Think of a man fifty-four years of age who has been with his employer for twenty-five years. In recent years, the company he works for has grown significantly, primarily through acquisitions. As a result of this growth, the workforce in the past decade has more than doubled in size. The strategy and structure of the organization have changed several times during these years. Our protagonist in this brief story has experienced many and rather intense changes. First, the nature of his relationship with his employer has shifted from one of relative job security to a feeling that he could be redundant any day now. Second, there are many new faces in his work life now, with a number of them being “different”: younger, of course, but also different in ethnic and educational backgrounds, as well as seeming to hold divergent values. These differences become manifest in problem-solving meetings, and our friend often disagrees but does not know whether to speak up or keep his mouth shut. In either case, he ends up feeling uncomfortable and conflicted. Third, while the organizational structure seems to change annually, what remains constant are silos, units within the organization acting independently with little exchange of information and cooperation with one another. And, finally, with each new acquisition, there is yet another corporate culture to absorb, and these acquired cultures never seem to fit together. Thus, the workplace for our friend is in a constant state of flux and causing considerable stress, and he is seriously contemplating taking the company’s early retirement package.

This short story illustrates the nature of conflict in organizations today—conflict at multiple levels. Our friend is experiencing conflict at an individual personal level. The characteristics of his psychological contract with his employer have changed, causing internal, personal angst and conflicted feelings about whether to remain loyal and hard working or to leave:

- The different workforce has contributed to his feelings of being from another planet, and not knowing whether it is worth confronting and discussing these divergences or simply to let well enough alone and revert to his comfort zone of introversion.
• In earlier days when his company was smaller, cooperation was the norm. Today members of work units protect their turf, and the norm is more like win-lose instead of collaboration with the possibility of win-win.

• Bringing in these new businesses with their different cultures requires an enormous amount of energy to cope with the differences and attempt to work together. Moreover, these new acquisitions are like second marriages: hope seems to overpower experience and reality.

Conflict in organizations, then, can be addressed and understood at four levels or interfaces: (1) the individual with the organization, (2) individuals with one another, (3) organizational units with other units, and (4) interorganizational relationships. These interfaces are not discrete, but it is useful to our understanding to treat them as somewhat distinct. The organization of this chapter is therefore according to the four levels and interfaces, and our ultimate purpose is twofold: to understand the nature of conflict at each level and suggest ways of dealing with these conflicts in as productive a manner as possible.

Before covering each of the four levels of interfaces, let us review what seem to be the primary contributors to causes of conflict in organizations today:

• Globalization with the consequent need for greater understanding and effectiveness in dealing with cross-cultural dynamics
• Constant and a more rapid rate of change, especially in the external environment for organizations, causing a lag effect; that is, the organization experiences an unprecedented state of trying to catch up
• Greater employee diversity
• Flatter organizational hierarchies, causing less managerial oversight, more self-managed groups, and virtual teams
• Increasing complexity of work in most organizations, which leads to myriad perspectives and viewpoints
• Increasing electronic communication, particularly e-mail, which causes less face-to-face contact (losing the benefit of nonverbal cues) and more “freedom” to communicate in confrontive, potentially hostile ways
• Constant pressure on organizations to be cost conscious and effective at managing costs, causing a scarcity of resources, which increases competition among managers in particular and employees in general

These seven contributors to conflict in organizations are not comprehensive or exhaustive, but they do represent some of the most important and
powerful forces in the workplace today that give rise to discord. This chapter considers the consequences of these contributors in terms of four levels and interfaces in the modern organization.

**PERSONAL AND INDIVIDUAL**

In the areas of both organization and management theory (a division of the Academy of Management) and organization development and change (another division of the academy), Lawrence and Lorsch (1967, 1969, respectively) contributed theoretically and practically to our thinking and application with their notion of interface. They concentrated on what they considered to be the three primary interfaces: the organization-environment interface, group-to-group interface, and individual-and-organization interface. As noted already, these three interfaces plus interpersonal comprise the four sections of this chapter beginning with the individual-organization level and interface.

Lawrence and Lorsch (1969) address this person-organization interface in broad terms as the degree of congruence between the organization’s goals and those of the individual employee. For our purposes in this chapter, we need to be more specific and therefore focus on the psychological contract between the organization (management) and the individual employee. One of the first to address this idea was Argyris (1960). The idea “of a psychological contract implies that there is an unwritten set of expectations operating at all times between every member of an organization and the various managers and others in that organization . . . expectations about such things as salary or pay rate, working hours, benefits and privileges that go with the job, guarantees not to be fired unexpectedly, and so on” (Schein, 1980, pp. 22–23). The psychological contract, broadly considered, has been about job security. The implicit message has been that loyalty and satisfactory work performance on the part of the individual will link to a promise on the part of the organization not to fire one unexpectedly and for the most part not to fire anyone at all. In other words, be loyal to the organization, perform satisfactorily, and you keep your job until retirement. This implicit agreement was an important, albeit unwritten, expectation for many years, especially in the business-industrial world. This agreement is no longer the same, with its replacement being rather vague and therefore providing the basis for anxiety and conflicted feelings on the part of individual employees.

The change in the psychological contract has been a consequence of downsizing, mergers and acquisitions, and the more rapid rate of change. With downsizing, people are “laid off”; with mergers and acquisitions,
people become “redundant” and half have to go; and with more change in general, individual jobs and the people who hold them change as well. It is now clear that to expect a job until retirement is a relic of the past. In fact, some corporations, including General Electric, make it clear to new employees that they should not expect to be with GE for all or even a majority of their working life. What is the more current psychological contract if one exists at all?

