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Case History

Resolving Conflict at the Walberg Bank Group

By Homer H. Johnson

“Well, this is going to be a really different assignment,” murmured Don Hon as he left the senior vice president’s office at the Walberg Bank Group.

Don had been an outside OD consultant to the bank for about six years, first starting with a project on succession planning, but more recently had spent a lot of time on change management projects. The bank had acquired several small banks, most of them “take-overs” ordered by the FDIC. So, he had plenty of work integrating the acquisitions into the Walberg system. Jean Lovato was the senior vice president at the bank in charge of making sure that the acquisitions ran smoothly. A very bright and talented leader, she was highly respected in the banking community, and Don found her a pleasure to work with. So, when Jean called him in for a meeting he assumed that Walberg had been ordered by the Feds to take over another bank group. But that proved not to be the case.

After they exchanged personal greetings, Jean said, “I have a new assignment for you. I want you to help resolve an interpersonal conflict between two of the managers in our operating units.” She went on to explain that both of the managers were very talented and were on the fast track to move up in the bank. However, for reasons she did not quite understand, they were not able to work together. Moreover, their issues were spilling over to the relationships between members of each of their units.

She said she had talked to both of the managers individually and together about

ending the conflict, however, she perceived little change. “I made it very clear to them that the conflict was not helping their careers at the bank, and that they needed to resolve it very quickly,” she added. She went on to note that she had told them that the bank was considering them for higher levels of leadership in the bank; however, before that could happen they would need to get beyond this problem.

She said she had recommended that the two of them go off-site for a day, with a professional, to resolve their differences, so they could get on with their careers. Both apparently had agreed to such a meeting.

“And I am the professional who will go off-site with them?” Don asked.

“Yes, I thought you could do it,” Jean continued, “You have a good reputation in the bank. Also you are an outsider. I don’t think it would be good to have one of the bank’s people involved. I checked with Human Resources and they thought you were a good choice to handle this problem.”

“I will leave it up to you as to how to proceed,” she added. “And I am counting on you to get this resolved quickly. Actually, I think it will be a good learning experience for the two of them.” And with that the meeting ended, and Jean was out the door to another meeting.

As Don left the building and walked to his car he found his mind racing. He did know the two managers that were involved in the conflict, but only casually. Both had impressed him as being very competent, highly energetic, and “hard chargers.” They were part of a group of young managers

that the bank had identified as “future leaders,” which meant that they were expected to move up the ranks quickly. Beyond that, he did not know much about them or what the problem was between them.

While Jean had said that she would leave it up to him as to how to proceed, at this point, he was not really sure how to proceed. He remembered taking a conflict workshop at NTL, and attending a session on conflict at the National ODN Conference, but they both were probably 15 years ago. He was also somewhat puzzled as to why Jean had suggested a one day, off-site session with the two managers and him. He regretted not asking her why she thought that was the best approach; however, she seemed in a hurry to move on to another meeting. While that seemed like a reasonable approach, he wondered what she had in mind.

What would be your advice to Don? How would you proceed? Is the one day off-site session a good idea? Or would you suggest another approach—what approach? If a one day session, what would be the agenda for the day? Should Don meet with the managers prior to the off-site session? Should he meet with anyone else?

In general, what would be your suggestions for OD consultants who are engaged to help resolve interpersonal conflicts?

We asked three expert OD consultants to assist us with the case and to give us their analysis as to how Don might solve his dilemma. Tammy Seibert has extensive OD experience and is now an Organizational Effectiveness Consultant at Allstate Insurance. Annie Viets has worked extensively in mediation and conflict management, and is an Associate Professor of Management at Prince Mohammad Bin Fahd University in Al Khobar, Saudi Arabia. Ruth Urban is an independent consultant and principal of The Urban Group, with extensive experience in conflict management and facilitation.

Tammy Seibert

This is a complex situation that requires more background information and clarity around client identification and

contracting. The other layer of complexity is the client has been impressed with Don’s work in OD but may not be clear that there are sub-specialties in OD. I would recommend that Don meets with Jean to understand her needs as a client, and to make sure Jean understands his areas of expertise.

From a reset of the expectations of OD service offerings: I would provide an overview of the OD offerings and areas of expertise. (As the case presents, it appears that Don does not have a background in interpersonal conflict resolution.) I will make the assumption that Jean views Don as a credible business partner since she came to him for this work. So if I were Don I would offer her a process on how to contract and work with a consultant who has expertise in conflict resolution. As an outside consultant, Don would be offering her a way to think about her needs while providing a resource that has expertise in conflict resolution. This should maintain his credibility as a consultant and continue to establish himself as a business partner who knows his limitations but is creative in continuing to support his client.

