Harvard Business Review

ON

Negotiation

AND

Conflict Resolution

Harvard
Business
Review

ON

NEGOTIATION AND
CONFLICT RESOLUTION

THE HARVARD BUSINESS REVIEW
PAPERBACK SERIES

The series is designed to bring today's managers and professionals the fundamental information they need to stay competitive in a fast-moving world. From the preeminent thinkers whose work has defined an entire field to the rising stars who will redefine the way we think about business, here are the leading minds and landmark ideas that have established the *Harvard Business Review* as required reading for ambitious businesspeople in organizations around the globe.

Other books in the series:

Harvard Business Review on Brand Management

Harvard Business Review on Breakthrough Thinking

Harvard Business Review on Business and the Environment

Harvard Business Review on the Business Value of IT

Harvard Business Review on Change

Harvard Business Review on Corporate Governance

Harvard Business Review on Corporate Strategy

Harvard Business Review on Crisis Management

Harvard Business Review on Effective Communication

Harvard Business Review on Entrepreneurship

Harvard Business Review on Knowledge Management

Harvard Business Review on Leadership

Harvard Business Review on Managing High-Tech Industries

Harvard Business Review on Managing People

Harvard Business Review on Managing Uncertainty

Harvard Business Review on Managing the Value Chain

Harvard Business Review on Measuring Corporate Performance

Harvard Business Review on Nonprofits

Harvard Business Review on Strategies for Growth

Harvard
Business
Review

ON

NEGOTIATION AND
CONFLICT RESOLUTION

The *Harvard Business Review* articles in this collection are available as
individual reprints. Discounts apply to quantity purchases. For informa-
tion and ordering, please contact Customer Service, Harvard Business
School Publishing, Boston, MA 02163. Telephone: (617) 783-7500 or
(800) 988-0886, 8 A.M. to 6 P.M. Eastern Time, Monday through Friday.
Fax: (617) 783-7555, 24 hours a day. E-mail: custserv@hbsp.harvard.edu.

*The paper used in this publication meets the requirements of the Ameri-
can National Standard for Permanence of Paper for Publications and
Documents in Libraries and Archives Z39.48-1992.*

Contents

Harvard
Business
Review

ON
NEGOTIATION AND
CONFLICT RESOLUTION

Overcoming Group Warfare

ROBERT R. BLAKE AND JANE S. MOUTON

Executive Summary

THE COMPANY YOU RUN stands on the threshold of success. The competition's new product has serious flaws, and all you need do to take giant strides toward controlling market share is to hit the market with your new product. Nothing stands in your way except, of course, that pesky misunderstanding between the product design group and manufacturing. They just can't seem to get along, and it does look as if you may have to push the start-up date back a little. You realize suddenly that if the battle between the two groups doesn't end, the product may not get to market in time to take advantage of the space your competitor has left.

What should you do? The authors of this article present two very different approaches to resolving conflicts between embattled groups. In one method, a neutral facilitator tries to mediate between the two groups by offering

57

compromises and trying to get each group to see the other's point of view. In the other method, the groups form their own views of what their ideal relationship should be and a neutral administrator helps them go though steps to achieve it. Examining two cases of conflict in detail, the authors show how the two approaches work, discuss the outsider's role in each, and offer guidelines for deciding when one approach is likely to work better than the other.

W HILE MANY PEOPLE WORRIED about the absence of experienced air traffic controllers after the Professional Air Traffic Controllers Organization went on strike in 1981, they also wondered why it was so difficult for the FAA and PATCO to come to terms before the strike was called. Important groups that need to cooperate can often overcome their difficulties and continue working together, but sometimes they can't. Over the years disputants in the transportation and coal industries have had skirmishes that have resulted in open warfare. Even when the battles are not waged so publicly or fiercely, the human and material costs organizations pay can be staggering.

We have identified two strategies for resolving intergroup conflicts, each with variations. What we have come to call the *interpersonal facilitator approach* relies on a neutral person to provide a bridge to help disputing parties find common ground. The facilitator does this by identifying areas of agreement as well as disagreement so that the latter can be reduced and resolution achieved.

In what we call the *interface conflict-solving approach,* disputants deal with each other directly as members of whole groups. A neutral person helps the groups go

through a program of steps that aids principal members of both groups to identify and resolve their differences.

Line managers and internal consultants who are respected and neutral may serve as facilitators or administrators of the step program. The person selected should be of a rank comparable to or higher than that of the highest-ranking member in either of the groups in conflict. A neutral of lesser rank is likely to be brushed aside by a higher-ranking member in a group bent on attack. When the conflict is between headquarters and a subsidiary or when top management is involved in both groups, as in a merger, the groups should consider calling in an outsider who will have no stake in the outcome.

In the first approach, the facilitator on occasion becomes involved in the discussions themselves and carries messages and proposals from one side to the other. In the second approach, the spokesperson or administrator is uninvolved in the content of discussions and acts principally as a guide to the process.