Again we need to bear in mind that the psychological contract is a set of unwritten rules, and what has not changed that much regarding one’s expectations are such things as rate and amount of pay (usually what the labor market trends dictate) and a reasonable amount of clarity about what the job is and requires in terms of performance. Almost everything else regarding expectations has changed, even the content and amount of fringe benefits. The most significant change is, of course, the relative lack of job security.

The internal conflict for today’s employees is whether to work hard and be loyal, all the while knowing that the organization’s management is not likely to be loyal in return.

There does appear to be a trend, although it is not entirely clear, in the direction of providing opportunities for employees for training and development, that is, to enhance their skills and abilities, learn new ones, and be reimbursed for tuition payments at local colleges and universities in order to advance themselves with an academic certificate or degree. In other words, the implicit agreement is something like management’s stating, “Give us your brainpower, abilities, and hard work, and we will give you in return a decent, competitive salary perhaps with additional incentives for high performance, plus opportunities to improve your work skills via training and development opportunities.” In a sense, job security has been replaced with opportunities to learn and improve oneself. This trend regarding the new psychological contract is by no means true for all organizations, maybe not even for most, but it is likely to continue and spread as the competition for talent grows.

The antidote for this special case of individual, personal conflict is constantly to seek opportunities for lifelong learning and keep one’s résumé up-to-date.

**INTERPERSONAL**

The interpersonal level or interface can be defined in terms of a relationship between two people, for example, boss-subordinate or leader-follower, and relationships among a number of individuals—how three, four, five, six, and more people relate to one another. In any case, most often at the
interpersonal level in organizations, we are referring to people who work together much of the time.

At this level in the organization, it is important first to distinguish between real and phony conflict. Jerry Harvey (1974) has called this distinction to our attention with a theory that he has referred to as “the Abilene paradox” named after an ill-fated family trip to Abilene, Texas, when all four members of the family agreed to go on the trip yet individually none of them really wanted to go. In other words, each family member colluded with a process that he or she felt was actually stupid to do simply “to keep peace in the family,” even though after the trip they got into a big argument. Harvey (1974) calls this collusive behavior a crisis—a serious lack of managing agreement. He further contends that dealing with underlying agreement is an important problem in organizations. He goes on to state that:

There are two kinds of conflict, real and phony:

- Real conflict involves real, substantive differences. (“The research project is technologically feasible.” “Not according to my reading of the data.”)
- Phony conflict consists of the hostile, negative blaming behavior that occurs when agreement is mismanaged. (“I told you the project wouldn’t work. Look at the mess you’ve got us in.” “Don’t blame me. It would have worked if you had done your job.”)

Thus, conflict is a symptom, not a generic process, that is frequently used as a defense against taking existential risks. Being a symptom, conflict is frequently symptomatic of mismanaged agreement! (Harvey, 1977, pp. 165–166).

Having established that the conflict is real, let us now explain the nature of conflict at the interpersonal level, first addressing the boss-subordinate or leader-follower relationship and then peer to peer.

**Boss-Subordinate and Leader-Follower Relationships**

Ask employees these days if they are experiencing stress on the job, and most are likely to reply with a resounding, “Yes!” Ask a second question about what causes this stress at work and, again, most are likely to respond, “My boss!” Citing a study by Hogan, Raskin, and Fazzini (1990), the authors of an article four years later in *American Psychologist* (Hogan, Curphy, and Hogan, 1994) noted that organizational climate studies from the mid-1950s to the mid-1990s routinely show that 60 to 75 percent of the employees in any organization—no matter when or where the survey was completed and no matter what occupational group was involved—report that the worst or most stressful aspect of their job is their immediate supervisor. Good leaders may put pressure on their people, but abusive and incompetent
management creates billions of dollars of lost productivity each year. Without question, conflict abounds at this level in work organizations. What are some remedies? Here are some possibilities:

- Provide “managing people” training for supervisors and managers.
- Reexamine criteria for selecting individuals for supervisory, managerial, and especially leadership positions. Too often the basis for selecting people for these positions is primarily technical ability: it is said that a good engineer is likely to be a good supervisor; a good classroom teacher is likely to be a good school principal; a good salesperson is likely to be a good sales manager. There is in fact no evidence to support any of these statements. While job knowledge is important for credibility as a manager or leader, more important are such qualities as conceptual ability, emotional intelligence, which includes self-awareness, and a controlled desire to make a difference, that is, not for personal reasons such as self-aggrandizement, but for reasons that are associated with organizational goals.
- Establish or maintain a process of job rotation particularly for management positions. This practice can help people in management to learn and develop and can help employees believe that they are not going to be stuck with a bad boss forever.
- Incorporate a regular process of multirater feedback for people in management. Systematic feedback over time about one’s management and leadership practices, when coupled with coaching, can improve performance (see, e.g., Luthans and Peterson, 2003; Seifert, Yukl, and McDonald, 2003; Smither and others, 2003).

These actions can help, and so can other remedies not listed, such as quick removal of people in management who are clearly incompetent, especially in terms of managing and relating to others. The point is that this kind of conflict between bosses and subordinates, leaders and followers should not be allowed to continue. There are remedies.

**Peer-to-Peer Relationships**

Conflict between and among peers in work organizations usually takes the form of competition: competing for scarce resources, competing for attention and recognition from a common boss (assuming the person is not abrasive and arrogant), and competing for the “best” way to accomplish a task. Additional conflict at the peer level certainly occurs, but not as obviously as the examples convey. This latter form is in the arena of organizational politics such as currying favor from some influential person in the organization to obtain what one may want, forming an informal coalition to “defeat”
some intended action, or spreading negative opinions about someone to lessen his or her influence and status. Paying attention to organizational politics can also be seen as positive—making certain that many, if not all, stakeholders and constituents are informed, asked for their opinions and advice, and otherwise included before some decision is made or action taken.

