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Note on Conflict Management

> *President Franklin D. Roosevelt . . . attempted to generate information by recruiting strong personalities and structuring their work so that clashes would be certain. His favorite technique was to keep grants of authority incomplete, jurisdictions uncertain, and charters overlapping.* Arthur Schlesinger, Jr.[1]

It is a well-known fact of organizational life that sales people think differently from manufacturing people. Similarly, doctors think differently from nurses, R&D engineers think differently from product line managers, professors think differently from deans, and basic researchers think differently from applied researchers. In part, these differences are personality driven, but in those instances where organizational (as distinct from interpersonal) conflict emerges, the participants usually are from different occupational groups. These groups have differing time horizons for measuring their performance, differing degrees of tolerance for ambiguity in their jobs, and, more generally, highly contrasting demands put upon them by their work environments. As a result, they approach organizational decision-making from vastly different perspectives.

For example, a sales manager's work environment may be driven by factors such as quarterly revenue quotas, shifting customer preferences, established customers who want preferential treatment, and potential new customers who may be testing the organization's capabilities by, say, asking for a small order on a tight time schedule. Sales people also may deal with customers who are moving toward or have established just-in-time manufacturing or product availability strategies, and who therefore demand rapid delivery schedules. In short, sales managers and their staffs face an uncertain and frequently turbulent environment.

By contrast, the typical plant manager's environment is one of tight production schedules, machine performance concerns, externally imposed work standards, and a wide variety of cost and quality considerations. Plant managers tend to dislike turbulence, preferring instead predictability and order.

When these worlds collide, as they do when, say, sales has a small rush order for a potentially valuable customer that will disrupt the plant's schedule, there is certain to be friction. There also is friction when a physician wants time to do a thorough diagnostic workup on a patient while the nurse must respond to the family's request for information on the patient's condition. And there is friction when marketing wants to get a product to market quickly while R&D wants more time to perfect its features. The Microsoft mantra, "Can we ship it yet?" in reference to a new software product, is reflective of this tension.[2]

This is not interpersonal conflict, although it can become so at times. The sales and manufacturing managers may socialize after work and get together with their families on weekends. They may be great friends. Inside the organization, their head-butting, and similar conflict among many other managers and professionals, is rooted in their occupational positions in the organization, their work environments, and the ensuing cognitive and emotional orientations that they bring to the decision-making table. *Organizational,* as opposed to interpersonal, conflict is the inevitable result.

This kind of conflict also is desirable, as it can bring out the best in everyone. Managed properly, it can be a source of enormous strength. It can assist an organization to achieve previously unimagined levels of performance, whether that be in the form of a blockbuster movie, such as *The Little Mermaid,* at Disney Corporation, higher passenger loads at Virgin Air resulting from the idea of in-flight massages, or collaboration between two highly disparate entities, such as the aircraft en-

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[1] Arthur M. Schlesinger, Jr., *The Age of Roosevelt, Volume II: The Coming of the New Deal,* Boston, Houghton Mifflin, 1959.

[2] David Thielen, *The 12 Simple Secrets of Microsoft Management: How to Think and Act Like a Microsoft Manager and Take Your Company to the Top,* New York, McGraw-Hill Companies, 1999

This background note was prepared by Professor David W. Young. It is intended to assist with case analyses, and not to illustrate either effective or ineffective handling of administrative situations.

gine and home appliance divisions at General Electric (which resulted from regular meetings to explore, discuss, and decide upon what GE called "cross-business synergies"). Left unmanaged, or poorly managed, however, conflict can create organizational havoc.

CONCEPTUAL BACKGROUND

In 1967, Paul Lawrence and Jay Lorsch, both professors at the Harvard Business School, published a landmark book on conflict and conflict management, entitled *Organization and Environment.*[3] The book made the then-novel point that organizational conflict arises because different functional specialists face different technical, economic, and geographic "environments." As a result, these individuals have different "cognitive and emotional" orientations, which Lawrence and Lorsch (L&L) called "differentiation."