These two models are quite different, and any reader who wishes to use one or the other approach needs to understand their pros and cons. In what follows, we present two actual but disguised cases that illuminate the benefits and pitfalls of the two models and show how each works. The first case involves a long-term conflict between central engineering and plant management in a large industrial complex. The second case is a union-management conflict of long standing.

Trouble at the Elco Corporation

In this description of how the interpersonal facilitator approach worked at the Elco Corporation, we present the events chronologically through a month of negotiations.

THE STORY AND THE PLAYERS

The president of Elco, Stewart McFadden, had been frustrated for a long time by reports of constant bickering and poor cooperation between central engineering and plant management. Among the many things McFadden told Jim Craig when hiring him as vice president of human resources, was, "This is a nasty situation. I'd like you to take a look at it."

About a month later, when it came up again, Craig said to the president, "I've met several people from both central engineering and plant management, and it looks like quite a one-sided problem to me. The people in central engineering aren't involved that much. They feel this problem is one of those inevitable tensions in organization life, and they are trying to be patient. But the people in plant management are up in arms. They are furious."

"It's hopeless," said McFadden.

"That depends," said Craig, "on whether the problem is one of competence or of communication. If it's the former, yes, it's hopeless. If it's the latter, it's not."

"Competence? No way. They are the cream of the crop—upper 10% of graduating classes, all of them. So it's not competence. Can you help?" McFadden asked.

"Well, I've been through a lot of hang points with unions, and in principle this situation is no different. They realize I'm a newcomer with no ax to grind. Possibly I can get them together to talk it out. At least it's worth a try."

"Anything," said McFadden. "I'm so sick of it. What do you propose?"

"I'd like to get the principals of both groups together for a day or two to get the facts out on the table. Then we'll see what can be done," said Craig.

"You've got my blessing. I look forward to whatever

happens, even if you have to bang a few heads together to get their attention."

Later that week, Craig, Walt Reeves, vice president of engineering, and Jack Lewis, central coordinator of the plant management group, set up the meetings. They agreed that the purpose of the meetings was to study how the groups might cooperate. Reeves wanted Craig to take part in any negotiations as a full partner, speaking for Elco headquarters, and Lewis wanted Craig to mediate the discussions but not to formulate and present substantive proposals.

By offering the services of his office, Craig made it appropriate that he implement his own strategy. He planned for the two groups to meet initially as one large group. Craig saw himself as a facilitator. "My thought was," he reported later, "that both groups would come to know and understand each other better in a constructive atmosphere and that they would trust me to be honest and fair in my role as moderator, mediator, and, if necessary, active negotiator. I also thought that without an established agenda, the main issues would surface."

Accompanying Walt Reeves from central engineering were four of his key personnel. With Jack Lewis from the plant management group were five others—two from the plant in question and three from different plants. Craig himself was joined by other senior personnel, including the human resources advisors assigned to central engineering and to plant management. From time to time, depending on the issue, the group consulted other senior people.

MUTUAL TRUST AND RESPECT

The first meeting was held in a large room that didn't have a table. To break up a "we-they" seating

arrangement and help each person participate according to his or her own convictions rather than follow a party line, Craig placed the chairs at spaced intervals around the room.

Craig, seated near the center, opened the meeting. "As you know, the president has long been concerned about how to get your groups to cooperate. He asked me to see if I could help. This meeting has no agenda beyond what the problem is and how we can solve it. Anyone is free to speak, but to keep things moving forward, I will moderate the discussion. Who'd like to start?"

"I'll tell you the problem," a member from central engineering said. "Each engineering discipline, not to mention emerging new materials and construction techniques, is becoming more complex. Plus we've got rapid changes in requirements from EPA, the Nuclear Regulatory Commission, OSHA, and half a dozen other agencies. The heavy fines for operations that violate requirements are bound to teach us all a lesson we should have learned long ago. On these scores, we've got to keep ourselves risk free. There's no option but to centralize engineering."

"That's not the problem at all," a member of plant management shot back. "We're qualified engineers, every one of us, but we are treated like children who can't be trusted to build a derrick with an erector set. It's demeaning. We manage millions in operating expenses, but we can't spend $100 on an air conditioning duct."

The meeting thereupon broke down into mutual recriminations. Later, trying a new tack, Craig stopped trying to moderate discussion between the two groups and held meetings with the two leaders instead.

From the very beginning, Craig had felt that Walt Reeves and Jack Lewis didn't trust or respect each other,

and he thought that if he could get them into an informal setting, things would ease between them. He thought it was important for Reeves and Lewis to know each other better before he brought the two groups together again.

Craig wanted to accentuate the positive. He cautioned Lewis not to overreact when he first heard Reeves's formal statement about central engineering being responsible for 100% of engineering and plant management for 100% of operations.