Antidotes to peer conflict include the kind of action just stated regarding involving and networking with stakeholders and constituents. Other remedies besides the simple and obvious one of communicating include providing opportunities for employees at all levels to learn and practice effective negotiation skills and perhaps occasionally seeking the help of a third party to resolve the conflict. Stereotypes of both Americans and Japanese are relevant here. Americans supposedly confront conflict directly and Japanese do not, preferring the assistance of a third party. As with any other stereotype, it does not fit universally. Some (maybe many) Americans prefer to avoid conflict and hope that it will go away. For these “nonstereotypical” Americans, copying the Japanese might be appropriate, that is, asking a third person to talk independently with the two conflicting individuals and then either attempt to mediate the conflict in a face-to-face meeting or continue to work toward resolution by talking separately with each of the people in conflict.

Finally, for this interpersonal level, it is important to bear in mind that fundamental individual differences based on personality, not just ethnic differences, cross-cultural differences, or overlapping roles and responsibilities, contribute to conflict. One interesting example is Jung’s distinction between sensing and intuitive types. People with a strong preference for sensing in how they take in information want facts, that is, specific, concrete information, and rely on what they see, hear, and smell (i.e., what they sense) to make up their mind and perhaps make a decision. Intuitive types prefer ideas, images, and patterns and rely on their hunches (intuition) to make up their mind and then perhaps make a decision. It has been said that these two different types represent the greatest communication problem between two people known regardless of where they were born, grew up, or were educated. Tolerating this kind of basic, human difference between us can go a long way toward resolving interpersonal conflict.

### Intergroup Relationships

In this Handbook, Chapter 10 is devoted to intergroup conflict. The author, Ronald Fisher, examines the history of theory and research, sources and dynamics of conflict, and implications for understanding and practice. Building on Chapter 10, this section addresses some consequences of intergroup conflict and then considers ways of reducing the negative consequences of this kind of conflict, followed by an actual case that illustrates
how the deployment of conflict management methods between groups can be conducted and lead to resolution.

The fundamental paradox of organization design and structure is that work needs to be divided among people and groups (work units), yet at the same time, the work must be coordinated and integrated for ultimate organization effectiveness. As tasks are differentiated, work units form, and these groups develop and become committed to their own norms and goals. Over time this commitment to “our” goals and “our” way of doing things strengthens. Thus, silos become the dominant characteristic of organizational structure, and coordinating, integrating activities and entities become comparatively less important. Organization effectiveness suffers since resolution of inevitable differences between groups has to occur at the very top of the hierarchy or pyramid. Conflict rising to the top takes time and then may be resolved in temporary ways, if resolved at all. As Schein (1980) put it: “The overall problem, then, is how to establish collaborative intergroup relations in those situations where task interdependence or the need for unity makes collaboration a necessary prerequisite for organizational effectiveness” (p. 172). Schein goes on to list some of the consequences of intergroup conflict and competition with the thought in mind that these consequences reduce overall organizational effectiveness:

What Occurs within the Competing Groups

- Each group closes ranks and becomes more closely knit and loyal to one another as members.
- Group climate becomes more task focused and less informal and casual.
- Group leadership becomes more authoritarian and less participative.
- Group structure—for example, member roles and responsibilities—becomes more formal and tight.
- More loyalty on the part of members to the group is demanded so that a solid front can be maintained.

What Happens between the Conflicting Groups

- The other group is seen as the enemy.
- Distortion of perceptions increases—for example, “We are strong; they are weak.”
- Hostility between the groups increases.
- Members tend to hear only those things that support their group’s position.
RESOLVING CONFLICT BETWEEN GROUPS

While the following ideas and suggestions may not completely resolve intergroup conflict, with effort they are at least likely to reduce the conflict.

1. Find or develop a superordinate goal. From the early work of Sherif and his colleagues (see Chapter 10 in this Handbook and, e.g., Sherif, Harvey, and Sherif, 1961), this may not be the only way to reduce, if not resolve, conflict between groups, but it clearly seems to be the primary mode.

2. Similar to the notion of a superordinate goal is to concentrate on a “common enemy.” This might take the approach of shifting competition between the two groups to joining forces in order to defeat a competitor in the marketplace.

3. Conduct an intervention that brings the two groups together experientially to reduce, if not resolve, the conflict. Finding solutions together to resolve the conflict can itself serve as a superordinate goal. The case that follows illustrates this process and intervention.

Case Example

Although these three briefly listed ideas and suggestions have been around for a long time, and even though there is further literature about the nature of and how to deal with intergroup conflict (see, e.g., Beckhard, 1969; Blake, Shepard, and Mouton, 1964; Walton, 1969), using these ideas and techniques appears to be limited, a rare occurrence even in the face of considerable need. Blake, Shepard, and Mouton’s coverage of a headquarters-field conflict was quite comprehensive and took six days for reasonable resolution. Perhaps the length of time, energy required, and strong emotions that are likely to arise cause reluctance. On the hunch that perhaps a lack of knowledge and experience with specific steps and procedures for conducting an intergroup intervention in an organization of less than six days can in part account for a lack of use of these kinds of interventions, the case to follow will be described in detail.