L&L argued that differentiation can vary both in kind and degree, and can differ across and within industries. A key role of senior management is to assess it, and then design appropriate conflict management—or "integrating"—mechanisms to deal with it. How an organization manages conflict—the kind of integration it engages in—depends on how much differentiation it has. They concluded that the ideal organizational form was contingent on the nature of the organization's differentiation. This *contingency theory of organization,* as it now is called, was revolutionary in an era when organizational design research sought the *single best* way to organize.

The Ubiquity of Conflict

L&L's study was conducted in three industries, each of which displayed slight variations on the theme. In the *container industry,* they found that managers in the sales and manufacturing departments had quite contrasting perspectives. The sales environment was one where a salesperson wanted to get the product to the customer as quickly as possible, perhaps in relatively small quantities, whereas the manufacturing environment was characterized by the need for considerable lead time and lengthy production runs, so as to keep production costs low.

In the *food industry,* by contrast, the sales staff wanted the products available in the marketplace before other companies were able to develop a competing product. However, researchers functioning in a scientific environment, wanted to focus on the development of new knowledge or on technological improvements— all of which take time.

In the plastics industry, there was differentiation between fundamental and applied research; the former was concerned with "good science" and the development of new and improved materials. The latter wanted to be able to use the new or improved materials in the design of new products. Part of this difference was due to the contrasting "scientific environments" of the two groups, but part was due to the pressure on the people in applied research to have new products ready for the market as soon as possible.

More generally, as the following example illustrates, differentiation is an ongoing fact of organizational life, and no doubt will continue to be so into the foreseeable future:

> In the beginning of the 1990s, MCI (the telecommunications company) was in fierce competition for market share. The company's research indicated that the top 5 percent of its customers accounted for 40 percent of its revenues. Further analysis revealed three distinct groups among this 5 percent: frequent travelers, overseas callers, and work-at-home people.
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> Based on this research and analysis, MCI's Sales and Services (S&S) Department launched a program called *Customer First,* which was targeted toward those top 5 percent of customers. It provided them with services such as personal 800 numbers and in-language operators.
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> The *Customer First* program led to conflicts between the S&S and Marketing departments. Marketing, which handled promotions of new products, wanted to introduce these products to as many potential customers as possible, not just to those who were candidates for the top 5 percent group. However, as part of the new initiative, Marketing was required to obtain permission from *Customer First* before introducing a product.
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> Because the *Customer First* staff was not concerned with new business, they frequently turned down Marketing's proposals for potential new products, even though one of these new products might have attracted a customer who subsequently would have joined the ranks of the 5-percent group. As a result, while MCI's customer retention rate increased, the acquisition rate of new customers fell, causing the company to lose some potentially valuable business.[4]

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[3]   Paul R. Lawrence and Jay W. Lorsch, *Organization and Environment: Managing Differentiation and Integration,* Boston, Division of Research, Graduate School of Business Administration, Harvard University, 1967.

[4]   See Don Peppers and Martha Rogers, *Enterprise One to One: Tools for Competing in the Interactive Age,* New York, Currency/Doubleday, a Division of Bantam Doubleday Dell Publishing Group, Inc., 1997.

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In part, MCI's difficulties arose because of the highly differentiated points of view of Sales and Services, on the one hand, and Marketing on the other. S&S faced an environment of existing customers who were being presented with a variety of tempting offers from competitors. Marketing, by contrast, faced an environment of potential new customers, and needed to *design* attractive offers to lure them away from competitors.

This challenge is similar to those that L&L discovered in their research. The overall conclusion is that when two or more managers with contrasting views are required to collaborate in decision-making, their differentiation must be matched by appropriate integration. Otherwise, the unresolved conflict likely will fester, impede timely decision-making, and hinder the organization's effectiveness.

