosure of real needs
- Identify shared goals
- Encourage integrative solutions
- Suggest compromises
- Ensure commitment of both parties

Relationship-Oriented Actions
- Remain impartial
- Show acceptance and respect
- Discourage non-productive behaviors
- Ensure equality in time
- Encourage active listening

Actions Continued
- Use humor to reduce tension
- Ask each party to describe how they view the other’s behavior
- Ask the other party to restate this perception
- Ask each party to describe their own intentions
Actions Continued

• **Compare self-perceptions to the other party's**
• **Ask each party to select one or two things they will change to improve relations**
“Decisions of the kind the executive has to make are not made well by acclamation. They are made well only if based on the clash of conflicting views, the dialogue between different points of view, and the choice between different judgments. The first rule in decision making is that one does not make a decision unless there is disagreement.”

- Peter Drucker
Managing Conflict

Purpose
This module is designed to develop the manager’s ability to recognize and to resolve conflicts within the organization in order to achieve win-win scenarios by:

- Recognizing the underlying roots of conflict
- Actively encouraging the expression of alternative points of view
- Recognizing conflict management styles and their impact

Learning Objectives
By the end of this module, you will be able to:

- Describe different conflict management styles and determine where they would be appropriate
- Explain and provide examples of key principles for resolving conflict
- Understand the advantages and disadvantages of conflict
- Understand the conditions causing conflict
- Understand procedures for carrying out third-party interventions to manage conflict
Managing Interpersonal Conflict

A conflict is a dispute or struggle in which each party expresses hostility toward another party and/or interferes with the other party’s goal attainment. Conflicts can occur regardless of whether the parties have goals that are incompatible. Conflict occurs to some extent in all organizations and is a natural part of social relationships. Conflict does not have to be disruptive; to the contrary, conflict can have good consequences as well as bad ones. The managerial objective should be to manage the conflict in such a manner that benefits are retained and the adverse effects are minimized.

Negative consequences of conflict are due primarily to disruption of communication and reduction of cooperation and teamwork. When members of an organization have interdependent activities, performance will suffer if there is a lack of cooperation and refusal to share information due to chronic conflict. The productive activity of the group will be reduced further by diversion of time and energy to “WINNING” conflicts. Individuals engaged in conflicts typically experience stress, frustration, and anxiety, which reduce job satisfaction, disrupt concentration on the goal, and encourage withdrawal in the form of absenteeism or turnover. When conflict is excessive, the organization may be torn apart or immobilized, unable to take unified action in the face of threats from the external environment.

On the other hand, without some conflict an organization would not be able to maintain its vigor and adapt successfully to a changing environment. Adaptation requires changes in objectives, priorities, strategies, and procedures. Such changes create inconvenience, and they usually involve the redistribution of assets, power, and status. Many members of an organization will resist changes of this magnitude. Without overt conflict, these are unlikely to occur rapidly enough to ensure successful adaptation to external threats. In general, decisions involving conflict are less likely to reflect “stagnant thinking” or biased perceptions if forged from disagreement. Conflict often results in change and innovation. Although conflict is often a reflection of resistance by one or more parties to innovations recommended by another party, it may also serve as a source of motivation for all to seek innovative solutions that resolve conflicts in mutually satisfactory ways.
Antecedent Conditions

Conflicts may be due to a variety of conditions. Many conflicts will involve more than one condition, and the sources are not always mutually exclusive.

Competition for Resources

- Paucity of resources- budget, space, supplies, personnel, support services
- The scarcer the resource the more likely the conflict
- Poor communication will likely increase probability
- Semantics and selective interpretation of information
- Misconceptions and mutual distrust

Open communication does not necessarily result in less conflict, and sometimes it creates conflict that would not otherwise have occurred. It can reveal inequities or value differences between parties, thereby stirring up resentment and hostility.