Although one example, this case is highly representative of other instances that I have personally employed as a consultant in similar situations—for example:

- Production and maintenance engineers from a company in the metals industry
- Medical technicians and physicians in a medical school–university hospital complex
• Division and corporate purchasing professionals in a large automobile manufacturing company
• A corporate and field conflict in a high-tech company

These examples have ranged from a half-day to two full days. The example was with manufacturing and engineering managers in an electrical products division of a large corporation. The intervention was off-site for two days.

**Prior to the Meeting.** It is useful to conduct some diagnostic work before the meeting. More specifically, the reasons in this case were not only to determine the need for such an intervention, but also to give the consultant a sense of the situation and determine the clients’ motivation for and commitment to a problem-solving meeting. If there appears to be low motivation and commitment, my suggestion is to consider strongly calling the meeting off or simply not holding it if one had not been presumed. Frequently managers assume that the purpose of a meeting such as this one, or a team-building session, for example, is for training and education. The consultant is going to “lay something on us,” they think. What must be made clear is that the objective of the meeting is to identify and work on real, nagging, and, up to this point, unsolvable problems. Problem-solving work is difficult and tedious. The client must understand that the meeting is for work.

Consultants make mistakes at this beginning point by allowing the client to place them in a teacher or trainer role and not in a role of facilitator and catalyst. The consultant must emphasize that he or she cannot identify the issues and problems, much less solve them. The client, not the consultant, must do this work. If the consultant determines that the objective for the meeting is not understood, then work must be done to make it clear, with an alternative being not holding the meeting, at least not the kind of meeting described in this case.

After determining that the diagnosis warrants an intergroup intervention, a general meeting of all concerned (those who will attend and do the work and those in the organizational hierarchy who are responsible for this client group) should be held on site prior to leaving for the meeting. This meeting should be called and conducted by the person (or persons) in the organizational hierarchy who is a common superior to the two groups. In the case example, it was the division manager to whom the heads of manufacturing and engineering reported. The purposes of the manager’s calling this meeting were to officially sanction the meeting, present any mandates (what he hoped would be accomplished), and explain the boundaries or authority of the meeting. In other words, with this last objective,
the manager needs to say what decisions can be made, what actions can be taken, and what is out of bounds.

As the consultant, I followed the manager by explaining, from my perspective, the purpose of the meeting and what the design would be. With respect to the purpose, I explained that we would not attempt to change anyone's personality or character structure but that our objectives were to discover what the actual problems were in the interface between the two groups and plan action steps for correcting these problems. In my experience with this intervention, most people have not had training in group dynamics or participated previously in any kind of team-building process. I do not believe that either is a prerequisite for this intergroup design to work effectively. These prior experiences would undoubtedly help, but with the kind of structure used for this two-day meeting, neither is a necessity.

The Off-Site Meeting. Although this meeting could be held on location, the advantages of going off-site are well known. Away from distractions, conditions are such that most energy can be directed toward the problem at hand and during breaks, meals, and social time, people usually remain together and continue working in some different ways from the work done during the formal sessions. These informal talks often facilitate the overall problem-solving process.

Phase 1—Image Exchange (Two Hours). I like to begin a meeting of this kind with a brief description of other sessions I have conducted with other organizations. These examples provide the client group with an overview of what they can expect and, therefore reducing some of the ambiguity and anxiety, and show that the consultant has done something like this before, again giving them some means of reducing counterproductive anxiety so that energy can be focused on the interface problems and not on the consultant and his or her design.

After my opening statement, usually no longer than fifteen minutes, I divided the total group into their natural groupings. In this case, there were six men in each group, Engineering and Manufacturing. Each of the two groups worked separately for an hour and produced three lists addressing these questions:

1. How do we see ourselves? It is frequently useful to include as well a listing of how the group sees its responsibilities.
2. How do we see the other group?
3. How do we think they see us? In other words, each group is trying to predict the other group’s second list.
Their lists can be in the form of sentences, phrases, or one-word adjectives. Table 48.1 shows a sampling of what the Engineering and Manufacturing groups produced. The rationale for conducting an image exchange is as follows:

- The meeting begins on a note of personal involvement and discovery and not that of wrestling with the problems at the outset.
- Sharing perceptions usually takes care of some problems at the beginning. For example, the Engineering group believed that Manufacturing saw them as intruding on their (manufacturing) functions. (See table 48.1, list 3, item f.) The Manufacturing group did not see them that way at all. This perceived problem was eliminated immediately.

The exchange helps to sharpen what the real issues in the interface are. I like to conduct the exchange of perceptions in the following order:

1. Engineering (arbitrarily selected, or they volunteer to go first) presents their list 1. (How do we see ourselves?)
2. Manufacturing presents their list 2. (How do we see them?)
3. Engineering presents their list 3. (How do we think they see us?)
4. Manufacturing presents their list 1.
5. Engineering presents their list 2.
6. Manufacturing presents their list 3.

The reason for this order is that it maximizes exchange (one group presents, followed by the other), and it provides quick feedback—for example, Engineering reports on how they see themselves, and this is followed with how they are seen. Engineering could present their lists 1 and 3, followed by Manufacturing’s presentation of their list 2, and so forth for the remaining three steps in the procedure.

During the period of presentations, about an hour, the ground rule is that questions of clarification only can be discussed. This is not the time to debate differences or to take issue. The purpose of this phase is to present the data and to seek understanding.