More generally, while differentiation can vary in kind and degree from one organization to the next, no organization except perhaps the very smallest can avoid some form if it. As Professor Martin Charns of Boston University, an expert on the subject of conflict, has stated:

> The existence of conflict [i.e., differentiation] in organizations is inevitable. Even when disagreements are not overtly expressed, latent conflict is an inherent characteristic of complex organizations. Some conflict can never be resolved, so it is more helpful to think in terms of "managing" conflict than of "resolving" it.

In short, as Charns and others have suggested, conflict can be either beneficial or detrimental to an organization, depending on how it is managed. The tension that exists between line managers and the controller's staff during budget formulation is an example of potentially beneficial conflict that exists in almost all organizations. Each party brings an important, (but usually conflicting) perspective to the table, the resolution of which can lead to improved organizational performance. For a good decision to emerge, however, the conflict must be well managed. In this case, well-managed conflict might lead to a tight but attainable budget that directly supports an organization's strategy, helps to assure that customers receive high quality products, and motivates line managers to stretch themselves to attain the agreed-upon goals.

Similarly, L&L's findings in the container, food, and plastics industries have applicability to many other industries. At Microsoft, for example, new product development requires collaboration between the software engineers, who want a lengthy design and testing period, and the marketing personnel, who want an early launch.[5] Moreover, in Microsoft, as well as in companies such as Chrysler, Intel, Merrill Lynch, and others where there are "co-leaders,"[6] one of the fundamental goals is to take advantage of the creative tension that exists between two people with contrasting cognitive and emotional orientations.

The Role of Interpersonal Conflict

Clearly, interpersonal (as opposed to organizational) conflict is important or cannot be ignored. Indeed, interpersonal conflict exists in all organizations and can adversely affect managers' (and the organization's) ability to be effective. But it is based largely on personalities, power relationships, and a variety of other similar factors.

Interpersonal conflict should not be confused with organizational conflict, however. Otherwise, senior managers are likely to take quite different actions than they would if they had seen the roots of the conflict in the organization's structure and environment. As L. David Brown, another authority on conflict and conflict management, has said:

> Conflict in organizations takes many forms. A disagreement between two individuals may be related to their personal differences, their job definitions, their group memberships, or all three. One of the most common ways that managers misunderstand organizational conflict . . . is to attribute difficulties to "personality" factors, when they are, in fact, rooted in group memberships and organizational structures. Attributing conflict between production and maintenance workers to their personalities, for example, implies that the conflict can be reduced by replacing the individuals. But if the conflict is, in fact, related to the differing goals of the two groups, *any* individual will be under pressure to fight with members of the other group, regardless of their personal differences.

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[5]   David Thielen, *The 12 Simple Secrets of Microsoft Management, op. cit.*

[6]   David A. Heenan and Warren Bennis, *Co-Leaders: The Power of Great Partnerships,* New York, John Wiley & Sons, 1999

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THE CONFLICT MANAGEMENT PROCESS

One of L&L's principal conclusions was that the kinds of differentiation a firm faces dictate, in large measure, how it must approach the task of integration. Companies with a high degree of differentiation, for example, require a correspondingly high level of integration. Otherwise, some of the resulting conflict is likely to remain unresolved, meaning that the organization will be unable to achieve maximum effectiveness. By contrast, low levels of differentiation require minimal integration efforts.

These conclusions lead to a conflict management (or integration) process with two related aspects: the *type* of conflict management, must corresponds to the level of conflict, and the *mode* of conflict management, which must fit with the organization's authority and influence process. Moreover, senior management's choice of the mode of conflict management also influences the organization's culture.

Types of Conflict Management

Five different types of conflict-management are shown in Exhibit 1, along with an example of where each and an appropriate conflict management mechanism. As this exhibit indicates, the conflict management mechanism can range from information flows (such as the exchange of interoffice memos or e-mails) to permanent committees. A manager might use the former to schedule a meeting (where there usually is a relatively low level of one-time conflict), and the latter to make capital investment decisions (where there tends to be a relatively high level of continuing conflict).