Values, Beliefs, and Traits

- Competition for status or advancement (ambition)
- Dominance vs. subordination (Theory X)
- Insecurity
- Religious, ethical or cultural values and beliefs
- Intolerance, dogmatic, and/or inflexible
- Narcissistic- dissent = personal rejection
Reactions to Conflict

The parties to conflict may react in a variety of ways. Withdrawal and smoothing are attempts to avoid a confrontation over a conflict of interest. Accommodation is an attempt to avoid or end conflict by giving in to the other party. Reactions such as persuasion, forcing, bargaining, and integrative problem solving are forms of confrontation with different consequences for how conflict is resolved.

Accommodation

Accommodation occurs when a person immediately gives in to another’s requests or demands, even though the person would prefer to do something else. (Submission, capitulation or appeasement)

- Most likely when a harmonious relationship is more important
- When one has an overwhelming power advantage
- There is no avoidance or compromise likely
- Danger- The appeaser may appear weak
- Can become a self-reinforcing

Withdrawal and Avoidance

Conflict may cause one or both parties to withdraw from the relationship.

- Transfer or resign
- Avoid all interactions in the future
- Can work if there is no need to interact
- Interdependent tasks require coordination and cooperation, this will not work
**Smoothing and Conciliation**

There are a number of conciliatory actions one can take to improve relations while avoiding confrontation:

- Tell the other party that you desire to improve relations
- Offer compliments and show respect for achievements of the other party
- Avoid making accusations, threats, or disparaging comments to the other party
- Reinforce conciliatory actions by the other party by praising them and reciprocating
- Emphasize the common characteristics and mutual interests
- Make specific offers of assistance
- Agree not to bring up differences in values or beliefs

Smoothing may be an effective reaction to avoid escalation of conflict and to improve relationships if the source of conflict is not related to task performance. However, like withdrawal, smoothing will not be effective if used to avoid confronting disagreements involving problems of coordination, sharing of resources, joint responsibility, and other subjects related to the performance of both parties. Such problems are likely to grow worse rather than disappear if ignored.
**Persuasion**

One approach for confronting conflict is to attempt to change the other party’s position through the use of rational persuasion.

- Provide factual evidence supporting your position
- Discredit information supporting the opponent’s position
- Point out errors in logic of your opponent
- Point out possible costs and disadvantages of the other party’s proposal that may have been overlooked
- Point out how your proposals will benefit the other party
- Show how your proposals are consistent with prior precedent, prevailing norms, or accepted standards

The success of a persuasive appeal depends upon the credibility of the presenter and on the willingness of the other party to consider factual information relevant to the disagreement. A persuasive appeal is more likely to be successful if the parties have compatible goals but disagree about the best way to attain these goals. If parties have incompatible goals, persuasive appeals are likely to be ignored or discounted. Persuasive tactics are more effective if they do not threaten the ego or status of the other party. For example, rather than accusing the other party of being ignorant or malicious, simply provide evidence showing that your position is more likely to benefit both parties. A direct attack on the other party’s position is less likely to succeed than an indirect approach, such as presenting facts that are likely to lead the other party to reach the desired conclusion.

Do Not become emotional: I/E = ME
**Forcing**

Another form of confrontation is the use of pressure tactics in an attempt to force the other party to give in. Pressure tactics in a conflict situation include threats, punishments, and positional commitments.

- Threat- an explicit or implicit warning that failure to comply will result in undesirable consequences
- Threats are more likely to be effective if perceived to be credible
- Credibility is dependent on capacity and willingness to carry it out
- Threats can lead to counter threats from equals
- Escalating spiral of aggression and counter aggression
- Positional statements- “non-negotiable”, “take it or leave it”

Forcing is seldom the best way to resolve conflict. It creates resentment in the weaker party, who is likely to react with passive-aggressive behaviors rather than enthusiastic commitment. The weaker party may actually sabotage the project by doing only what is specifically requested and showing no initiative in dealing with unanticipated problems. Forcing may also lead to withdrawal of the weaker party. However, forcing is more effective than avoidance if the conflict involves interdependent activities and the performance of both parties depends on the resolution of their disagreement.
**Bargaining**

Bargaining, defined as a process of exchanging concessions until a mutually acceptable compromise is reached. Usually, the goal of each party is to obtain the maximum possible benefits under the circumstances, without concern for the benefits obtained by the other party.