**Phase 2—Problem Identification (Three Hours).** This phase has four steps. Step 1 is to begin the task of identifying the problems that exist with the interface. To facilitate this step, I arrange for all six of the image exchange lists to be hung on the wall so that the individuals can use the data for helping them to formulate their thoughts. (I refer to this step as “hanging up our dirty linens.”) This initial problem formulation is done by each person
### Table 48.1  Sampling of Image Exchange Lists between the Engineering Department and the Manufacturing Group within a Division

**List 1. How Do We See Ourselves?**

<table>
<thead>
<tr>
<th>Engineering</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Stabilizing influence in the division</td>
<td>a. Competent</td>
</tr>
<tr>
<td>b. Flexible but uncompromising</td>
<td>b. Inexperienced</td>
</tr>
<tr>
<td>c. Cooperative</td>
<td>c. Error prone</td>
</tr>
<tr>
<td>d. Competent but fallible</td>
<td>d. Not cohesive</td>
</tr>
<tr>
<td>e. Strategy formulators</td>
<td>e. Creative</td>
</tr>
<tr>
<td>f. Creative</td>
<td>f. Hardworking</td>
</tr>
<tr>
<td>g. Sensitive to criticism</td>
<td>g. Sensitive to criticism</td>
</tr>
<tr>
<td>h. Second-class citizens</td>
<td>h. Second-class citizens</td>
</tr>
</tbody>
</table>

**List 2. How Do We See Them?**

<table>
<thead>
<tr>
<th>Engineering (describing Manufacturing)</th>
<th>Manufacturing (describing Engineering)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Unstable organization</td>
<td>a. Error prone</td>
</tr>
<tr>
<td>b. Individually competent but not as a group</td>
<td>b. Competent technically</td>
</tr>
<tr>
<td>d. Unwilling to accept responsibility (they “call Engineering”)</td>
<td>d. Do not have a sense of urgency</td>
</tr>
<tr>
<td>e. Unwilling to compensate for others’ errors</td>
<td>e. More responsive to marketing than to us</td>
</tr>
<tr>
<td>f. Not creative</td>
<td>f. Unified as a group and consistent</td>
</tr>
<tr>
<td>g. Conscientious and industrious</td>
<td></td>
</tr>
</tbody>
</table>

**List 3. How Do We Think They See Us?**

<table>
<thead>
<tr>
<th>Engineering</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Poor knowledge of their function</td>
<td>a. Constantly changing</td>
</tr>
<tr>
<td>b. Engineers live in an ivory tower</td>
<td>b. Error prone</td>
</tr>
<tr>
<td>c. Know technical end but not tuned to Manufacturing’s needs</td>
<td>c. Not quality conscious</td>
</tr>
<tr>
<td>d. Error prone</td>
<td>d. Reactors rather than planners</td>
</tr>
<tr>
<td>e. Don’t feel pressure of end dates for product shipments drawings</td>
<td>e. Crisis prone</td>
</tr>
<tr>
<td>f. Intrude on other functions</td>
<td>f. Unwilling or unable to follow Engineering’s drawings</td>
</tr>
<tr>
<td>g. Overly restrictive requirements and tolerances</td>
<td>g. Inflexible</td>
</tr>
</tbody>
</table>

*Source: Burke (1975).*
independently. About thirty minutes is required for this individual work. The rationale for this work at the outset of phase 2 is to legitimize and sanction independent thought and maximize conditions for comprehensive coverage of problems. Since group work predominates in this type of design, some individuals may be inhibited in a group, and the opportunity for independent work may be the primary mode for their contribution.

The second step is for the two groups to meet again separately and consolidate their individual work into a group list. By “consolidation,” I do not mean to imply that the final group list will necessarily be shorter than the total for the individuals’ list. It may be that little overlap occurs, although this is rare. It may also be that as a result of the group discussion, other problems not previously thought of during the individual work become identified, a result that is common among groups that work effectively.

Step 3 consists of each group’s presenting its problem list to the other. The purpose of this step is for each group to understand what the other group’s perception is of the problems and what emphases each places on which issues. Again, only questions of clarification can be raised; debate is yet to come. In fact, I explain at the beginning of phase 2 that a ground rule will be that we refrain from discussing any solutions to problems until we identify and clarify what the problems are as thoroughly as possible. The Engineering Department had a list of sixteen problems and issues; coincidentally, Manufacturing had sixteen as well.

The fourth step is one of consolidating the two lists. At this point, I ask each group to select two of their members to meet together for the purpose of consolidating the two lists. I ask each of the two groups to select two of their members for this task because I obviously cannot do the job as effectively as they can since I am not as familiar with the issues. Both groups’ perceptions should influence the final problem list if accuracy of problem identification is to be achieved. People act according to their perceptions of issues, not according to the reality of the issues, and neither group holds a high degree of trust for the other at this point. Equal representation, as well as choice in selecting who will perform the work, contributes to an abatement of suspicion.

These four individuals (here, two from Engineering and two from Manufacturing) took the two lists (thirty-two statements in all), eliminated overlaps, and restated the problems as clearly as possible. This temporary group works in public view while the others either observe or take a break. The consolidating work takes about thirty minutes, depending on the total list of statements, of course. In this case, the final list contained twenty items. (See table 48.2 for a sampling of some of these items.)

Phase 3—Organizing for Problem Solving (Thirty Minutes). There are two steps in this third phase. First, each person selects from the total list
of problems (twenty in all) the ones he or she sees as the most important. In the case example, I told them to select the top six. I chose the number six based on how I wanted to organize the remainder of the session. I suggested that they select the top problems according to one or both of the following criteria: “those that affect you the most and/or those that you believe need the most immediate attention.” After each person makes his selection, I ask him to rank these top problems from most to least important. These rankings from everyone are tallied, and the top group of problems (again the number was six in the case example) is selected as a function of the sum of the tallies of the rankings and, of course, the group’s judgment.