Exhibit 1. Types of Conflict Management

Type of Conflict	Example	Conflict Management Mechanism
Low level, one-time with multiple perspectives	Scheduling a meeting	Information flows (paper, e-mail, telephone)
Moderate, one-time, with two perspectives	Determining who will attend a conference	Hierarchy
Moderate, one-time, with multiple perspectives	Designing and launching a new product	Ad hoc cross-disciplinary teams
High, continuing, with two perspectives	Resolving differences between engineering and manufacturing	Integrator or integrating department
High, continuing, with multiple perspectives	Capital investment decisions; production scheduling for several product managers	Permanent cross-disciplinary teams

As Exhibit 1 suggests, the conflict management mechanisms must fit with the type of conflict. For example, using E-mail to make capital investment decisions would be just as inappropriate and ineffective as would the formation of a permanent committee to schedule a one-time meeting. In each instance senior management must consider the level of conflict that exists, whether it is one-time or ongoing, what perspectives are involved, who holds those perspectives, and what approach might be most effective to address the differences and reach an acceptable resolution.

The Role of an Integrator. In making a decision about an appropriate conflict management mechanism, senior management occasionally will rely on an individual or department outside the official line-management hierarchy. Sometimes called an "integrator," this person's (or department's) job is to thoroughly understand the perspectives that create the conflict, and to work with the involved parties to resolve their differences.

Integrators are needed in many organizations because of the complexity of the decision-making process. Changing markets and distribution channels, new production techniques, various forms of process improvements, emerging scientific knowledge, and so on combine to create a wide variety of perspectives on the best way to proceed. Moreover, most line managers (as well as senior management) cannot fully understand this barrage of information, and yet the company regularly must

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make decisions that incorporate all of it. In addition, while the managers involved in the conflict frequently are on the leading edges of technological change in their fields, they often do not understand or appreciate each other's perspectives.

In an article based on their book, L&L discussed an integrator's (or an integrating department's) role, observing that five of the six plastic companies they studied, including the one with the best integration record, had what they termed "full-scale integrating departments" (although they often were not formally labeled as such). Similarly, in the consumer foods industry, which had both a medium rate of technical change and a medium degree of difference between basic departments, one of the two companies studied used a full-scale integrating department.[7]

In L&L's view, integrators need to have four basic skills: (1) an ability to exert influence based on competence and knowledge rather than positional authority, (2) an unbiased orientation and behavior pattern, (3) a feeling that they are being rewarded on the basis of total product responsibility not solely individual performance, and (4) a capacity for resolving interdepartmental conflicts and disputes. In effect, integrators have skills that span departments, are extremely persuasive, see themselves as problem solvers, and seek to understand all sides before expressing an opinion.

Modes of Conflict Management

Conflict can be managed in a wide variety of ways. Martin Charns has classified these various conflict management modes into the six categories shown in Exhibit 2. His argument is that the choice of a mode, like the selection of a mechanism, depends, in part, on the issue at hand. As Exhibit 2 indicates, there is no one best mode for all circumstances. Although avoiding and smoothing tend to be somewhat dysfunctional in most organizations, the others tend to be used effectively at different times and under different circumstances. Sometimes the situation calls for a unilateral approach, for example, or for bargaining. And sometimes it calls for a confronting mode.

In general, a successful mode of conflict management must fit with an organization's authority and influence process as well as with the type of conflict being addressed. To attempt a *unilateral* or *forcing* mode in an organization with a collegial culture would be difficult and perhaps counterproductive, as would a *confronting* mode in an organization where the decision ultimately would be made by the supervisor of the conflicting parties. In this latter instance, the mode not only would be a poor fit with the authority and influence process but would be a questionable use of time for the involved parties. To understand this idea, one need only note that a university has a very different authority and influence process than the military!

