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ABSTRACT

While the research on managerial third party intervention recommends that managers use a mode of intervention that allows disputants to maintain control of decisions, or mediation, it simultaneously concludes that these models are difficult for managers to follow within the restrictions of their managerial role. The paper argues that the research leaves managers wanting for normative guidelines for successful intervention and presents a model of conflict intervention training emphasizing that when a transformational leadership style is used, managers can successfully adopt mediation as it becomes an extension of their everyday goals of fostering employee growth and development. It is concluded that the model must be tested in the workplace to avoid receiving criticism. It is suggested that another area demanding extension and exploration is the identification of the types of informal disputes managers and employees face and the interventions that are most successful in each case. It is also concluded that research providing empirical data demonstrating the impact of traditional vs. transformative mediation is crucial to determining the value of training in this arena. Contains a figure outlining intervention training and 30 references. (Author/NKA)

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Why managers *can* mediate:

A re-examination of the literature on managerial third party intervention

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Abstract

While the research on managerial third party intervention recommends that managers use a mode of intervention that allows disputants to maintain control of decisions, or mediation, it simultaneously concludes that these models are difficult for managers to follow within the restrictions of the managerial role. This paper argues that the research leaves managers wanting for normative guidelines for successful intervention and presents a model of conflict intervention training emphasizing that when a transformational leadership style is used, managers can successfully adopt mediation as it becomes an extension of their everyday goals of fostering employee growth and development.

Introduction

While conflict has always been a pervasive part of organizational life, changes in modern work environments make the ability to handle conflict effectively all the more imperative for today's managers. The rise of "self managing teams" (Kolb & Putnam, 1992; Laiken, 1994; Larson & LaFasto, 1989) increases employee interdependence and the likelihood of conflict by reducing opportunities for avoidance (Morrill, 1991). The name itself implies that members of such teams are expected to manage disputes on their own and means that employees as well as managers require training in conflict resolution. The increasing diversity of the work force presents another reason for concern about employee conflict. Diversity increases the likelihood of differences between co-workers and results in conflicts where gender, class, race, and ethnicity are often underlying causes. The sensitive nature of these conflicts make them more difficult for managers to deal with and they therefore frequently result in organizational suppression of the conflict (Donnellon & Kolb, 1994; Horowitz & Boardman, 1994; Putnam, 1994).

Kolb and Putnam (1992a; 1992b) point out that many cases exist in which employees feel problems lie in the organizational system itself and appeals to management will be futile. These "hidden" conflicts are managed through the use of avoidance, accommodation, tolerance, or coalition building and have the potential to erode employee cohesion and productivity. Managers must therefore try to address these conflicts informally, and this is especially challenging when employees avoid bringing problems to their attention. The complexity of the conflicts managers face prompted one administrator to ask just what options managers have for intervening in employee disputes. It was this question that resulted in the current review of research in this area.

The topic of managerial third party intervention has received much research attention over

the past decade and a half. Most of this research covers perceived fairness of formal grievance procedures (Gutek, 1992; Lewin, 1993; Peterson, 1994), what managers actually do and the impact of interventions (Donnellon & Kolb, 1994; Karambaya & Brett, 1989, 1994; Prein, 1987; Rubin, 1994; Shapiro & Rosen, 1994), or the development of models of intervention strategies (*for a review see* Lewicki, Weiss, & Lewin, 1992; *also* Conlon, Carnevale, & Murnighan, 1994).

A review of this literature resulted in the discovery of four general strategies of intervention: decision making, arbitration, mediation, and intravention. While researchers have identified additional categories such as overlooking and offering incentives (Shapiro & Rosen, 1994) and inquisitorial and adversarial intervention (Sheppard et al., 1994), the four broad strategies reviewed here encapsulate these ideas and cover the major interventions used by managers to resolve employee conflicts. The research also revealed that while managers are frequently advised to use modes of intervention that allow disputants to maintain control of decisions, or mediation models, (*as reported in* Sheppard, Blumenfeld-Jones, Minton, & Hyder, 1994) the research concludes that the prescribed models have not been systematically tested and further suggests that these models are difficult or even impossible to follow within the restrictions of the managerial role (Kolb & Sheppard, 1985; Kolb & Putnam, 1992; Lewicki, Weiss, & Lewin, 1992; Sheppard et al., 1994).