If Jean agrees to take Don’s approach in having him help her think about the “right” choice for an OD consultant, I would recommend that he helps her become clear on her needs and the contracting process.

From a client needs perspective, questions I would have Jean respond to are: How did the conflict start? How long has the conflict been occurring? What is each manager’s role in the conflict? What specific behaviors are being observed that are taking away from their effectiveness as leaders? What behaviors are being demonstrated in each of their teams that indicate the conflict is being carried out into other parts of the organization? What and how has performance been impacted? How is the “system” supporting the fact that the conflict has not been resolved? If the system is part of the problem, what work needs to be accomplished at a system and possibly team level?

From a contracting process, questions I would have Jean respond to are: Who are the “clients” in this situation? Is it only the

two managers? Or is it the managers and their bosses? How open are you to look at a coaching process versus a one day off-site? How open are you to a blended approach of one day off-site and coaching? If you go the coaching route, would you use the same coach for each client or the same coaching? How would you contract determining the success of the coaching? Would you track behavior change and leverage 360 degree feedback tools, or would you leverage your observations? If you go the one day off-site route, what type of conflict resolution process/model would be used? Will there be any pre-meetings/work prior to off-site and any follow-up work/meetings? Post the one day off-site, what is the behavior change you will need to see to demonstrate success?

For consultants who engage in conflict resolution between leaders, I recommend contracting with each person and their bosses whereby the process and success is clearly defined, how it will be measured, and reported on. In this case “success” could be defined as behavior change and measured through a 360 degree feedback process. As a consultant I would also seek to understand how deep the conflict has filtered into the organization and be prepared to recommend additional OD intervention work at a team and/or systems level.

Annie Viets

This case study presents a situation that is all too common in organizations: two individuals simply cannot get beyond their personal differences to work productively together. Left unaddressed, these types of conflicts, as evidenced in the case, often spiral to impact others in the individuals’ environment and, potentially, entire work teams or departments.

Jean’s decision to proactively deal with the dispute is therefore sound. Her choice of Don as the agent of conciliation also has its merits. He is known and trusted in the bank and both of the disputing parties have accepted his assistance. He is an outsider who (presumably) has no history with either party so he can be more objective than someone from within the organization. Going off-site to a neutral location

also has its benefits, although it is highly unlikely an initial mediation session would consume an entire day and it may also be unrealistic to expect a dispute that has persisted despite possible career consequences can be resolved to the satisfaction of all parties in one meeting.

Don's impartiality in this intervention is critical. The fact he has been appointed by senior management and is being compensated by the bank could introduce bias. He must, therefore, take measures to ensure he does not push for a hasty resolution or one that is not the disputants' own. His first step must be to explain and establish the necessary conditions for a successful mediation with Jean. She needs to understand that to ensure the commitment of the parties to the process, it must be confidential and the parties must be confident Don will not report to her on what occurs in the session(s). Jean must also understand the best resolution may not be achievable in one session and may require additional meetings.

Don should then meet with each party separately to explain the concept and process of mediation and obtain the perspectives of each party in the conflict. The purpose of this step is to enable Don to begin to identify the issues so he can tentatively frame the parties' positions into interests that can be mediated.

As an OD consultant, Don will already have many of the skills of an effective mediator. His knowledge of facilitation techniques and the ability to actively listen will be foundational to his ability to assist these parties to resolve their differences and move on. Before commencing this intervention, however, he should study the structure and sequence of a good mediation in Jennifer Beer and Eileen Stief's *The Mediator's Handbook* (2011).

Don's role as a mediator is to facilitate a constructive and focused conversation between the two that enables them to understand each other's perspectives and create their own basis for a continuing a positive professional relationship. Because they must continue to work together, the goal of the mediation must go beyond simple dispute resolution to focus on how the parties will work together in the future.

For this to occur, Don must remember the solution is entirely theirs and, as much as he might like to steer them toward a solution he believes is right, he must remain an impartial guide who allows them to create their own path for moving forward.

Jean's prediction that the process "will be a good learning experience for the two of them," can be realized if Don perceives the conflict as one ancient Chinese sage described it: "opportunity riding on a dangerous wind" and provides a safe and objective environment in which fruitful problem solving can occur. Transformational mediation can, indeed, provide the opportunity for mutual learning and respect and an enhanced working relationship neither party might ever have envisioned.

Ruth Urban

I would advise Don to circle back with Jean to clarify what portion, if any, of what she told him could be disclosed to the two managers. Namely, can he share that their interpersonal conflict will be career limiting if not resolved? This will be helpful to know because part of Don's role in the conflict resolution process is serving as an agent of reality. He also needs to clarify that his work with the managers will be confidential and let her know he will not be releasing any information to her without their permission.