After the first meeting between Reeves and Lewis, Craig reported that "the meeting did produce a buildup of tensions. Reeves's fixed position in regard to the 100% engineering concept was the primary reason. I already knew this to be entirely unacceptable to Lewis. We didn't make much progress, and another session was scheduled."

At this point Craig was not free to reveal to Lewis what Reeves had told him in confidence. Later Craig said, "I felt Reeves was ready to make immediate, even if minor, modifications," such as recommending an increase in the amount plant managers could authorize for small projects. Craig also knew that Reeves deeply distrusted Lewis's reasons for wanting to do "gut" engineering. He tried to help Reeves appreciate Lewis's motives.

Craig used the same strategy again and again: "When we got under way, I stepped back from the discussions because I wanted them to speak to each other directly. Soon they refrained from talking to me or even attempting to draw me into the conversation. Their talk was full of accusations and counteraccusations. Their faces became flushed. The niceties of diplomatic protocol slipped away. They had almost forgotten I was there, while I just continued taking notes.

"Eventually, the argument bogged down when each began to repeat himself and to ignore the other. By the end they were both talking at once. My attempts to change the subject were futile. As they moved toward the door, I got in front of them to block the way. I urged them not to stop these conversations but to give me another chance to use my influence. I said, 'If you have no confidence in me, then these tensions will remain.'

"Lewis agreed readily. I looked Reeves in the eye, and finally he nodded agreement. They left without speaking to each other. During the 30 or so days this effort took, I spent a lot of time preventing the sessions from being interrupted or terminated and in defending and explaining each of them to the other."

During the next few meetings, Craig took a more active role: "I began acting as a referee and made efforts to put the discussion back on track, occasionally explaining what I thought someone meant when the other person seemed to misinterpret it. After one of these sessions, when they were going back to their offices, Reeves drew me aside and said, 'Look, I don't want to talk to that SOB anymore. If you want to talk to him, you can represent my point of view, but I've had it up to here. Tell me about any progress you make, and I promise to be as constructive as possible in meeting their criticisms of us. I want you to understand the issue is not one of simply dividing engineering up in a 25-75 or a 50-50 way. Just to give them *some* will not solve the problem.'"

With this breakdown, it was no longer possible to bring the two men together to discuss their fixed positions. Craig summarized his feelings at the time this way: "I did not know where to go from there. We had accomplished little, except to name the difficult issues and to recognize the depth of disagreements. There was little or

no commonality between them as men, and almost every discussion deteriorated into an unproductive argument that reopened old wounds. The final meeting ended with Reeves and Lewis casting accusations at each other."

Craig now shifted to the go-between strategy, which became the arrangement for the remainder of the month. He proposed that he be an intermediary who formulated positions. "I asked them to give me the opportunity to devise my own compromise proposals and to present my views to both of them."

As he continued to work with various individuals and subgroups within both departments, Craig drafted proposals. Then he met again with each principal to solicit reactions to his ideas. He expressed his intention to each as follows: "This proposal is drafted with the idea that neither side will alter it substantially. I've tried to keep in mind what your group wants and needs. My commitment is to continue to try to represent your interests and to negotiate for you."

BETTER TIMES

The turning point in Reeves's attitude came after he and Craig had slipped into a win-lose argument about the necessity for central engineering to accept some local engineering on small-plant projects. The hot, unpleasant, and repetitive argument deteriorated until Craig stood up to leave and accused Reeves of being willing to give up peace with plant management because of an unrealistic, rigid position. Craig explained what had happened: "My strong statement made me appear tilted to the plant's perspective and therefore less trustworthy.

"In a final effort to persuade Reeves to continue these negotiations," Craig continued, "I explained the serious

consequences of unilaterally breaking off. This action would harm the relationship between central engineering, the personnel function, and the corporate offices. He would be violating his promises to me, and the onus of failure would be on him. Also, I described how headquarters might give up and simply realign assignments by edict."

Reeves saw the seriousness of the situation and realized that even though he wasn't convinced about Lewis's motives or whether concessions would satisfy him, he would have to be less rigid himself.

Ultimately, the relationship between Reeves and Lewis improved, but the division of responsibility for engineering and operations did not change. Three central engineering people now provide liaison engineering. They are located so that they can quickly communicate and troubleshoot as well as provide the plant employees firsthand knowledge of in-plant engineering activities. The liaisons have reduced tensions and improved services in a variety of ways—removing bottlenecks, solving priority issues, and enabling engineering to do more realistic, functional design work. A gray area that allows plant managers to do a few functions in the name of maintenance, which in fact do involve some engineering, now exists between construction and maintenance.