This finding was troubling in that it limited the ability of the literature to offer normative advice for managers (which was of course, the task at hand) and resulted in a re-examination of this literature in an attempt to discover why the conclusion that managers can not mediate was repeatedly drawn. While it is conceded that managers are different from external third parties in a number of ways, (i.e., their history and future with employee disputants and vested interest in

outcomes) this paper will present the argument that common assumptions regarding managerial leadership style result in the lack of normative guidelines for successful intervention.

The paper begins with a review of the literature describing the four intervention strategies outlined above and recounting findings regarding the use of each in the workplace. This raises the question of whether or not managers can successfully mediate which is addressed by discussing two assumptions that are not always made clear in the literature: the definition of mediation in use, and the style of management or leadership under scrutiny. This discussion leads to the presentation of two brief scenarios demonstrating the potential differences in outcomes achieved when mediation is performed by a directive manager versus one who adopts a transformational leadership approach. Based on this illustration the paper concludes by offering a potential model for managerial intervention training displaying that under the right circumstances, managers can successfully mediate and achieve desired conflict management goals.

Review of the Literature

Decision-Making

While not presented as an official third party intervention strategy, research consistently finds that managers most frequently rely on their official roles and legitimate power to decide how a conflict is to be solved (Karambayya & Brett, 1992, 1994; Kolb & Putnam, 1992a; Sheppard et al, 1994). This is likely to happen because viewing conflict as a problem to be solved is most congruent with the managerial decision-making role. Some research suggests that a manager's choice of intervention is directly related to their level of confidence with a particular strategy (Shapiro & Rosen, 1994). If this is true, we would expect managers to resound with this intervention as they usually have strong decision making skills (Kolb & Sheppard, 1985).

The process involved in decision-making is straightforward with the process and outcome both controlled by the manager. A manager becomes aware of a conflict either through invitation by the parties, an external source or their own observation, and decides on a solution that best fits their personal or organizational goals. Research has uncovered a number of managerial decision making roles. The term *inquisitorial intervention* is frequently used to describe a strategy where the manager takes on a "parenting" role by obtaining the story of each employee and then telling them how they will resolve it (Putnam, 1994; Sheppard et al., 1994). *Overlooking* is also a decision managers sometimes make, particularly when a conflict is considered to be low in seriousness or is not obstructing completion of a task (Shapiro & Rosen, 1994). Another type of decision making strategy is *restructuring*, where assignments are changed to minimize interdependence and contact between the employees (Kolb, 1986 *as cited in* Putnam, 1994).

There is also a lot of evidence that managers are restricted to these strategies due to their unique position. As indicated previously, unlike outside third parties, managers have a previous and continuing relationship with the parties involved, and how they handle the conflict will therefore impact their future relationship (Karambayya & Brett, 1994; Schoorman & Champagne, 1994). Managers are also frequently involved in the conflict itself, or are affected by its solution, at least to the extent that the productivity of their department is a reflection on them (Karambayya & Brett, 1989). Decision making is also efficient, and since managers are generally invested in dispute outcomes and operating under time constraints, it is again not surprising that they would frequently choose this intervention strategy (Karambayya & Brett, 1994; Kolb & Sheppard, 1985).

As mentioned above, however, research generally advises managers to use a form of

conflict management that leaves control over the outcome with the disputants as these processes score highest on employee ratings of fairness and satisfaction (Conlon & Fasolo, 1990; Karambayya & Brett, 1989; Sheppard et al, 1994). These findings suggest that the decision making strategy does not fare as well on the effectiveness, participant satisfaction, or fairness criteria. As will be discussed, other interventions are much more likely to get at the underlying source of the conflict and help parties learn to resolve conflicts on their own instead of relying on managers for help (Putnam, 1994). In sum, while this intervention continues to be the most common, and often the most efficient, research suggests that at the least, managers should be familiar with other intervention options and be able to use them when conditions permit (Shapiro & Rosen, 1994).