A *confronting* mode tends to be most appropriate in situations where two professionals or managers of equal status need to make a decision or reach an agreement. Examples include researchers from chemistry and physics laboratories seeking an appropriate study design, engineering and marketing departments agreeing on a product development schedule, primary care physicians and specialists finding a suitable test or procedure for a patient, manufacturing and sales departments developing a policy for rush orders, and so on.

Conflict Management and Cross-Disciplinary Teams

A confronting mode also can be appropriate in a setting with cross-disciplinary teams. Indeed, the work of these teams can be helped or hindered by the way the conflict management process is designed and managed, as well as by how it fits with other managerial activities. For example, in a hospital, the potential for successful conflict management with a team is greatly enhanced if the organization's culture accords credibility to the team's non-physician members. Moreover, if the motivation process provides the appropriate rewards and recognition for good conflict management, individuals will be more inclined to provide input to the team effort, and their input is likely to be given greater weight in the discussions. Otherwise, a team may be cross-disciplinary in name only.

Additionally, when cross-disciplinary teams are used, the mode of conflict management must be appropriate to the kind of conflict that will be generated. If teams are not given sufficient time to discuss and resolve their differences by the confronting mode, for example, decision-making is likely to be dominated by one or more individuals who make their influence felt by either a unilateral or forcing mode.

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[7]   Paul R. Lawrence and Jay W. Lorsch, "New Management Job: The Integrator," *Harvard Business Review,* November-December, 1967.

Exhibit 2. Modes of Conflict Management		
Mode	**Characteristics**	**Uses**
Avoiding	Substantive issues are not brought out into the open	Useful if interpersonal friction is so severe that improved understanding of the issue will not lead to resolution; however, may lead to many decisions left open and worsening organizational performance.
Smoothing	The issues are raised, but are not discussed to the point of making a decision. Differences among the participants frequently are ascribed to personalities	Similar to avoiding, both of which are indications that there are differences that are not being discussed
Unilateral	A manager makes a decision independently depending on how he/she sees fit. Sometimes the manager seeks to fully understand the issue, and sometimes not.	Usually better than avoiding or smoothing in that a decision gets made, and it usually gets made quickly. However, the decision may have adverse effects on those organizational units that were not consulted.
Forcing	Issues are raised and discussed, but one party uses power to attain the approach that he/she feels is best.	If decision maker has the most relevant perspective, this mode might result in the best decision with the least amount of effort. However, the mode may mean that some decisions get made without all relevant information in hand or with bias toward the interests of the decision-maker.
Confronting	Issues are raised, the parties mutually explore them and seek the most favorable solution, using all relevant information.	Has a high potential for reaching a quality decision, especially if organizational goals are used to frame the discussion. Can be time consuming and emotionally draining, however
Bargaining	Similar to confronting, but the parties each give up something in an attempt to reach a compromise that is acceptable to all.	May be useful for resource allocation decisions where a zero-sum game is at work, but tends to limit information sharing and openness in a discussion.

Source: Martin Charns[8]

GENERATING CONFLICT

There are many forms of conflict other than organizational, including grievances, disputes, and "tense situations," as well as plain old interpersonal conflict. In addition, conflict management is a tricky concept because some of the terminology associated with it can be subjected to different interpretations. "Confronting," for example, is seen by many as quite pejorative when, in fact, it simply refers to two or more people airing their views openly and together in a problem-solving mode.

The topic of conflict management also is slippery because it involves people, who cannot be directed and controlled easily. As a result, theories of conflict management are constantly evolving. Indeed, some years ago, Harvard Business School Professor Charles Christenson challenged

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[8] Martin Charns, *op. cit.*

L&L's thinking, arguing that their normative advice was backwards.[9] He suggested that designing integrating mechanisms to deal with the conflict being generated by the differentiated views of managers facing contrasting environments was a static approach that minimized the potential for organizational learning. He argued that senior management should begin by designing the most powerful integrating mechanisms it could (or that resources allowed), and then should seek to create as much differentiation as possible within the capabilities of these integrating mechanisms. In this way, Christenson argued, senior management would get as close as possible to understanding the organization's *real* strengths and weaknesses, and its *real* environmental opportunities and threats.