WHAT CRAIG DID

Jim Craig's role during the negotiations shifted often. When pushed to the wall, for instance, on occasion Craig himself would become confrontational. He too became angry and fearful of disastrous consequences if something didn't change. But he kept discussion moving with many intervention techniques:

Building anticipation. Before the meetings Craig told Lewis that Reeves was coming forward with the strongest statement about a 100% to a 0% engineering-operations proposal and the reasons why. He also reported to Reeves that Lewis had no plans beyond trying to work with the situation as it developed.

Controlling discussion. When the going got tough, Craig authorized who should speak to whom and in what order, particularly in the three-way discussions: "I asked Reeves to begin—I then asked Lewis to respond—" and so forth.

Reversing antagonists' roles. Craig helped each participant clarify his understanding of the other's position by asking, "Would you repeat what Reeves just said?" and asking for confirmation: "Is that a fair statement?"

Relieving tension. After Reeves's strong initial presentation, Craig ended the strained silence by saying, "Perhaps it's appropriate now for Jack to accept the position as stated and send a memo around to that effect."

Transmitting information. Craig passed information between the two principals to prevent the process from breaking down: "I conveyed Lewis's position to Reeves by saying, 'Lewis sincerely wants to continue to explore how to make use of plant engineers to do local engineering.'"

Formulating proposals. From the beginning, Craig saw part of his job as drafting possible solutions and proposing them to the principals.

Near the end of the process, as he shuttled back and forth, Craig kept coming up with new ideas. He suggested

that central engineering perform a check-and-balance function when the people in the plants did some engineering on their own. Although things do not always run smoothly at Elco, enough of the conflict has been resolved that the disagreements between engineering and plant management are not constant thorns in McFadden's side. Jim Craig continues to shuttle, keeping sparks from becoming fires.

The Hillside Strike

Another, though less familiar, approach also works effectively in dealing with conflict between groups. Underlying this approach is the assumption that key leaders and their staffs in whole groups can resolve win-lose conflicts through direct confrontation.

The Hillside facility, a large modern plant serving the paper products industry, was wracked by an unresolved management–union conflict. Like true enemies, both parties had placed themselves in peril to deprive the other of a "victory."

After months of conflict, Jeff O'Hare, plant manager, said, "We are on a collision course toward a contract expiration date only months away. If a positive, productive relationship can't be established, it means another head-on clash. I'm not sure how we'd survive another shutdown as a viable economic entity, but I am sure that when and if we start up again, this plant won't be operated by the same people who are managing and operating it now."

RELATIONSHIP-BUILDING STRATEGY

Hal Floyd, corporate employee relations manager, proposed to Jeff O'Hare that they try solving their problems

with the union face to face. Floyd had read about a situation similar to Hillside's in which a union and management had used the interface approach. O'Hare reluctantly agreed.

Floyd explored the possibility with the president of the local union, Rick Keenan, and then both made a joint pitch to the international union representative, Bruce Boyd. Boyd was as pessimistic and doubtful as O'Hare had been but agreed, saying, "I don't want to be accused of causing a strike because I wouldn't respond to a constructive gesture." Since no one in the company or the union could be regarded as neutral, Floyd contracted with an outsider to act as administrator.

Six members of top management and six union officials made up the two groups participating in the meetings. Because its members sat together, each group kept its feeling of solidarity. The administrator, Bob, started the sessions by reviewing goals.

"Our goal for this session is to answer the question, Can these two groups shift from a destructive relationship based on fear and suspicion to a problem-solving relationship based on respect?"

Bob explained the procedure: "As a first step, each group is to meet separately to prepare descriptions of what a sound union-management relationship would be for Hillside. You should record these on large sheets so that we can compare them at a joint session. Each group should select a spokesperson to present its conclusions in the next general session. The spokesperson may be the designated leader, but since O'Hare and Keenan have faced one another so many times in the past, it may be better to ask someone else to give your reports.

"The rest of you should try to avoid taking spontaneous potshots. They don't produce useful insights and

often just cause counterattacks, which only make things worse. If you feel something important needs to be said, ask the spokesperson if you may speak. After you finish, you'll identify the similarities and differences in your separately produced descriptions to develop a consolidated model to which both groups can be committed."

He continued: "The next step is to describe the actual conditions that characterize the here and now. You'll later consolidate these into a joint statement of union-management problems at Hillside. You can then identify steps you can take to move away from the antagonistic situation to a cooperative one, with specific plans for follow-up, review, and reevaluation.

"To keep track of what's going on," he said, "I'll be in and out of both rooms, but I don't expect to take an active part. I'll be happy to answer any questions about the procedure."

VISUALIZING A SOUND RELATIONSHIP

At first, management seemed unable to concentrate on trying to formulate the ideal sound relationship. The session began with O'Hare questioning Keenan's, the union president's, motivations.

"I wonder what Keenan means by 'recognition'?" said O'Hare, referring to a remark Keenan had made in the joint meeting.

"Special treatment for the union president is my guess," Mike Barret, general foreman, replied. "We know they want to run the plant."