Arbitration

In arbitration, the manager listens to both sides and then makes a final decision. While arbitration is frequently conceived of as being based on a set of established rules or laws, researchers refer to *adversarial intervention* as a situation where both disputants are allowed to present their information and arguments and then the manager makes a final decision (Sheppard, 1993, *as cited in* Putnam, 1994). This method may be in line with a manager's desire to come to a resolution quickly and control the outcome while also being perceived as fair and allowing the disputants more control over the process. While there has been consistent evidence in the legal domain that procedures are perceived to be fair when disputants control the process and a third party controls the outcome, research suggests that this may hold true only in cases of very high conflict, while for more common, employee conflicts, disputants find a procedure to be fair if they control the outcome (Sheppard et al., 1994). Other studies have supported the notion that

arbitration outcomes are only perceived as fair by the disputant who is favored in the decision and therefore recurrence of the conflict is likely to result (Karambayya & Brett, 1989). While this choice might be perceived as a compromise between the decision-making strategy discussed above and mediation, research is inconclusive as to its ratings of fairness, participant satisfaction and its long term impact. This indicates that arbitration may be best saved for more formal grievance procedures where there is a question of policy interpretation and may not be as satisfactory for informal dispute resolution.

Mediation

The process of mediation requires bringing the parties together to allow them to hear each other's side and facilitating a discussion to help the parties reach a mutually satisfactory solution. While the process of mediation is guided by a set of rules (i.e., no interrupting, no name calling, etc.), disputants maintain some influence over the process and complete control of the outcome. This intervention is the most divergent from the traditional managerial role, although there is evidence that managers who are familiar with the process do use it (Karambayya & Brett, 1989; 1994; Shapiro & Rosen, 1994). There are a number of reasons to use mediation as research has found that with its use disputants are generally more likely to compromise, more satisfied with outcomes and are more willing to comply with the terms of the agreement (Karambayya & Brett, 1989). Mediation's goal of helping disputants see an issue from another's perspective also gives it the best chance of uncovering the source of the conflict and preventing its recurrence. At the very least, the skills learned through mediation should assist the parties in resolving future conflicts on their own. Mediation therefore would seem to score highest on the criteria of effectiveness, participant satisfaction and fairness.

Shapiro and Rosen (1994) asked University managers to report on intervention strategies they had used in six recent disputes, and results confirmed that managers use a variety of conflict styles as opposed to relying on one. Furthermore, this study revealed that mediation was the most frequently chosen strategy when managers were confident of their ability to do it, when the conflict was found to be high in seriousness and when the issue was a matter of policy/procedure, authority/responsibility or resource scarcity. Interestingly, mediation was one of the least likely choices, behind offering incentives or arbitration, for issues dealing with personality conflicts. The authors conclude that when managers feel "personality differences" are involved, there is a low perception of cooperativeness between the employees and therefore managers do not believe mediation will be successful. A word of caution about accepting these particular findings is that the self report nature of this study may have resulted in a response bias. Mediation may have been seen by the managers responding as the most socially acceptable choice, and therefore responses might represent what they would *like* to do more than what they actually do.

Also important to consider is that this intervention takes longer than others and it therefore scores low on efficiency, a major criteria used by managers to determine how to intervene (Karambayya & Brett, 1994). While this is frequently an important consideration, Conlon and Fasolo (1990) found that disputants reported low satisfaction when managers intervened too quickly because they were not given ample time to solve the problem on their own. Their results strongly suggest going against a manager's normal inclination to solve a problem as quickly as possible and allowing disputants time to "wrestle" with it before stepping in. Unfortunately, this advice is tricky when conflict is often hidden and a manager therefore does not always know how long it has been going on before it reaches their awareness. Researchers also

caution that while the potential benefits of mediation are high, there are times when getting parties together will only make things worse (Rubin, 1994). The complexity of choosing the right intervention for a given conflict points to the importance of understanding the distinctions between types of conflicts and the ability to perform a variety of intervention strategies.

Intravention

While this has received much less research attention than the previous strategies, intravention (Conlon et al., 1994) bears mentioning as it is specific to organizational dispute resolution. This model takes into consideration the previous research which notes that while managers do not act like mediators in that they have authority to dictate outcomes, they also do not act as arbitrators due to the informality of their role and their personal interests in the dispute. Hence, in intravention a third party can impose a settlement but also maintains the freedom not to, allowing a manager to begin by using a mediation style and then imposing a settlement later if it is deemed necessary. This permits a manager to use a mediation format while openly admitting that they are not neutral. This approach is like a model of community mediation known as Med-Arb (mediation - arbitration) in which mediation is used until it appears no resolution will be found and then the third party has the authority to enforce a binding settlement.