The second step in this brief phase is for each person to make a first and second choice of the problem he would like to work on. Following these choices as much as possible, problem-solving groups are formed, with half of each group’s members being from one of the organizational groups and half from the other. In the case of the Engineering and Manufacturing example of twelve persons, three groups were formed of four members—two from Engineering and two from Manufacturing. The rationale for this way of organizing is the same as the reasons I outlined for step 4 of phase 2. Different perceptions influence the shape of the problems, and both perceptions must contribute to solving the problems. Otherwise, the problems will remain, and no commitment to action steps on both parties’ part will have been achieved. Moreover the degree of misunderstanding and suspicion is reduced when the two groups have a chance to interact with one another toward a superordinate goal (Sherif, 1958).

Table 48.2  Sampling of Consolidated Problem List from the Engineering and Manufacturing Intergroup Problem-Solving Session

<table>
<thead>
<tr>
<th>Problem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering does not feel responsible for understanding and using procedures; a lack of concern for details.</td>
</tr>
<tr>
<td>Organizational inconsistencies—Engineering is highly vertical and Manufacturing horizontal.</td>
</tr>
<tr>
<td>Lack of participation by the Manufacturing group at the Engineering level on long-range planning</td>
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<tr>
<td>Both units tend to be overly bureaucratic and inflexible; not responsive to one another's requests.</td>
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<tr>
<td>Drawings and specs full of errors.</td>
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<tr>
<td>Instability of manufacturing; organization; lack of depth and lack of experience.</td>
</tr>
<tr>
<td>Frequent product and process changes; lack of advance communication on changes.</td>
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<tr>
<td>Lack of mutual confidence.</td>
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<tr>
<td>Engineering does not understand Manufacturing’s problems with the union.</td>
</tr>
</tbody>
</table>

Source: Burke (1975).
Phase 4—Problem Solving (Four Hours). This phase begins with a brief lecture on steps in problem solving. The lecture includes an explanation of force field analysis and how to use it in problem solving. I prefer to build the problem-solving steps around the force field analysis because the technique is easy to understand and use, instrumental in establishing specific objectives for change, and based on Lewin’s theory of change. The following seven steps are similar to others in use by applied behavioral scientists:

1. Identify the problem.
2. Prepare documentation—illustrations and examples of the problem.
3. Analyze the causes and establish the objective for change: the force field analysis.
4. Select the appropriate restraining forces to reduce. This step is based on the force field analysis conducted in the previous step. Selecting restraining forces for reduction is based on Lewin’s principle of change: reduction of restraining forces, as opposed to increasing driving forces, develops less tension in the system and therefore less resistance to change.
5. Brainstorm ideas for reducing the restraining forces.
6. Test the brainstorming list for feasibility, and make selections.
7. Plan action steps.

Phase 5—Problem-Solving Presentation (Three Hours). After completing the seven steps of problem solving for one of the problems selected, each group prepares a presentation of its work for the other groups. After each group’s presentation, the other groups critique the presenting group’s work with feedback and suggestions. The rationale for this phase is to use each group as a resource to all others; practice what they will probably need to do when they return to their job (often presentations need to be made back “at the shop” to peers, subordinates, or superiors); and enhance motivation (shared ownership) since each group is presenting to its peers. If time permits, each group can take a second problem, usually their second choice, from the original list of most important problems and begin the problem-solving process (phase 4) again.

As a conclusion to the meeting, I make a brief statement—usually something like this: “Often when groups complete a meeting such as this, they take the attitude of ‘we’ve done our work; now we’ll go back to the shop to wait and see.’ If your attitude is similar to this, then you’ll wait for and see nothing. You must take action if any change in the organization is to occur.”
I follow this statement with four items on a questionnaire:

1. “What are the advantages of following the kind of format [or design] we used during these two days?”
2. “The disadvantages?”
3. “To what extent do you believe anything will be different as a result of these two days?” The question is answered on a seven-point scale ranging from 1, “no difference,” to 7, “to a great extent.”
4. “What is your degree of optimism/pessimism about the state of your organization at this time?” This question is also answered on a seven-point scale ranging from 1, “high pessimism,” to 7, “high optimism.”

The reason for asking the first two questions is to give me some feedback about the adequacy and relevance of the design. The purpose of asking the other two questions is quite another matter. I believe it is important to determine at this point in the meeting the “feeling state” of the client. People behave according to what they think and feel. If, for example, individuals believe that what they have done will amount to naught (a feeling of pessimism), then the problem-solving process will have been nothing more than an exercise. When I discover that pessimism is relatively high, I probe to try to discover why and if we can do anything about it.

For purposes of this chapter, typical responses to the first two questions are the more relevant.

Some Quotes for Question 1

“Breaks down some barriers, may reveal feelings not previously known or understood.”
“Working on real problems gives sense of purpose.”
“Gets things going; gives you an idea of path to follow.”
“Sets up actions and responsibilities for actions.”
“It had the advantage of saving time and preventing disorganized discussion.”
“Bringing things out in the open.”
“Allows criticism without taking it personally.”
“Helped to get problems down to ‘bite size.’”
“Helped to formulate most troublesome problems.”
“Gave me more insight into other groups.”
“Opens the door to honest communication with each other.”
“Reduces tension between the groups.”
Some Quotes for Question 2

“The structure may keep some of the real issues hidden.”
“Image exchange may have been unnecessary for groups who know each other as well as we already do.”
“Aspects of total problem involving other management levels and other functions can’t be covered adequately.”
“Restricted some significant division problems from being presented.”
“Some issues when discovered in the middle of the session may not be covered fully enough because backtracking is difficult.”
“Could cause hurt feelings, widen gulfs.”
“Can think of no disadvantages.”