"Give 'em an inch," Allen, head of maintenance, commented supportively, "I've seen it over and over—they'll squeeze this plant dry, even dryer than it already is."

"I can't respect Keenan or his tactics," Sam Kobel, the manufacturing supervisor, said. "Maybe we'd be better off with somebody else as union president. He's a political animal. He doesn't care about the plant or the people. He just wants to move up the union ladder."

Management knew that Keenan wielded considerable influence over the membership. Wayne, the personnel manager, said, "When he personally favors a management proposal, he presents it at the union hall in a straightforward, positive way. If he wants a proposal rejected, he twists it to emphasize negative implications and works to see it defeated."

After venting their anger, which often participants must do before they can take a more constructive approach, management concentrated on identifying the elements of a sound relationship: mutual trust, honesty, effective communication, problem solving, and consistency. The union also started on a negative note before producing its list, which was similar to management's.

Walking toward the general session room, O'Hare overheard Melton, the shop steward, muttering to Keenan, "We'll see this kind of relationship with those buzzards when hell freezes over." Keenan nodded to the apparent truth in Melton's remark.

O'Hare shot back, "It wouldn't take long for us to agree on that, would it?" Bob, the administrator, noted this exchange but said nothing since it was not a part of the formal meetings.

When they convened in a general session to exchange their separately developed statements, the spokespersons chosen by each group made their presentations and questioned one another's meaning. The ideal relationship each proposed seemed so remote from actuality that neither the union nor management viewed it as

realistic. Before sending them off to separate meeting places, Bob asked the two groups to rate each statement in the other's report on a four-point scale:

1. "We agree with the statement as written."

2. "We agree with the statement as rewritten in the following way."

3. "We wish to ask the following questions for further clarification."

4. "We disagree with the statement for the following reasons."

He stated that each group could ask the other's spokesperson to explain the numbers and reasons for the ratings. As the two groups converted the 4's, 3's, and 2's into 1's, reflecting mutual agreement, the statements became part of the consolidated ideal model.

GETTING DOWN TO BRASS TACKS

The next step in the process is for each group to describe as objectively as possible the present reality. The members of the groups should explore specific factors that have shaped and influenced the relationship as well as the barriers that have stifled progress. At Hillside, management and the union were so preoccupied with the details of recent conflict and perceived injustice that they were anxious to begin describing actual conditions—where the real battleground was.

From management's perspective, the union was usurping authority and responsibility, thereby justifying to management its distrust and disrespect.

The union maintained that while it did not want to "run" the plant, it had much to contribute to productivity and efficiency but would withhold effort until members were treated with dignity and respect. The exhibit, "Perceptions of Actual Relationship at Hillside," shows how management and the union viewed the situation.

When each side revealed its view of the situation, both parties seemed stunned at the depth of the cleavage and each other's unhappiness. Recognizing that both groups had agreed to the properties of a sound relationship, management was particularly shaken by the union's conviction that, given prevailing attitudes and behavior, progress was impossible. With the plant's future on the line, along with their careers, the top managers could not reconcile themselves to giving up.

At this point each group was asked to return to its team room to digest the implications of the other's input and to apply the four-point method to the other's perception of the situation.

THE TIPOVER

The first shift in position occurred when management began comparing the two descriptions of the actual relationship, particularly the two views of "cooperation," and saw how far apart they were.

"How could two groups work in the same plant, grappling with the same problems, and see each other with such diametrically opposed viewpoints?" O'Hare asked the management group. "What do they mean, 'Cooperation is one-sided—it means doing what the company says'? During the past ten years we've given away more valuable clauses in the name of cooperation and lost

Perceptions of Actual Relationship at Hillside

Management's View	Union's View	Consolidated View
We have an adversary relationship. It's we versus they.	Hopelessness: a shutdown is necessary to bring them to their senses. We're ready for the shutdown.	Our adversary relationship promotes readiness for win–lose clashes; a strike is preferable to perpetual humiliation.
There's mistrust on both sides. Cooperation means consenting to union demands. The union wants comanagement.	Cooperation is one-sided: it means doing what the company says. Hopelessness extends to all workers. Dignity is lost in a guard-prisoner relationship.	Mistrust prevails: cooperation is misinterpreted by the company as compliance and by the union as the company conceding to union demands.
The union does not give its members a true picture of management's position. Cooperation is lacking in the promotion of efficiency and economy. Use outsiders to resolve internal issues.	Management cares only for production: people be damned. Management destroys people's incentive.	Without measuring the consequences, management concentrates on production, and the union conveys this attitude to its members.
Management acknowledges low credibility with union members; the union president has low credibility with management.	Management blames past regimes for problems; it sees no deficiency in itself. This plant is our home for life but management's hotel until the next round of promotions.	Leaders have not earned credibility from one another; they do not make the relationship viable as a long-term investment.
Management is only enforcing existing rules and agreement interpretation but is seen by the union as inflexible and enforcing the contract to the hilt in order to be provocative.	The union can't get its foot in the door to solve the problems.	The union accepts the exercise of initiative as a management prerogative, but management sees the union's offers of help through informal testing before decisions are finalized as comanagement.

more management prerogatives than any other plant in our area of competition."