Proponents of these practices claim that disputants are less hostile and competitive and work harder at problem solving when they know the third party has the option of enforcing an outcome (Conlon et al, 1994; Rubin, Pruitt, & Kim, 1994). Apparently the fact that disputants prefer to retain control over the outcome motivates them to be cooperative in these situations. Results of this study revealed that intravenors were likely to use forceful, pressure tactics in dispute resolution and were more likely than not to impose an outcome. The study also found,

however, that outcomes imposed were more often based on concern for the employees than their own self interests, which may impact perceptions of satisfaction and fairness. Interestingly, these authors note that subjects in their study acted in ways that matched what has frequently been described as a manager's "natural" method of handling conflicts (most notably, Kolb & Sheppard, 1985).

Although there are benefits of attempting mediation and resorting to more forceful tactics if unsuccessful, its effect on employee satisfaction with outcomes is presently unknown. While the evidence presented above points to the potential for positive perceptions, it is also possible that employees would not be any more satisfied with intravention than they are with the arbitration or decision making strategies. Disputant perceptions of fairness and the effectiveness or long term impact are also uncertain. Current findings are also limited in that they are based on experimental rather than naturally occurring conditions and as mentioned, there is limited research on this phenomenon. Table 1 recaps the research presented above by providing a comparison of the four interventions and their ratings on each of the four criteria.

What the literature tells us...and what it doesn't

While this strong literature base is informative for managers, the question still remains, what practical advice does it offer for managers who want to know how they should handle employee disputes? Findings indicate that managers choose the method of intervention that a) meets their criteria for success, and b) they are comfortable with. Therefore when efficiency is the main criteria, managers are most likely to use decision making strategies as they are

Table 1: A comparison of the four managerial third party intervention strategies

	Decision Making	Arbitration	Mediation	Intravention
Amount of disputant control of process	NONE	Disputants have some control through ability to present their cases	Disputants have some influence on the course the mediation takes	Disputants may be given more or less control by the manager
Control of outcome	Manager	Manager	Disputants	Disputants, unless manager overrides
Efficiency	High	Moderate/High	Low	Up to manager
Effectiveness	Low	Low	High	Unknown
Participant Satisfaction	Low	High for favored disputant; unknown for other	High (unless there is no settlement, then results vary)	Unknown
Fairness	Low	Perception will vary depending on who is favored	High	Unknown
Appropriate situation for intervention	When efficiency is the main criteria for resolution	Policy or procedure interpretation - where efficiency & perception of fairness are main criteria	When the main goal is personal growth of employees - effectiveness, disputant satisfaction & fairness criteria	When the goal is the same as in mediation but efficiency is also salient

confident in their ability make sound decisions. When there are concerns for employee satisfaction, fairness and long term impact of the resolution, however, research suggests that mediation is more likely to provide these outcomes, and simultaneously concludes that managers are less comfortable performing this role.

Such findings present a poignant example of the perception among many practitioners that theory and practice are separate entities. While normative approaches continually tell managers to mediate, descriptive research reports that managers are unable to do so due to the constraints of their role: managers cannot be "neutral" third parties - they have past and future relationships with

employees, and they are vested in outcomes. The implications of this research then are that while mediation is the "ideal", it is simply not pragmatic for managers and therefore they will likely have to settle for forms of intervention that do not meet all their criteria for success.

This presents a paradoxical situation for the manager who wants to mediate and does not provide normative advice for managers who desire successful outcomes on criteria other than efficiency. One problem with the research as it is stated above, however, is that it makes two sweeping statements: that managers should mediate, and that they cannot mediate. Instead, it would be more fruitful to identify when mediation is the appropriate intervention, and under what circumstances managers are able to successfully mediate. The work of Karambayya & Brett (1994) and Shapiro and Rosen (1994) presented above represent attempts to respond to these questions. In general, it seems that managers are more likely to impose a solution when there are time constraints, when parties are not highly interdependent, and when the issue has broader implications for the organization (Karambayya & Brett, 1994; Thomas, 1990). When parties are highly interdependent and there are underlying issues to be addressed, managers may be more likely to attempt mediation (Karambayya & Brett, 1994; Thomas, 1990). Findings such as these indicate that while not all disputes should be mediated, a contingency approach to intervention, is needed that would match the characteristics of a specific dispute to the appropriate intervention strategy (as Fisher & Keashly have presented in the international conflict literature, 1991). While a discussion of what such an approach might look like is beyond the scope of this paper, it is an important consideration for continued discussion of managerial third party intervention training.