Naturally, groups’ responses to questions 3 and 4 vary by organization. Generally people believe (but not strongly) that there will be a difference; the average is usually around 5 on the seven-point scale. Responses to the fourth question vary even more than those to the third. This fourth question taps individual differences with respect to feelings more than the other questions do.

To close the meeting, I report back to the groups their answers to the four questions, and we discuss the implications. The primary purpose of this final process, as stated earlier, is to face the reality of people’s feelings and that, in the final analysis, the extent to which action will actually be taken rests largely on individual emotion and motivation.

Follow-Up. Follow-up to an intervention such as this one may take a variety of forms. A must for the consultant, especially the internal practitioner, is to consult in whatever way appropriate with the problem-solving groups formed during the off-site meeting. For example, in the case reported, a progress report meeting of the entire off-site group was planned for a full day six weeks later. I met with the group to help design and facilitate the meeting. I recommended that I return for this meeting to help with the design but also to ensure that the meeting would indeed be held.

Another follow-up activity to an intergroup intervention is to plan yet another intervention. As the experienced consultant knows, an intervention sets in motion new and different organizational dynamics that call for further diagnosis and possible intervention as a consequence. With respect to the case example described in this chapter, two additional interventions were planned: a team-building event for the head of Manufacturing and his staff and an additional intergroup problem-solving session for the next lower levels of management in Engineering and Manufacturing.
SUMMARY AND CONCLUSION

Here is a summary of this intervention for managing intergroup conflict.

*Prior to the meeting:* General meeting of both groups with the relevant people in the organizational hierarchy to establish objectives, boundaries of authority, and so on.

*Phase 1—Image exchange:* The two groups share their perceptions of themselves and one another according to three questions. (1) How do we see ourselves and our organizational responsibilities? (2) How do we see the other group? (3) How do we think they see us?

*Phase 2—Problem identification:* State the problems individually, consolidate individual work in the organizational grouping, groups present their list to one another, and these two problem lists are consolidated into one working list.

*Phase 3—Organizing for problem solving:* Individuals rank-order the problem list from most important problem to least and then make a first and second choice as to the problem they want to tackle. Finally, “cross-function” problem-solving groups are formed.

*Phase 4—Problem solving:* Each problem-solving group presents its work in terms of the content for each of the steps and their action plans.

Finally, it is important to obtain some assessment as to what the group thought about the meeting and their feelings about the future.

With respect to the advantages or strengths of this design for intergroup intervention, the preceding quotes from previous clients speak for themselves. The limitations of this design in my opinion are primarily in the area of structure. The format is quite structured and paced. This structuring and pacing is deliberate on my part due to the brevity of time. What is sacrificed, however, is the opportunity for people to think inferentially as opposed to deductively—in other words, to “free-wheel” and possibly discover issues or solutions that would likely not occur in this tight design. Moreover, people are not quite as free to express their emotions as would be the case in a less structured design. With follow-up support, however, there are certainly opportunities to think in these ways following the workshop.

With all things considered, especially time, I believe this design is the most productive one, at least for the kinds of groups I’ve consulted with. I also believe that this design has broader applicability to groups other than the ones with which I’ve worked, such as federal and state government, school and community, and many others. The design would undoubtedly require modification according to the kind of groups in conflict.
Before moving on to the fourth interface level, interorganizational, let us consider one additional aspect of intergroup conflict: the skills and competencies required to resolve this level of conflict effectively. Based on an interdisciplinary review of sound behavioral science theory and research, Ramsey and Latting (2005) have produced a useful typology of intergroup competencies. These competencies, fourteen to be exact, can be applied across a variety of social groups. Having identified these fourteen skills that contribute to successful relationships, the authors then classified these competencies according to two dimensions: approach and focus. They write, “The approach dimension indicates whether we are reflecting about 2 situations or are actually taking action in hopes of changing it [whereas the focus dimension indicates] that target for our reflections or actions: ourselves, our relationships, the societal context, or organizational systems” (Ramsey and Latting, 2005, p. 267). What follows is a summary listing, by dimensions, of the fourteen competencies:

With a focus on oneself, two competencies concern reflection:

1. Becoming aware of own cultural values/assumptions
2. Committing to personal change

and two that concern action:

3. Processing emotions
4. Reframing mental models

With a focus on relationships, there are two competencies that concern reflection:

5. Empathizing with multiple perspectives
6. Differentiating intent from impact

and two that concern action:

7. Engaging in inquiry and openness
8. Engaging in responsible feedback

With a focus on context, there is one competence that concerns reflection:

9. Connecting the personal to the cultural and societal

and one that concerns action:

10. Addressing dominant and nondominant group dynamics

With a focus on organizations, there are two that concern reflection:

11. Identifying systemic patterns
12. Identifying own role in perpetuating patterns
and two that concern action:

13. Surfacing undiscussables
14. Advocating and engaging in systemic change

In order to resolve intergroup conflict more effectively, Ramsey and Latting are speaking to the importance of changing ourselves, such as not being overwhelmed with emotions and reframing some of our mental models about relationships. And since I personally identify with a systemic perspective much of the time, I particularly like the following statements and questions that Ramsey and Latting (2005) end with. They state that we need to identify systemic patterns that support our negative interactions. How have we implicitly colluded in supporting these patterns? What undiscussables are simply too hot to talk about, thereby assuring that the patterns remain unaddressed? Armed with that knowledge, we take small but meaningful steps to change systemic patterns so the negative interactions just experienced won’t again find fertile ground. (2005, p. 281)

INTERORGANIZATIONAL

The fourth and final level is the interface between organizations. This interface can take many forms: mergers, acquisitions, strategic alliances, joint ventures, consortia, and partnerships represent the main ones. For our purposes in this chapter, we concentrate on the first two, mergers and acquisitions. The other forms can lead to considerable conflict, but mergers and acquisitions may represent the greatest degree of conflict because with these actions, two organizations are being brought together to form a third (merger), or at least a larger and more complicated organization as a result of an acquisition. Strategic alliances, joint ventures, and the other forms require cooperation and resolving conflict, but they remain somewhat separate and autonomous from one another; whereas for a merger or acquisition, absorption and integration are required, the conflict is immediate, highly salient, and emotional.