"As far as I can see," said Kobel, manufacturing supervisor, "when you say 'given away,' literally that is what it's been. We've given away paragraph after paragraph and have gotten nothing in return."

"You can say that again," piped up Allen, maintenance director. "I'm so fed up with some people sitting on their fannies waiting for other people to work. If one could give a helping hand to the other, they could get the job done in half the time. We keep falling further behind."

"I propose," said Bruce Wayne, the personnel manager, "that we give this item a 4. We just flatly disagree with it."

"Hold it, fellas," said Mike Barret. "Let's look at what's been going on in the past few weeks and see how these guys could say such a thing. Any of you heard them say things in meetings you've had with them?"

"Well," said Wayne, "they think we're trying to erode the contract. They think we're putting unreasonable interpretations on various clauses and challenging them to file grievances, to which we say, 'Arbitrate.' They say this is our search-and-destroy technique."

As they continued, discussion kept returning to the first item on the union's list, "hopelessness." The contradiction between what management expected—that is, "militancy"—and what it observed—"despair and hopelessness"—compelled management to reexamine in a candid way how it could have the expectations it did.

"Does Keenan really speak for the membership when he says a strike is inevitable," O'Hare asked, "or is he just trying to shake us up?"

"It doesn't matter," Floyd said. "If he wants a strike, he can convince the people."

"And," said Mike Barret, "they know it."

"What are you hearing," questioned O'Hare, "when you talk outside the plant? Is there talk in the community about a strike? Are spouses unhappy?"

"Keenan has the strike vote in his pocket as far as I can tell," Wayne said. "He can get them riled up. If he doesn't have complete support now, he will by May. He and his cronies can convince the rest that a strike will ultimately be to their advantage. Make no mistake, he's a strong leader."

Surprised by Wayne's report of the union's reaction to what it called "unreasonable interpretations that pushed members to file grievances," O'Hare said, "Maybe we'd better look at ourselves more objectively before pointing any more fingers at them. How have you seen me relating to Keenan and the others?" he asked.

"I see you coming across as strong and hard-nosed," Allen said.

"I think you're open, forthright, and honest to the point of being naive," Floyd observed. "You've had a good reputation as a production and people man. Lately, though, I've seen you change to using force—no discussion, no alternatives, no involvement, pure force."

Wayne added, "In the past I've seen you as open, honest, fair. You listen well and take good advice. But I think you're shifting toward a tough attitude."

"I haven't seen much of a change since you've been here," Barret said. "It seems you've always been direct and aggressive."

Kobel spoke last. "I don't have much to add," he said. "Basically, I agree with what's been said. O'Hare is fair, but firm—to the point of being stubborn, I guess."

Having heard the others, O'Hare summed up his own feelings. "You're right," he said. "I think I'm so determined to turn this thing around, I've become unreasonable. It's much easier to blame our problems on my predecessors or to dump them on Keenan and his cohorts. I thought I'd kept a pretty open mind, but if my attitudes seem rigid to you, they probably seem even more so to them."

The management group then examined each member's attitude toward the union in turn. While individual differences were present, the management team shared similar attitudes, and each recognized how destructive his own actions had become. Allen ended the discussion by saying, "It's clear that we're the ones who are going to have to change."

"It won't be easy," Barret said.

"We've described the kind of relationship we want in the ideal," O'Hare said. "Now we need to decide how to get there."

"Look at what we've done in the past few months," Allen remarked. "We've created the image that we're only out for production—that we care nothing for people. They say we've destroyed the incentive for people to make any input at all."

O'Hare responded, "We don't have any choice but to try for the best relationship we can."

"I feel that's an important first step," Floyd commented. "It isn't going to be easy to turn around years of antagonism, frustration, and disappointment, and your recognition of the hard work involved is a positive sign."

"What about the rest of you?" O'Hare asked. "What do you think?"

"What other option do we have?" Kobel responded, and the others nodded affirmatively.

"What should we do now—communicate our feelings to the union?" asked Allen.

"What else is there to do?" O'Hare said.

"Okay, then, let's prepare a summary of our quandary and present it," Barret suggested.

Management made a list of five statements describing its thoughts and feelings at the time. While management grappled with its own contribution to the current conflict, the union members collected evidence of management's refusal to deal constructively.