To return to the more specific purpose of this paper, the question of whether or not managers *can* mediate, will be addressed in more detail. The work of Shapiro and Rosen (1994)

presented above illustrates that managers may use mediation if they are comfortable with it and find it appropriate to a given conflict. This is commensurate with Thomas's (1990) contention that one of the most important reasons why managers do not mediate is the lack of necessary skills. Another reason noted by Thomas is that successful mediation requires a considerable amount of trust between disputants and the third party, something that may be difficult to achieve when the mediator is also a manager. This point will be returned to in a later section of the paper. A final point regarding the ability of managers to mediate is raised by Deutsch (1991) in his discussion of the skills necessary for facilitating constructive solutions. He states that third parties need to (1) establish trusting working relationships, (2) establish cooperative, problem solving attitudes, (3) develop creative group process, and (4) have substantial knowledge about issues surrounding the conflict in order to assess the viability of proposed solutions. Examination of this list reveals that managers should be in the best position to mediate as they are more likely to have control over these areas than either a third party from another part of the organization or an outside consultant. If it is the case that managers do mediate when they are comfortable with it and that they can effectively mediate when appropriate, it is incumbent upon us as researchers to determine how managers can become more comfortable with mediation and successfully utilize it as an intervention tool.

The search for an answer to this question led to closer examination of the literature and two areas of concern were identified. The first was the lack of a consistent definition of mediation, and the second was an overriding assumption that managers use an autocratic or directive style of leadership. As Lewicki, Weiss & Lewin (1992) point out, there are many definitions of mediation and the research is not always specific in what it means by that term.

Furthermore, the abundance of research support for the reliance on "decision making" strategies over other interventions demonstrates the assumption that managers use a directive leadership style, one that has goals frequently in opposition to those of mediation. The following sections will therefore discuss the utility of adopting a broader definition and understanding of mediation and the differences in the management styles of directive versus transformational leaders. This discussion will illustrate that use of a transformational leadership style results in goals aligned with those of mediation, goals which are necessary to allow managers to be effective mediators and overcome the paradox of managerial mediation.

What is *mediation*?

Mediation is described in almost as many ways as there are articles on it. The most basic definition proclaims it as "an informal process in which a neutral third party with no power to impose a resolution helps the disputing parties try to reach a mutually negotiated settlement" (Bush & Folger, 1995). Prein (1987) defines the mediator as a "messenger" who is in a position to "exert pressure on the principals to accept a compromise" (p. 700). The first definition in particular excludes managers as potential mediators by limiting the role to those without any relationship with or power over the disputants.

In contrast to these definitions, Yarbrough & Wilmot (1995) discuss mediation as "the art of altering the positions of those in dispute, changing their perceptions of each other and of the issues, so that they can manage their differences" (p. 6) and Bush and Folger (1995) discuss mediation as the ability to foster empowerment and recognition between parties to encourage individual growth and the building of a sense of community. These definitions focus more on the long term goals and potential of mediation, rather than emphasizing who can or should perform

the mediator role. The differences in all these definitions indicate that while some view mediation as a process similar to adjudication in that it gives disputants an opportunity to present their cases, and then leads them down a path toward a mediator (manager) defined outcome, others realize the potential mediation has to transform disputants and their relationships through truly allowing them control over the process and the outcome.

The latter view is akin to what Bush and Folger (1995) call *transformative mediation*, which highlights the long term goals of mediation. In this model, the mediator takes on the role of facilitator, offering disputants options that empower them to make their own decisions while asking questions that allow for the possibility of enhanced recognition of each other's perspective. It is through this balance of empowerment and recognition or connection that disputants learn to manage conflicts on their own through increased confidence in their own decision making ability and increased understanding of other cultures and communication styles.