Although this idea may sound somewhat far-fetched or academic, it in fact describes exactly what some senior managers have done. In an interview published in the *Harvard Business Review*, Michael Eisner, former Chairman and CEO of the Disney Corporation, was asked "How do you create the environment for supportive conflict?" His response included the following:

> "We're entertaining people, so we should have an energized culture. . . . that kind of culture doesn't just happen—you have to make it happen. That's one of the reasons we started doing our own internal "gong show" back in the 1970s. It started as a concept where, once a week, we'd invite everybody to come to a conference room, and anyone could offer up an idea or two and, right on the spot, people would react. We loved the idea of big, unruly, disruptive meetings . . . *The Little Mermaid* came out of a gong show, and so did *Pocahontas*. Lots of ideas came out of those meetings.
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> Another way we get creative juices going and ideas flowing is with "charettes." These are meetings with our architects and theme park designers. I love them because they are so brutally honest. Because everybody has a different opinion about color and style and size and look and landscaping and all the rest, these meetings take on an event stature. Eventually resolution arrives, but not before every possible idea is put on the table. . . .
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> There is no pecking order. All of a sudden it gets really creative. You may have a ten-hour meeting, but it's during the last half hour that the best ideas come out. Everybody starts driving each other crazy with ideas, and then somebody says something and it all comes together.[10]

Clearly, Eisner was not waiting for conflict to happen and then designing an integrating mechanism to deal with it. Rather, he was investing considerable company resources (such as a ten-hour meeting for many high level people) in an integrating mechanism that was designed to generate conflict and then deal with it. There is no question that Eisner truly understood the valuable role that conflict can play in moving an organization ahead strategically.

Eisner was not alone. In his book, *Wide Angle Vision*,[11] Wayne Burkan made the point that companies that fail to generate conflict often miss strategic opportunities. His "ideal team" is one that helps a company question its own rules and assumptions. He cites examples of companies such as Smith Corona (battling Brother Industries, its biggest rival in typewriters, but the wrong competitor for where the market was heading) and Schwinn Bicycle Company (a dominant player in its industry that failed to see the trend toward mountain bikes) and Hewlett-Packard (that rejected a "lowly" technician's idea of a personal computer; that technician, Steve Wozniak, then went on to co-found Apple Computer).

Similarly, in their book *Reengineering the Corporation*,[12] Michael Hammer and James Champy suggest that reengineering teams should include employees who are unhappy with the current processes. Warren Bennis and Patricia Ward Biederman discuss a slightly different, but consistent, slant in *Organizing Genius*.[13] They describe a process at the Palo Alto Research Center (PARC), in which the senior manager, Robert Taylor, set up a series of weekly meetings run like academic conferences in which the scientists were expected to challenge the work of their peers. In addition to improving communication and helping to create Taylor's desired culture, the meetings also helped with the generation—and resolution—of considerable conflict.

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[9]   Charles J. Christenson, The 'Contingency Theory' of Organization: A Methodological Analysis," Boston, Harvard Business School Working Paper 73-36, 1973.

[10]   Suzy Wetlaufer, "Common Sense and Conflict: An Interview with Disney's Michael Eisner," *Harvard Business Review,* January-February 2000.

[11]   Wayne Burkan, *Wide Angle Vision: Beat Your Competition by Focusing on Fringe Competitors, Lost Customers, and Rogue Employees,* New York, John Wiley and Sons, Inc., 1996.

[12]   Michael Hammer and James Champy, *Reengineering the Corporation,* New York, Harper Collins, 1993.