"It's no use trying to help," they concluded. "Management sees only what it wants to, and it wants to see us as responsible for all its problems and failures. What it never seems to realize is that for management Hillside is an assignment. Two, three, or four years and they're gone. For us, it's a lifetime. Do we want a plant that's not a profit maker? Nothing could be dumber. But we're not twentieth-century slaves either. We can't work overtime just to cover up their goof-offs. We can go the last mile, but to go beyond destroys our self-respect."

After each group had had the opportunity to formulate a response to the other's assessment of the actual relationship, the two groups met again to share their reactions.

CONVERGENCE OF CONVICTIONS

O'Hare went to Bob and said, "Look, I want to speak my own feelings, which the others agree to. Don't worry about my polarizing it."

Bob started the session by saying, "O'Hare has asked to begin by telling about management's self-study description."

O'Hare introduced the group's self-study by saying, "I guess we were concerned and angry with you in the beginning. There was a lot of blaming and finger pointing until we began really to look at ourselves." He then presented the five items shown in the exhibit "Hillside Management's Description of Its Thoughts and Feelings."

"I'd like your reactions," O'Hare said.

"Speaking for the union," Boyd, the international union representative, replied, "this comes as a total surprise, given the way things have been building up. We're really pleased that you're willing to take these steps. Both sides stand to benefit. We don't want a caucus, but we do want to go back and talk a moment among ourselves."

Leaving the room, Melton commented to Keenan, "I never believed it was possible."

O'Hare, who overheard the remark, said, "I suppose this means 'hell has frozen over'?"

"No," said Keenan, "it doesn't mean that at all."

Hillside Management's Description of Its Thoughts and Feelings

1	We recognize that we have a deep win–lose orientation toward the union.
2	We want to change!
3	We have challenges to meet: to convince the union we want to change, to convince ourselves we have the patience and skill and conviction to change.
4	We're responsible for bringing the rest of management on board.
5	We recognize the risk but want to resist the temptation to revert to a win–lose stance when things get tough.

When the groups reconvened, Melton spoke for the union: "Our reaction is that your self-study is a giant step. We recognize it must have been hard for you to face up to the need for such drastic change. We can't tell you how welcome it is. We'll cooperate in any way to bring about the change."

Because both management and the union saw the possibility of pursuing a shared goal, each contributing from the standpoint of what was in the best interest of the plant, the tension underlying the relationship broke. This positive attitude led to a desire to get to specifics. Once the two groups gave up their antagonistic stance, they found that agreement was possible in areas where they had been deadlocked for months. For instance, at one point in the discussion of certain problems, O'Hare and Keenan were looking together at the 77 grievances that had been filed. Keenan commented, "I'm sure we've filed a number of grievances more for their annoyance value than for the merit of the issues involved."

O'Hare quickly responded, "And we've dillydallied in answering them and have opted for no action whenever it was legally reasonable to do so."

"We can withdraw those that have annoyance value only, identify the real issues, and clear up the situation," Keenan said.

"You won't get a no from me on that," O'Hare responded.

SMOOTH SAILING

Several years have passed since the day O'Hare and Keenan sat down together to look at the list of grievances. How has the plant changed since the union-management meeting? In the final step of the program, ten union-management task forces grappled with problems or

groups of problems. Each brought proposed solutions to the plant manager, who considered the recommendations and either approved or modified them or provided a full and satisfactory explanation for why he could not. The union has not called a strike during this time, and both union and management judge this plant to be tops in problem solving. Before the union and management got together, the plant was eleventh in the financial performance of the company's plants; today it is number one.

BOB'S ROLE

The administrator of this five-step program makes many contributions to ensure that the interface conflict-solving approach is effective. This person:

Sets expectations. Bob described the objectives and activities involved in each step of the program.

Establishes ground rules for the general sessions. Bob made sure, for instance, that up to the point where tempers quieted only the spokespersons for each group were to speak.

Determines sequence. Bob established which spokesperson would speak first. This arrangement is preferable to group members volunteering to speak first.

Monitors for candor. The design administrator monitors teams to ensure openness on a within-group basis.

Curbs open expression of hostile attitudes between groups. Bob intervened to let participants who made snide remarks know that they were breaking the ground rules.

Avoids evaluation. Bob didn't evaluate the progress or quality of group efforts, nor did he respond to inquiries regarding content or the issues being discussed.

Introduces procedures to reduce disagreements. When the group reached an impasse, Bob suggested procedures for breaking the deadlock, such as the four-point rating method.

Ensures understanding. When each spokesperson had finished speaking, Bob made sure that the other spokesperson had no further questions and that answers were to the point.

Follows up. After the meetings, Bob helped set follow-up schedules to ensure that the changes were implemented.

Which Model Should You Use?

The interpersonal facilitator model has many adherents. The concept is inherent in the idea of the honest broker and is present when a lawyer seeks an out-of-court settlement between conflicting parties. In each case the objective is to create a meeting of minds without dictating the terms or the outcome.