The goals described above should be similar to the outcomes desired by managers. As indicated in the introduction, the use of self managed work teams and the increasing diversity of the work force results in the increasing need to teach employees to manage conflicts on their own and work with others from diverse backgrounds. Transformative mediation's goals of empowerment and recognition fulfill these needs and as employees achieve them may produce an organizational climate that is better equipped to deal with conflict and diversity. Even when these are the goals of management however, different styles of leadership may result in varying degrees of success with a particular intervention. It is therefore necessary to consider how a manager's leadership style might contribute to enhanced comfort and success with mediation, and how common beliefs about predominant managerial styles may result in the assumption that mediation

is outside the boundaries of the managerial role.

Directive vs. Transformational Leadership

Differences in goals and criteria for successful management result in differences in the styles managers use to interact with employees. These differences in daily behaviors may limit the manager's options for conflict intervention. The "traditional" view of management, as described throughout this review, calls to mind an autocratic or directive style where managers make decisions and employees carry them out. This style is often referred to as transactional (Bass, 1990) because the manager - employee relationship is based solely on the exchange of service for rewards (or avoidance of punishment).

While this style may be successful, a major disadvantage of a system dependent upon the promise of reward and threat of punishment is that employees must watch what they say and do in front of the manager to avoid negative repercussions. Employees will always try to look their best in the manager's eyes, even if it means distorting information. This often results in the "hidden conflict" phenomenon mentioned earlier (Kolb & Putnam, 1992a; 1992b) as when employee conflict arises, they are likely to avoid the manager for fear it will make them look bad. If they do decide manager guidance is necessary, they will expect her to make a decision and solve the problem for them. While the implications for managers who embody this style to successfully mediate may be obvious, a brief example will help illustrate the point.

Imagine that Maggie is a senior manager in an accounting firm and is well-known in the company for her decision making ability. She calls the shots among her staff and is quick to offer praise as well as discipline. Her staff respects her judgment but also fears her due to her reputation for berating workers when she feels it is justified. Two employees, Bob and Sue, are

having a dispute over who should direct the audit at an account where they work as a team.

While both are qualified, Bob recalls that Sue has had problems with this account in the past and he believes he should take control, while Sue believes the past is water under the bridge and it is her turn as Bob has directed the last two audits. Unable to resolve this among themselves, they decide to approach Maggie and ask her who should direct the audit.

Having recently attended a conflict resolution seminar and training in mediation, Maggie decides this provides a good opportunity to try out her new skills. Rather than just providing them with a simple solution (the answer is obvious to her), she asks them to sit down and describes the mediation process to them. She wants them to each explain their side and exactly what the problem is so that they can all understand each other's point of view and reach a solution together.

Maggie asks Bob to go first, and he is immediately uncomfortable because he does not want to "tattle" on Sue by explaining the details of the previous problem Sue had with the client. While he wants to direct the audit, he does not want Sue to get into any trouble or experience Maggie's wrath. He therefore briefly makes his point, omitting the details and not making a very strong case. Then it is Sue's turn. Grateful that Bob did not throw her to the proverbial "wolf", she does not want to sound petty by accusing him of taking over all the accounts and also makes a brief statement to the effect that she would like to direct this audit, again, not making a very strong case. As a result of these brief discussions, Maggie is annoyed because she does not see what the big fuss was all about and tells them they are acting like children. Disgusted that her time was wasted, she puts a third team member in charge of that account and tells both Bob and Sue that neither will be lead auditor on any account for the next three months.

Needless to say, this scenario does not bode well for the future of mediation in this office. Maggie is likely to see it as a waste of time, and the employees are punished, a result that would not have occurred had Maggie simply resolved the issue for them as they had expected. This illustration displays why it is difficult for mediation to be successful when a manager uses a directive or transactional leadership style. When Bob and Sue were asked to be open and honest about their views, they could not because they did not trust that Maggie would not use her position (legitimate power) to punish them. Because the mediation process is so completely different from the way Maggie manages, the employees were skeptical of her motives, did not believe she would really allow them to make the decision, and as a result, Maggie did not possess the ability or license to mediate. The end result only served to reinforce Maggie's transactional management style and further reduce any future opportunities for mediation.