[13]   Warren Bennis and Patricia Ward Biederman, *Organizing Genius,* Reading, MA, Addison-Wesley, 1997.

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In these and other similar efforts, the approach mirrors that advocated by Christenson: to create a powerful integrating mechanism (usually a team, but sometimes, as in the case of PARC, a regular meeting) and then to generate as much differentiation as possible—that is, as many iconoclastic points of view as the process can handle. Only in this way will senior management and others begin to gain knowledge about the organization's *true* strengths and weaknesses, and the environment's *true* opportunities and threats.

LINK TO OTHER MANAGERIAL ACTIVITIES

Link to Culture

There are several conflict management activities that senior management can use, each of which will affect its culture. For example, senior management's response to a situation of ongoing conflict can be to (a) become involved in resolving it, (b) appoint an ad hoc or permanent committee to deal with it, or (c) assign an integrator. All three approaches can be effective, but each is likely to lead to a different culture in terms of the basic assumptions about how decisions are made. Indeed, the approaches taken to deal with the several kinds of organizational conflict (shown in Exhibit 1), and the modes of conflict management that are used (shown in Exhibit 2) constitute highly visible intra-organizational signals of the kind of culture senior management desires.

From a somewhat broader perspective, in *The Executive Way,*[14] Calvin Morrill used the results of interviews with over 200 executives and their support personnel to describe how high-level corporate executives manage conflict. He found that the corporate culture was an important influence, which suggests that the organization's culture is directly linked to the conflict management process.

Link to Authority and Influence

Similarly, a committee's or task force's membership sends important signals about authority and influence. If senior management combines, say, an equal number of middle managers and assembly line workers on a reengineering task force, it sends a signal to the organization about both the importance of line workers' opinions and the value it attaches to middle managers' time.

Link to Customer Satisfaction

Conflict management also is linked to the "customer management" process. In the Toyota Production System (TPS), for example, everyone in the plant is expected to be on the alert for potential operational changes that would improve either efficiency or quality. Clearly, ideas will be challenged and study designs (to test the new ideas) will be critiqued, all of which constitute conflict. Without appropriate conflict management processes—quite likely ad hoc task forces engaging in a confronting mode—it is unlikely that the TPS would be the success that it is.

Although conflict can be beneficial to Toyota, in the sense that it creates multiple perspectives on the best way to design the customer management process, it also must be managed appropriately or it will impede the the plant's smooth functioning. In effect, Toyota's senior management must develop appropriate integrating devices to manage these highly differentiated perspectives on customer management.

Link to Management Control

Finally, both the conflict management and customer management processes are linked to the management control process. In particular, when a report from the management control process indicates that either financial or programmatic results are not as planned, this is a signal that action of some sort is needed. Determining the appropriate action to bring the customer management process back in line no doubt will engender some conflict about the most appropriate steps. A key task for senior management is to determine the places where conflict may arise and then to design appropriate mechanisms to manage it.

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[14]   Calvin Morrill, *The Executive Way: Conflict Management in Corporations,* Chicago, The University of Chicago Press, 1995.

MANAGERIAL CHECKLIST

1. What are our primary source of organizational conflict? Specifically, which managers have what kinds of perspectives and how highly differentiated are they?

2. What processes do we use to manage the above conflict? Where do we use task forces? Permanent committees? Integrators? Other techniques?

3. Do our conflict management processes adequately address the many kinds of conflict that arise in the customer management process? Do they fit with our authority and influence and cultural maintenance processes? If not, how might we modify them to improve the fit?

4. How effective are our conflict management activities? What kind of conflict goes unresolved for too long? Why?

5. Does our motivation process provide appropriate rewards for successful conflict management? If not, what kinds of changes are needed?

6. What kinds of conflict do we need to generate so as to gain greater insight into our strengths and weakness and environmental opportunities and threats? How will we manage this new conflict?