- Demand more than you expect to get
- Make small concessions and state that further concessions will not be made unless the other party makes a significant concession first
- Suggest a specific exchange of concessions that would be acceptable to you
- Informally signal a willingness to make a concession later if the other party makes one now
- Propose that a mediator be obtained to help find an acceptable compromise
- “Tacit Communication”- signal a willingness to be flexible without actually making an explicit offer or promise
- This encourages the other party to make concessions that will be reciprocated
- There is less danger of appearing weak
- Danger- if there is a mutually acceptable compromise, it may not be discovered during the bargaining process
- It is not likely to work if: one party is convinced they are right, if there is no trust, and/or if there is no way to ensure that an agreement will be observed
Even if bargaining is feasible, a compromise agreement sometimes fails to deal with the underlying problem in a rational manner.

**Integrative Problem Solving**

Integrative problem solving is an attempt to find a settlement that satisfies the needs of both parties. The conflict is defined as a mutual problem, and the parties cooperate in searching for a mutually satisfactory solution. Each party tries to understand the conflict from the other’s perspective and to discover what needs of the other party must be satisfied by any settlement. There is an open exchange of information about facts, needs, and feelings.

- Definition of the problem should be a joint effort
- Ample time should be allowed to explore the problem in the absence of excessive pressure for a settlement
- State problems in specific terms
- State points of initial agreement in the objectives, priorities and beliefs
- State points of initial disagreement
- Work together in developing alternative solutions
- Present a range of acceptable alternatives rather than a single best solution
- If a solution benefits one party more than the other, find special benefits for the other party to make it equitable
- All agreements on separate issues should be considered tentative until every issue is resolved (interrelation of issues)

Positional commitments and specific hard demands are inconsistent with a flexible, exploratory approach to problem solving. The use of force or bargaining is likely to undermine any efforts to carry out integrative problem solving.
solving. This approach is best utilized when there is a solution that would optimally benefit both parties. (WIN-WIN)

**Third-Party Interventions**

The previous approaches for handling conflict have been focused so far on situations directly involving a manager. In this section, we will shift our focus to the situation where a manager attempts to resolve conflict between two other parties, such as two subordinates, a subordinate and a peer, or a subordinate and a client.

**Mediation**

Mediators try to help two parties resolve a conflict in a constructive manner. Unlike an arbitrator, who hears both sides then makes a decision, the role of a mediator is to help the parties find a mutually agreeable solution. Success is more likely if the mediator is perceived to be impartial and trustworthy. One potential contribution of a mediator is the re-establishment of communication that has broken down.

A mediator can:

- Encourage the parties to resume face-to-face negotiations
- Be a communication link when talks have broken down
- Facilitate bargaining if deadlocked
- Test potential compromises by seeking concessions
- Aid in integrative problem solving by collecting and clarifying factual information
- Help a party understand preferences among potential settlements
- Bridge a trust gap between parties
- Discover integrative solutions not apparent to opposing parties
**Process Consultation**

The intervention of a mediator improves the prospects of a settlement, but mediation is not always successful. The focus of mediation is on the issues, not the underlying relationship between the parties. Sometimes there is so much distrust and hostility in the relationship that a constructive settlement cannot be achieved until the relationship is improved. Process consultation is a form of third-party intervention that is directed at improving the relationship and developing the capacity of the parties to resolve conflicts by themselves.