Importantly, this hypothetical dispute could have been mediated. Because it revolved around differences in the disputants perceptions of events and each other's motives, an open discussion resulting in increased recognition of the other's perspective could have resulted in a resolution and a better working relationship between the parties. This is particularly important in this scenario as they are part of a team and therefore will continue to be interdependent. Unlike the success mediation could have achieved, the above conclusion does little to enhance their understanding or prevent future reoccurrence of conflict among these employees.

At the other end of the managerial spectrum are those who adopt what has been called a transformational approach to leadership (Bass, 1990). The goal of a transformational leader is the growth and development of employees, done through mentorship and encouraging employees "to look beyond their own self-interest for the good of the group" (Bass, 1990, p. 21). Rather than

working to please the manager and avoid punishment, employees of transformational leaders are frequently inspired by them , and work harder for them out of respect and pride in their work. Due to their focus on growth and learning, these leaders are more likely to teach employees how to resolve problems and conflicts on their own, rather than imposing decisions or solutions on them. It is the similarity of these goals with those of mediation that make this style of management more conducive to using mediation in the workplace. Again, a brief example is illustrative.

Jim is a Regional Sales Manager for a pharmaceutical manufacturer. He strongly believes in the benefits of self-directed teams and encourages his regional sales force to meet regularly and work together to make sales and distribution decisions for their region. While not a regular participant of these meetings, he occasionally attends to facilitate when the group indicates they need assistance. The employees see Jim as a “mentor” and appreciate his ability to guide them through tough issues and allow them to reach decisions on their own.

Within the team there is a leader, Stan, who handles personnel issues such as employee performance reviews. Stan recently reviewed Henry, and Henry does not agree with some of the lower scores he received. While Henry asked Stan to justify the scores during the review, Stan did not explain his criteria to Henry’s satisfaction. Upon repeated inquiries regarding what he needed to do to improve, Henry is told to take it up with Jim. Once Jim becomes aware of the situation he requests that both parties meet with him at his office where they will engage in mediation to work out a resolution that is satisfactory to both.

In Jim’s office, both employees feel comfortable because they know Jim wants what is best for his employees as individuals as well as for the team and company as a whole. Because Jim

relies upon values such as honesty, trust and delegation of decision making in his day to day operations, Henry and Stan are both candid about their positions. Henry explains that he does not agree with his performance appraisal and needs more feedback about the criteria for higher scores. Because Stan is not providing it, he feels Stan must be trying to hurt him in some way. He is not trying to get Stan into trouble, but he wants to know what he needs to do to be seen as a better performer. His concern is solely in understanding what the company expects so that he can improve.

Stan explains that the rating system for performance reviews is based largely on the amount of individual improvement from the prior year, as compared to the improvement of other members of the sales team. He did not feel comfortable sharing this information with Henry as he feared it would make him more competitive rather than team oriented. In explaining this, he recognizes the inconsistency between the company's goals and the rating system, and he makes a point of saying he will work toward changing the company policy on performance reviews.

Because both employees are able to openly discuss their feelings in a non-threatening environment, with no fear of repercussions, Henry is able to understand that Stan was working under a set of guidelines that were imposed upon him by the company, rather than personally attacking him. Stan recognizes that Henry is not trying to be a troublemaker nor is he likely to become less of a team player since his concern is in working harder for the company's best interests. As a result, Henry and Stan have improved their working relationship and are now clear on each other's motives.

It is important to note that in this scenario, mediation works because the process is consistent with Jim's behavior in his "non-mediator" role. Jim's style of acting as a facilitator