In our experience, however, the prospect of success in relieving tensions between adversary groups is much greater when managers use the interface conflict-solving approach rather than the interpersonal facilitator model. While the latter has become a more or less standard approach, it has severe limitations.

In the exhibit, "Comparison of Two Approaches to Intergroup Problem Solving," we compare the two mod-

els in regard to some important factors such as who should comprise the groups and what the expert's role is.

The exhibit, "When to Use Each Model," offers guidelines for judging which approach stands the greatest likelihood of resolving conflicts between opposing parties that impede organizational success.

The facilitator approach tends to be most successful when the outcome produced constitutes a compromise of differences and is a mutually acceptable solution to both parties, neither side feeling it has won or lost. But when membership of two or more groups is involved, that kind of compromise is hard to achieve.

Part of the power of the interface conflict-solving approach comes from the participants' lifting their thinking above the status quo to envision a model of a sound relationship. Doing so, they see the relationship in a different light and recognize the possibility of creating a new relationship rather than merely diminishing the negative aspects of the present one.

A second strength of the problem-solving approach is that it forces members of the same group to confront each other. At Hillside, Wayne challenged O'Hare to look at how management had come to use the contract as a weapon rather than as guidance for cooperation.

The reader may well ask, "Why are participants prepared to risk exposure by being open with each other, particularly when they may place themselves in jeopardy?" In many organizations, smoothly operating interfaces, say between management and the union, are crucial. When the pain it suffers from the frustration of being unable to get the job done is greater than the pain it associates with frankness, then management brings itself to the level of candor essential for focusing on the real issues.

Comparison of Two Approaches to Intergroup Problem Solving

Issue	Interpersonal Facilitator Model	Interface Conflict-Solving Model
Composition	Nominal group attendance but top leaders "lead"; top leaders only	Top group plus representatives of major other constituencies who need to be involved
Contact between groups	Primarily with or through facilitator	Through spokespersons in general sessions with group integrity maintained
Facilitator or administrator to deal with	Leaders (and others) usually on a one-to-one basis	All as members of whole groups
Meetings	Exchange of entry positions	Monitoring and validation of design integrity
	Formulation of proposals and counterproposals on a one-to-one basis by facilitator or intermediary	Ideal and actual relationship modeling on an element-by-element basis; consolidation through the four points
Communication between groups or individuals	Message-passing through facilitator	Exchanges through spokespersons, not necessarily leaders, both oral and written
	Exchange of written positions	
	Proposals made by facilitator	
Initial agenda	Perceived tensions and antagonisms	Thinking through the elements of an ideal sound relationship
Role of expert	Go-between	Procedural design administrator
	Message carrier	Not a spokesperson for other group
	Spokesperson for other group	No content role
	Solution proposer	Not a solution proposer
Tactics for dealing with an impasse	Exerting influence on members of group one to one, starting with easiest to persuade	Direct interchanges through spokespersons
	Use of acceptance and rejection to induce movement	
	Fear-provoking remarks	
Time required	Three days to one week (often longer)	Four to five days; follow-up usually months later

Another compelling motivation is the rationality of problem solving. When people see something that is faulty, they want to set it right. The program of steps focuses attention on the contradictions between the sound solution and existing arrangements. When all those who feel a sense of responsibility for solving the

When to Use Each Model

Use the interpersonal facilitator model when:	Use the interface conflict-solving model when:
Only two people are involved.	Support of group members will strengthen implementation of any change.
Personal chemistry blocks direct discussion between the principals.	Personal chemistry problems are not sufficient to prevent participation.
The leader's agreeing to change has no adverse consequences for his or her acceptability as a leader.	The leader's agreeing to change places his or her leadership in jeopardy with those who are being led.
The leaders know the depth and scope of the problem.	The leaders do not know the depth and scope of the problem.
The change can be implemented on the basis of compliance or without agreement about its soundness.	The change can best be implemented by agreement and understanding of its soundness.
A deadline is near and decisions, even though imperfect, are necessary to prevent a total breakdown.	Sufficient time is available to develop basic solutions.
A multiplicity of views exists in both groups and therefore there is no common point of view or shared feeling.	The interface problem is deeply embedded in the culture of both groups.

problem see that both parties agree about what the relationship should be, they share a desire to see the problem solved.

Any executive who is involved in a conflict between groups or who is responsible for groups in dispute should seriously consider which of these two models would work in given situations. The more central and serious the issue is to the relationship between the groups, the greater the likelihood of success using the interface conflict-solving approach has. If the issue is not crucial or serious, the greater the likelihood that it can be resolved through third-party facilitation.

Beyond that, managers can always apply the facilitator model should the conflict-solving model fail, but the reverse is less likely to be true. If the facilitator approach fails, key leaders are not likely to want to try another approach, whereas if the conflict-solving model should fail, the leaders themselves may be ready to continue to seek agreement with the help of a facilitator.