The Process:

- Help each party understand how they are perceived by the other
- Have each party prepare a written description of how they perceive themselves and the other party
- Include goals, intentions, attitudes and behavior relevant to the relationship
- Exchange and analyze the others description
- Each party analyze the discrepancies
- Conduct separate meeting with each party to discuss the issues
- Bring the parties together to discuss the difference in perception
- Facilitate active listening, use restatement
  
  “Seek first to understand, then to be understood” - Stephen Covey
- Discourage non-productive derogatory comments
- Identify issues that need to be resolved and actions to be taken
• Concentrate on behaviors rather than intentions or traits

• Do not permit interruptions

• Select one or two behaviors pointed out by the other party to work on and improve

• Describe specific actions to be taken or changes to be made

• Schedule follow-up meeting(s)

**Organizational Changes**

Reduce conflict by making organizational changes:

• Eliminate incentives for competition

• Replace with incentives for cooperation

• Create a compensation system that in part includes cooperation and/or joint goals

• Create a culture that fosters teamwork and mutual respect

• Reorganize workflow to increase/decrease interdependence

**Hot Shot Project**

• Improve communication by providing more opportunities (Staff Meetings)

• Reduce Physical separation

• Provide common training sessions

• Reduce status symbols by combining: uniforms, parking, dining
Guidelines for Third Parties

**Problem-Oriented Actions**

- Encourage shared definition of the problem by asking each party to explain how it is viewed, using situational terms instead of personal terms where someone is at fault.

- Provide factual information relevant to the problem or help to verify it.

- Encourage both parties to disclose their real needs and priorities.

- Encourage the parties to identify shared objectives and goals.

- Encourage generation of integrative solutions after the problem is defined.

- Suggest helpful compromises or integrative solutions not obvious to the parties.

- Check to ensure commitment of both parties to any agreement.
Relationship-Oriented Actions

• Remain impartial and show acceptance and respect toward both parties

• Discourage non-productive behavior such as threats, insults, stereotyping, and exaggerations (“You people always…”)

• Ensure that each party has ample opportunity to speak and that nobody dominates or avoids the conversation

• Encourage active listening (no interruptions, restatement of the other party’s position)

• Use humor to reduce tension

• Ask each party to describe how they view the other’s behavior and intentions, then ask the other party to restate this perception

• Ask each party to describe their own behavior and intentions and to compare their self-perception to the way the other party perceives them

• Ask each party to select one or two things they will change to improve relations
Conflicts have both positive and negative consequences in organizations. Conflicts are caused by a variety of factors, and more than one is often present in a conflict situation. It is easier to handle conflict, either as an involved party or as a third party, when the reasons for the conflict are known. Reactions to conflict take many forms, including accommodation, smoothing, withdrawal, persuasion, forcing, bargaining, and integrative problem solving. The appropriateness of each reaction depends on the nature of the conflict. Procedures have been developed to facilitate the efforts of third parties to help resolve conflict between groups or between individuals. Major forms of third party intervention include mediation and process consultation.

The success of a manager in handling conflicts depends in part on one’s skills in diagnosing the reasons for conflict and skills in selecting an appropriate response. However, success also depends on communication skills, influence skills, problem-solving skills, delegating skills, and skills in leading meetings.
Case Study: Torando Electronics

The prototype project development department of tornado Electronics Company played an essential role in the development of the product lines sold by the firm. The department consisted of 12 engineers and 35 technicians who worked on the first floor of the plant. Each project usually has at least two engineers and five technicians working together under the direction of a project manager.

When each project was started, the engineers submitted a written work order, and the department manager would assign the technicians to work with the engineers. Upon completion of each project, a quality control assessor would inspect the work. The engineers were recognized by the top management of the company as having the expertise to submit top-quality work orders, and in only a few instances were their requests rejected. The engineers were college graduates and were paid on a salary basis.

Most of the 35 technicians had previously worked as assembly workers at Torando, and they knew the plant operations very well. They were paid on an hourly basis, and most of their pay raises were based primarily on seniority. The majority of the technicians worked the day shift, although some had to work the other two shifts. Seniority was used to schedule the shift workers.

The technicians interacted with each other off the job, either through activities such as softball, bowling, card games, or professional football parties on the weekends during the season. The technicians ate lunch and took coffee breaks together.