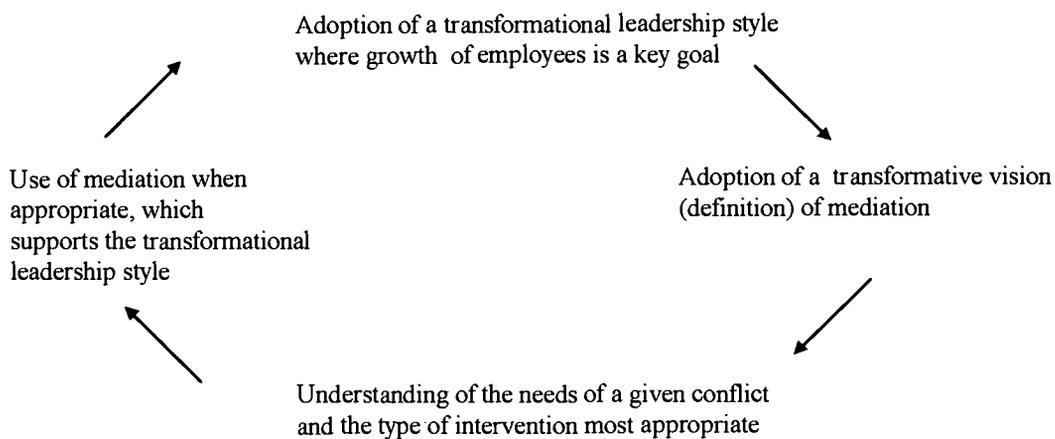
in meetings, encouraging honesty and displaying trust in his employees' decision making ability carries over to the role he takes on as a mediator. Unlike "Maggie", he does not make his employees uncomfortable because they trust his motives and he therefore has credibility and is able to effectively mediate. When Jim successfully mediates this conflict it also reinforces his role as a facilitator who encourages employees to work out differences on their own and as such, builds on his reputation as a charismatic, transformational leader.

While the application of transformational leadership to the use of mediation may be new, the idea behind it is not. In his book on facilitation, Roger Schwarz (1994) notes that internal facilitators, or employees that facilitate groups within their own organizations, must be careful because "their behavior in their nonfacilitator roles in the organization may reduce their credibility when serving as facilitators" (p, 233). Because the role of the facilitator is to help groups learn to improve their own process and make their own decisions, these goals are not unlike those of the mediator role that has been described here. The contrasting of these two leadership styles displays how differences in the way managers deal with employees on a daily basis may play a big part in their comfort with mediation and their subsequent ability to use it successfully. This finding leads to the introduction of an outline for a new model for managerial training in conflict intervention (Figure 1).

Summary: A new model for managerial intervention training

As indicated in figure 1, in order for managers to have access to a variety of intervention options, they must operate daily in ways that are consistent with the goals of those interventions. As this paper has attempted to demonstrate, the best way for managers to gain the trust and

Figure 1. A new model for managerial intervention training



credibility necessary to mediate is to adopt the goals and norms of a transformational style of leadership. When managers recognize the potential to be gained through entrusting decision making to their employees and make the focus of their activity employee growth and development, they will also see the value in helping their employees resolve conflicts on their own through mediation.

Once managers have the building blocks of a transformational leadership style and a transformative vision of mediation, they will be able to make decisions regarding the appropriateness of the various interventions possible, including mediation. Finally, as discussed previously, the use of mediation to help foster employee growth and development will encourage more trust between manager and employee, and reinforce the cycle of transformational leadership leading to continued ability to mediate disputes. The long term impact may not only result in increased employee satisfaction and perceptions of fairness, but also increased efficiency as reliance on managers to help resolve conflicts is reduced. This cycle has the additional benefit of extending beyond the growth and satisfaction of employees in a single dispute, as its use may

transform the relationships of all employees and change the entire climate of conflict management throughout the organization.

Recommendations for Future Research

In order to avoid becoming the recipient of the criticism presented earlier, the model introduced here must be tested in the workplace to see if in fact, transformational leaders do mediate more often and if so, when and with what results. Another area that demands extension and exploration is the identification of the types of informal disputes managers and employees face, and the interventions that are most successful for each case. Closer examination of such differences is necessary to help determine which interventions result in escalation or de-escalation of disputes, in order to develop a comprehensive contingency model for organizational conflict intervention.

While it has been the goal of this paper to display that managers can mediate, there are situations in which a co-worker or outside facilitator may be a more suitable candidate for the job; and the development of a typology of organizational disputes may also help identify the most appropriate third party for a specific situation. Finally, research providing empirical data demonstrating the long term impact of mediation done in the "traditional" style versus the transformative style presented here is crucial to determining the value of training in this arena. Responses to all these questions will enable researchers to provide managers with guidelines for choosing the most successful intervention strategy for a wide variety of employee disputes.

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