There are several reasons for these joinings. Two reasons stand out: (1) to share resources, some of which perhaps being scarce, that neither organization by itself can maintain, and (2) to improve the management of costs by reducing redundancies. By their very nature, these joinings force organization change in general and generate conflict in particular. Most of these joinings, especially in the form of mergers and acquisitions, fail. What is promised to stakeholders—increased sales, savings, larger market share, and “synergies”—simply does not occur, at least for the most part.
In their extensive study of interorganizational relations, Burke and Biggart (1997) found that the majority of mergers and acquisitions failures are primarily due to the following reasons or conditions:

- Insufficient clarity about goals and how to measure progress toward the goals
- Imbalance of power and control between the two organizations when merged or, say, a strategic alliance or joint venture is established
- Imbalance of expertise, status, or prestige between the two parties
- Overconfident and unrealistic notions about the expected success of the relationship, that is, holding a belief of having sufficient control over key variables
- Lack of a contingency plan (organization change including these joinings never unfolds as expected)
- Lack of perceived equity, for example, distributions of key jobs and roles

As can easily be imagined, conditions for success are the opposite of those on the failure list—for example (these are as summarized in Burke, 2014):

- Having a superordinate goal, that is, a goal or goals that can be accomplished only through the cooperative efforts of the two parties (For the original research in this domain, see the work of Sherif [e.g., Sherif and Sherif, 1969] and Blake, Shepard, and Mouton, 1964.)
- Having a balance of power, expertise, and status
- Creating mutual gain
- Having a committed leader
- Alignment of rewards (in the early stages of a merger or acquisition, it is important to consolidate various compensation systems into one)
- Having respect for differences
- Achieving equity
- Having realistic assumptions about what can be accomplished and in what time frame
- Having good luck!

A few years ago, I was consulting with the mortgage division of a large bank. It had recently gone through an acquisition, although it was called a merger, and at the time it was about to experience another one. In a meeting with seven executives (some of whom were the acquirers and others the acquired) of the new, larger mortgage division, and now about to become even larger, I asked them one question: What have you learned from the previous joining that you think would apply to the forthcoming
acquisition? These executives were weary from their previous experience, but maybe by applying some lessons learned, they might find this next round to be a little easier. A brief summary of their responses to my question were

- They emphasized the importance of having a vision for the future.
- They noted that having a rationale behind the joining and explaining this carefully to all those affected is critical.
- They stressed the importance of being open and honest about the change.
- They pointed out how important it is in the early stages to have informal relations between the two parties, such as going to a ballgame together, having meals together, and so on.
- They argued that rapid decision making was imperative even if some of the decisions would have to be changed later. They pointed out that people seek structure and order, and this need should be addressed.
- They emphasized the importance of what they referred to as “walking the talk,” meaning matching words with actions or the absence of hypocrisy.
- They stated that in the midst of this kind of organization change, typically the customer is forgotten. With so much time and energy being focused inward, conducting the business and serving customers suffer.

These responses from the executives were based on their experiences and do not represent the results of a rigorous study. Yet there is considerable overlap with the findings from the Burke and Biggart (1997) study.

While it is true that most mergers and acquisitions do not achieve what is promised to stakeholders and constituents, some do succeed. Bauman, Jackson, and Lawrence (1997) examined one that not only succeeded with merging two companies but two nationalities in addition (British and American).

CONCLUSION

The short story of the fifty-four-year-old man who had been with his employer for twenty-five years depicted conflict for him at four different, albeit overlapping, levels and interfaces. His psychological contract with the company was in transition; job security was no longer a source of comfort. Younger, more highly educated, and ethnically diverse employees caused him additional discomfort interpersonally. Intergroup conflict, particularly due to a highly differentiated organizational structure with little integration, was a daily source of consternation and frustration for
him. And on top of everything else, due to management’s strong desire to grow, get larger, and dominate the marketplace, frequent acquisitions were bringing with them strange and different cultures that needed to be absorbed. Although this story is fictional, it is not extreme or unrepresentative of life in many large and complex organizations today. Conflict, like change, is a way of life.

Although conflict is inevitable in organizations, we are not without ways to manage the process and help with resolutions. There are tried-and-true ways to help two people in conflict to resolve their differences at least to some degree. Intergroup conflict can be managed and resolved, as the case example illustrated. And ways that help us interpersonally and with conflicting groups can be applied on a larger scale to facilitate a more successful process of acquisitions and mergers. The changing nature of the organization’s psychological contract with employees may not be bad. Job security is a thing of the past, but giving and being loyal to the organization in exchange for opportunities to learn and develop professionally can provide employees career security. It may be that career security is now replacing job security.

Managing conflict and working toward resolutions require considerable time, energy, skills, and motivation. Not dealing with conflict in organizations, however, drains, if not inappropriately uses, even more time and energy. We know much about how to deal with conflict. Spending more time and energy than we typically do on applying this knowledge is time well spent.

References