The engineers rarely, if ever, spent any off-the-job time with the technicians. They had an engineering office where they took coffee breaks and often met after work to schedule some activity for the evening.

Rudy Garcia, the new department manager, was concerned about the strained relationship that existed between the technicians and engineers. He noticed the engineers complaining about the slowness and poor quality of work being done by the technicians. These complaints were occurring regularly. It was also obvious to Rudy that the productivity of the department was extremely low compared to similar departments in other plants of the company.

Because of the perceived problems in the department, Rudy started to investigate the relationship between the engineers and technicians. For two weeks he talked to a number of the technicians and most of the engineers to learn more about the interaction between the two groups. He found that the technicians believed that the engineers request work orders for projects that were poorly developed. The technicians also believed that their suggestions on how to accomplish projects were never followed.
Rudy discovered that the engineers believed that they were part of the management team and needed control over the technicians. The engineers believed that the technicians were feared by management because they were unionized. In addition, the engineers thought that the technicians were “dragging their feet” and passively resisting any suggestions or recommendations initiated by the engineers.

After his preliminary investigation of the situation, Rudy concluded that immediate action had to be taken. He wanted to be fair but firm in his efforts to minimize or resolve the friction.
Questions:

1. What conditions contributed to the conflict between engineers and technicians? Consider each of the following conditions:

   - *Competition for Resources*

   - *Task Interdependence*

   - *Jurisdictional Ambiguity*

   - *Status Struggles*

   - *Communication Barriers*
2. What actions could Rudy take to improve relations between the engineers and technicians? Consider each of the following types of intervention:

- *Mediation*

- *Process Analysis*

- *Organizational Changes*
Case Study: Computer Peripherals, Inc.

Gary Anderson, the director of manufacturing at Computer Peripherals, Inc. began to observe a disruptive amount of conflict between two of his key subordinates, Tony Bianco, the manager of Production, and Laird Howard, the manager of Quality Control. He decided to intervene in this problem by conducting a three-way conference among himself and the two managers. Gary hoped his two managers would develop a clear perception of the problem, which would lead to a resolution of the conflict.

Gary: “I’ve asked you two fellows to meet with me because I think your differences are getting out of hand. You’re both wasting a lot of time sending angry memos to one another. And I think you’re both creating morale problems. Just today one of our hourly employees told the plant personnel manager that the feuding between Production and Quality Control is causing production delays.

The way I want to handle this is for you two to arrive at a better understanding of the reasons behind your conflicts. I am not going to be an arbitrator or a judge. My role is to get you guys to work things out for yourselves. From the looks on your faces, it seems that I’d better give you some more structure. Tony, I’ll ask you to go first. Look at Laird and tell him what he’s doing that’s bugging you. Be candid and thorough. We’ll both remain silent while you’re talking. Then Laird will get his turn.”

Tony: “Laird, I don’t think I have anything against you personally. I just don’t like the way you’re doing a lot of things. In fact, Laird, you’re getting out of hand. Let me go over the points that come to mind. At the top of my list is the fact that you’re too picky. You look for defects too small for almost any customer to be concerned about. One example is last month you wrote a report saying our high-speed printer will hit a double strike once in 150,000 strokes. Who cares? The printer sells for $3,000 not $300,000.

Another problem I see is that you act like quality is a game. You and your crew are forever playing Gotcha. Instead of getting pleasure out of finding a zero-defect product, you get your jollies out of finding defects. I hate that gleam you get in your eyes when you tell the rest of the management team about quality defects you’ve discovered.

I also don’t like the idea of you being so sneaky and indirect. When you find a problem, I wish you would tell Production first. Instead, you pussyfoot around the plant telling other people. The other departments learn of these alleged defects before we do.

Maybe the biggest problem is that you’re losing your perspective. In your eyes, quality is king and queen. You seem to forget that unless we produce and sell a product, there would be nothing for your department to inspect. I think you’re too power hungry.”