Don needs to meet with both managers together and share with them what he was asked to do, his planned approach, and the confidentiality of the process. For example, he plans to meet with them individually to best understand the conflict from their perspectives and then will meet with them together off-site for a full day. He needs to share some of the processes he will be using during the off-site meeting, answer any questions and concerns they might have about this approach, and mutually decide on a date for the full day. He needs to tell them that he will be looking for mutual issues and themes in their individual confidential interviews. This initial meeting helps to establish the transparency of the process, Don's neutrality, sets the stage to empower the managers

to resolve the conflict, and get their buy-in for the process.

Don then needs to craft a series of questions to ask in the individual interviews. Two hours should be allotted for each interview. The more entrenched the individual the longer the interview might go because this is an opportunity for venting and some transformation. The interviews are usually structured with some ice-breaking questions to help develop rapport and then questions that help flesh-out the story-behind-the-story that is the interest basis for the conflict. This is often uncovered when the focus is on discussing feelings. Don might use some visioning questions to see what the managers' view is of an ideal relationship and what they see as standing in the way of achieving a better relationship. This is where Don's role as the agent of reality might be helpful and where he can ask the managers some hard questions and give each an opportunity to save face. Don can also explore at the conclusion of the interview what the individual is willing to do to resolve the conflict.

Don should conclude the interview by giving each manager some homework to complete before the off-site meeting, namely a "needs and offers" negotiation process in the form of a worksheet for them to bring to the off-site for reference. This consists of the following questions: What each manager thinks the other manager wants from them, what they want from the other manager, and what they are willing to give the other manager.

Don's agenda for the full day off-site should consist of the following:

- » The managers establishing some ground rules for their discussion
- » Don sharing the themes/issues that came from the interviews
- » The managers prioritizing the themes/issues as a starting point for their discussion
- » An open discussion of the top two or three themes/issues
- » Don putting on a flip chart any resolutions they reach regarding the themes/issues
- » Don facilitating the Needs and Offers discussion between the managers, using the format of the worksheet he

gave them. He needs to scribe their responses as this will become part of a written agreement they reach

- » A focus on personality type as often conflicts are fanned by lack of understanding of one's own personality type and others. (I use a quick and very accurate self-contained instrument called The PEOPLE Process)
- » Summarizing any agreements reached and establish next steps
- » Determining if the managers want to meet again with Don to check on their progress
- » Clarification of what information, if any, can be released to Jean and what the managers agree they want to tell Jean about the process when she asks Jean about the process when she asks
- » An evaluation of the process, either in writing or by discussion so Don has some feedback on what the managers found helpful or not and what can be improved

Homer Comments:

Let me first thank Larry Anders for telling me about this case. A former colleague and mentor of mine, Larry has a well deserved reputation as one of the best OD practitioners in the business.

Don would do well by listening to the advice of the expert panel before he starts his venture. For example, Tammy starts out by asking whether Don should accept this assignment. Does he have the skills to effectively handle a somewhat tricky intervention that seems to be different than that he typically does for the bank? I was reminded of the few times I strayed beyond my skill level, usually with poor results, simply because of pressure from the client. If Don realistically does not think he has the skill set to be effective here he should be honest with Jean, and find her someone who has competencies in interpersonal conflict.

If Don accepts the assignment, our

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expert panel is unanimous in suggesting that he ask Jean for clarification regarding her expectations as well as what she knows about the conflict. Each of the panel has questions of Jean. I was impressed with Annie's and Ruth's suggestion that Jean be briefed as to the rules of a successful intervention such as confidentiality, consent, etc. And all of our experts suggest a meeting (or two?) with the managers prior to going off-site. They have to understand (and agree to) the process. And Don additionally needs to get their take on their differences.

I will not repeat the panel's details of the intervention, except to note that our panel offers some great advice that OD practitioners would be well advised to review. Annie provides a broad overview, as well a valuable reference source which will help where there may be questions. Ruth

is more detailed and offers some specific suggestions for an initial meeting with the two managers, as well as an agenda for the day-long retreat. I found it interesting that she suggests using the "Needs and Offers" exercise, which tends to be easy to use and very effective.

Finally, each of our panel members advocates a follow-up. Was the intervention effective? Are the managers working together much better? What else has to be done so that they continue to do so?

Beautiful job panel! Great advice!
Thank you Tammy, Annie, and Ruth!

Reference

Beer, J., & Stief, E. (2011). *The mediator's handbook*. Gabriola Island, BC, Canada: New Society Publishers.