Gary: “Thanks for being so candid. I can see Laird sitting on the edge of his chair, eager to let you know how he sees things.”
**Laird:** “I won’t dignify some of your charges with rebuttal. Besides, the way I understand the ground rules of this meeting, right now I’m just supposed to give you my impressions of your behavior. Above all, Tony, I believe that you give only lip service to product quality. If the president and Gary weren’t so solidly behind quality, I think you would have our department report to you. You would keep it under your thumb by converting the department back to a quality-control inspection operation.

One of the reasons I think you’re not really interested in quality is that you believe we don’t have a quality problem until we receive a customer complaint. I remember distinctly you refused to listen to our advice on those daisy-wheel printing discs until returns from dealers started pouring in. You told Gary you complied, but you really didn’t.

And talk about power plays, you’re the department that is trying to grab all the power and the glory. I have heard you downplay the importance of the quality department more than once. I heard that you tried to have the job of your department secretary upgraded one notch higher than that of our department secretary.

That’s all I have for now.”

**Gary:** “Now let’s see how well each of you were communicating and listening. Tony, state in your own words what criticisms you heard Laird make of you. Then, Laird, you do the same.”

**Tony:** “Laird thinks I’m a power-crazy fool from production. Seriously, Laird has these negatives about me. He thinks I’m truly interested in manufacturing and won’t accept his recommendations. He thinks that I want too much power for our department and that I’m thin-skinned.”

**Laird:** “Tony has some issues in relation to me that I didn’t realize existed. He thinks I’m too perfectionistic and that I’m playing games with him instead of only pointing out true quality problems. He believes that I embarrass his department by telling other departments before I notify him, and that I place too much importance on product quality.”

**Gary:** “The fact that you can both see clearly what each other thinks’ is a good starting point. The next step is to take action, to grant some concessions to the other side. Tony, let’s begin with you. What changes can you make to decrease the conflict between you and Laird?”

**Tony:** “Since I think I pay much more than lip service to quality, I see no need for changes there. Yet, I will make a deliberate effort never to downplay the contribution of the quality department to our overall manufacturing effort. And I will try to be more open to the suggestions Laird’s group has to offer.

**Gary:** “Laird, I’d like you to react to Tony’s comments, and then specify what changes you think you can make.”
Laird: “I would be very satisfied if Tony would make the changes he just spelled out. I don’t think we’re being too picky, but I guess I do act a little too triumphant when we find errors. Perhaps I’m like a dentist who gets a thrill out of discovering a cavity. I will tone down a bit there. Also, I’ll make certain that if we discover any quality problems, I’ll discuss them with Tony first. I do feel a little guilty about having been loose-tongued on that matter in the past.”

Gary: I think we’ve made a good start toward resolving these problems. Let’s all get together for lunch in about a month to review progress on these matters.”
Questions:

1. Describe effective behaviors by Gary in dealing with the conflict.

2. Evaluate the likely success of the intervention.

3. What other techniques or approaches could have been used?
**KB Sportswear Role Play**

**Instructions:**

The purpose of this role play is to give students an opportunity to experience what it is like to be in a conflict situation involving management issues. The role play involves three parties: the president of KB Sportswear, the vice president for sales, and the vice president for production. The conflict involves the two vice presidents. The person playing the role of company president has an opportunity to practice techniques for third-party interventions, an observer may be used to take notes on how the conflict was handled. Do not look at the materials for any role other than the one you are selected to play.

If you are selected to be one of the vice presidents, read the background information and the information for your role. Try to imagine how the person would actually feel in that situation and try to act accordingly. However, at the same time, be willing to respond to any sincere efforts to find a satisfactory solution to the problem that is the major source of the conflict.

The person selected to play the president of the company should read the background information and role for the president. If an observer is used, the person who acts as observer should use the form provided to take notes on the conflict process.

Your instructor will provide additional information on procedures for the role play.
Background Information:

KB Sportswear is a small company that manufactures clothing used in sports and recreational activities, including ski apparel, jogging outfits, swim wear, tennis outfits, and clothing for hunting and fishing. The company’s sportswear is manufactured at two small plants just across the border in Mexico. KB sells its sportswear to a variety of department stores, sporting goods stores, and clothing stores, including small, individually owned stores as well as large chain stores.

The sportswear markets serviced by the company are increasingly dominated by fads and fashion trends. Items such as ski jackets and sweaters and jogging outfits are purchased more for general use, not for use in a sports activity. In any given year, some styles and patterns for a particular type of sportswear are likely to be more popular than others. The stores typically order only limited quantity of various items, then place follow-up orders for particular styles that are selling well. Since most sportswear is seasonal and fashions change from year to year, it is very important for stores to receive quick delivery on those reorders. Otherwise, they miss opportunities for profitable sales and may be stuck with inventory that cannot be sold except at greatly reduced prices at post-season sales.

The company has a sales force of twenty sales representatives, each with a different territory. The sales representatives work on a commission basis. Since one basis for making sales is the promise of quick delivery, there is intense pressure from the sales representatives to get a reorder filled quickly.

Orders made by the stores are placed with the sales representatives or sent by mail directly to the headquarters sales office in Los Angeles. Because of the urgency for quick deliveries, reorders are usually called in the sales office by the sales reps, or by the customers themselves. A credit check is made on the customer by the sales office before an order is sent to the headquarters production office. Depending on the results of a credit check, the customer may be required to pay in advance before an order is filled.

By the time most reorders come in, the plants are usually in the middle of producing items for the next season. If this production is disrupted, the line of sportswear for the next season will not be ready on time. Thus, production scheduling is very important.

During the past year, average delivery time for reorders has increased from four weeks to six weeks, and relations between sales and manufacturing have deteriorated over this issue. The president, Paul (Pauline) Campbell, has called a meeting with the vice president of sales, Carl (Carla) Jackson, and the production vice president, Luis (Louise) Sanchez, at company headquarters in Los Angeles to attempt to resolve the conflict.
Role for KB President, Paul (Pauline) Campbell

You have been the president of KB Sportswear for the last five years. The company has been growing steadily in sales, and its lines of sportswear are now being sold in most parts of the United States. However, the problem of delivery delays on reorders threatens to cut into sales, and may have done so already. You believe that the company has enough plant capacity to produce all of the sportswear that it can sell this year if the production scheduling problems can be worked out.

There are several constraints on solving the problem. The company cannot afford to maintain large inventories of items if it is going to be stuck with many unpopular lines that do not sell. KB cannot afford to build or buy another plant at the present time, although in another year or two it may be feasible. If absolutely necessary, it is possible to subcontract some work to other companies. However, subcontracting production would increase costs, which are now at minimum levels, and would not necessarily guarantee any faster delivery of reorders. You hope that you can help to resolve the conflict between sales and production and get them to cooperate in discovering how to reduce delays in delivery of reorders.
Role for VP-Sales, Carl (Carla) Jackson

You are glad that this meeting is being held so that you can express your growing frustration with the production people. Don’t they understand that without sales there wouldn’t be any company? Nearly half of KB’s sales are accounted for by reorders. You are proud of your record in increasing sales over the last two years, but the same kind of increase will not be possible in the next two years if delays in deliveries continue to get worse. Even now, some potential sales are being lost to other companies who guarantee faster delivery. Once a company gets a bad reputation about late deliveries, it becomes difficult to obtain any business from large stores who are your most important customers.

Several of the sales reps have complained to you that the production people are uncooperative. When the sales reps try to find out about an order, they usually can’t get a definite answer. How can they make sales if it is impossible to tell a store how long it will take to get a reorder? You heard through the grapevine that one of the sales reps stopped in at the plant last week to check on a special order and was told never to come back. You believe that Production is entirely at fault for the problem of slow deliveries on reorders. All they seem to care about is saving a few dollars on production costs. The production scheduling doesn’t seem to make any sense. Sometimes a sales rep has to wait five weeks for a reorder, and other times the same type of order is filled in two weeks. Why can’t Production fill all of the reorders in two or three weeks? You wonder why things are so screwed up in Production. Are the managers down there in those Mexican plants taking too many siestas?

In addition, your sales reps complain that Production doesn’t seem to have any sense of priorities. A reorder for a small store is sometimes filled before a reorder for a major customer like a department store chain. If Production cannot do all of the reorders quickly, then they should expedite reorders for the major customers and let the less important customers wait longer.

You believe that the production mess can be straightened out with better management. However, if it is not possible to speed up deliveries with the present facilities, then the company should build another plant or subcontract the reorders to other companies. Most of KB’s lines could be made anywhere in the world, such as Korea or in Singapore.
Role for VP-Production, Luis (Louise) Sanchez

You have been looking forward to this morning, because it is about time something was done about the sales representatives. All they seem to care about is making fat commissions. They make unrealistic promises of fast delivery to stores, and then they expect miracles from Production to bail them out. They have become especially obnoxious lately in pestering the plant managers or anybody else they can talk to about reorders. Production people are constantly getting telephone calls from one sales rep or another checking on reorders. Some sales reps attempted to influence a plant manager to give them favorable treatment. You heard that last week one sales rep even came to the plant and offered a bribe for doing his order first. The manager threw him out and told him never to show his face again in that plant.

You are proud that production of sportswear by KB has been increased substantially, while unit costs have been kept below the industry average. It is this success that allows the company to remain competitive in its pricing of sportswear. However, you cannot keep production costs down if you have to keep interrupting the high-volume work on next season’s lines to make small batches of reorder items. Don’t the sales reps understand that you can’t shut down regular production every time they have some little ski shop in Vermont that wants a dozen ski jackets? If sales people could tell you sooner which items are selling well, rather than waiting for actual reorders, you could build up larger inventories of the “HOT” items.

You are aware that the delivery time on reorders has gotten worse, but it is not your fault. As sales have increased in the last two years, the two plants have come close to full capacity, making the scheduling of production for reorders even more difficult than before. Your plant managers usually delay production on reorders until there is enough volume of a particular type of item to make it economical to interrupt the regular production. Only very large reorders that don’t have to be combined with other orders get processed quickly.

Delays in delivery of reorders are due also to the tougher requirements for credit checks instituted last year by the headquarters sales office. Before you can fill a reorder you must wait for a credit check on the customer to be completed, even major department stores worth many times more than KB Sportswear. Relaxing these requirements would help speed up deliveries on at least some reorders.
**Instructions for Observer**

Note any examples of effective behavior in the following categories by the person who plays the role of company president. Make a checkmark if behavior is observed. Use notes as a basis for your feedback.

**Problem-Oriented Actions**

1. Encourages shared definition of the problem by asking each party to explain how it is viewed, using situational terms, not personal terms.

2. Provides factual information relevant to the problem or help to verify it.

3. Encourages both parties to disclose their real needs and priorities.

4. Encourages parties to identify shared objectives and values.

5. Encourages generation of integrative solutions after the problem is defined.

6. Suggests helpful compromises or integrative solutions not obvious to the parties.

7. Checks to ensure commitment of both parties to any agreements.
**Relationship-Oriented Actions**

1. Remains impartial and shows acceptance and respect toward both parties.

2. Discourages non-productive behavior such as threats, insults, stereotyping, and exaggerations (e.g., “you people always…”)

3. Ensures that each party has ample opportunity to speak and that nobody dominates the conversation.

4. Encourages active listening (e.g., no interruptions, restatement of the other party’s position).

5. Uses humor or smoothing to reduce tension.

6. Asks each party to describe how they view the other’s behavior and intentions, and then asks the other party to restate this perception.

7. Asks each party to describe their own behavior and intentions and to compare their self-perception to the way the other party perceives them.

8. Asks each party to select one or two things they will be willing to change to improve relations.