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Pepperdine University  
Graduate School of Education and Psychology

WORKPLACE CONFLICT: A PHENOMENOLOGICAL STUDY OF THE TYPES,  
PROCESSES, AND CONSEQUENCES OF SMALL BUSINESS CONFLICT

A dissertation submitted in partial satisfaction  
of the requirements for the degree of  
Doctor of Education of Organizational Leadership

by

Clare Fowler

April, 2013

Doug Leigh, Ph.D. – Dissertation Chairperson

This dissertation, written by

Clare Fowler

under the guidance of a Faculty Committee and approved by its members, has been submitted to and accepted by the Graduate Faculty in partial fulfillment of the requirements for the degree of

DOCTOR OF EDUCATION

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## **DEDICATION**

I would like to thank my Heavenly Father, my heavenly husband, my adorable children, my genius mother, my inspirational family, and my espresso maker.

Also, thank you to the wisdom of Dr. Doug Leigh, Dr. Kent Rhodes, and Dr. Gary Mangiofico, the pioneers in the dispute resolution field, and the incredible staffs at Pepperdine University and Mediate.com.

## VITA

### EMPLOYMENT HISTORY

Mediate.com, <i>Online Dispute Resolution</i>	2010 - Present
<b>Director of Organizational Relations and Managing Editor</b>	
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University of Oregon, <i>Masters of Conflict Resolution</i>	2010 - 2012
<b>Adjunct Professor and Career Services</b>	
<ul style="list-style-type: none"> <li>• Meet with students to develop a career plan to progress in dispute resolution</li> <li>• Introduce students to appropriate mentors, and potential internship and employment contacts</li> </ul>	
Pepperdine University, <i>Straus Institute of Dispute Resolution</i>	2006 - 2010
<b>Program Manager</b>	
<ul style="list-style-type: none"> <li>• Trained students, arranged international courses</li> <li>• Created alumni and faculty news and events newsletter</li> <li>• Developed and maintained case management system, alumni database, and a job and extern tracking program</li> </ul>	
Los Angeles, Honolulu, Spokane, and Eugene; <i>Community programs, courts, workplaces, collaborative practices</i>	2002 - Present
<b>Mediator, Coach, Workplace Systems Design</b>	
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<i>El Instituto Ministerial El Calvario</i> , Honduras, Nicaragua	2003
<b>Trainer and Foreign Aid Worker</b>	
Supreme Court, Honolulu, Center for A. Dispute Resolution	2001 - 2002
<b>Communication Associate</b>	
United Nations Assoc., Spokane, WA	2001
<b>Public Relations Chair</b>	

### EDUCATION HISTORY

<b>Doctorate of Educational Leadership</b> , Pepperdine	2007-2013
<b>Masters of Dispute Resolution</b> , Pepperdine	2003-2005
<b>Bachelor of French; Bachelor of Public Relations</b> , Gonzaga University	1997-2001

## ABSTRACT

This dissertation concerns the conflicts experienced by small businesses. A small business is defined in this study as a business less than 10 years old with 5 to 50 employees. According to the U.S. Census, the majority of American employees work in small businesses. The literature shows that most of these small business owners report spending a substantial amount of their time and money dealing with conflicts. This dissertation analyzes the types of conflicts reported by small business owners, and some possibilities for resolving those conflicts.

The literature suggests that conflicts are inevitable in the workplace, but that there are multiple processes to resolve those conflicts. To study these conflicts and processes, small business owners were surveyed to discuss their experience with conflict. Three variables were examined: (a) the types of conflict, (b) the processes for resolving those conflicts, and (c) the consequences of those conflicts. This was a mixed-methods study, including first a survey and then an interview. The participants were owners of American small businesses.

The study revealed the prevalence that bad communication has in creating conflict, and the importance of good communication in resolving conflict. The study also revealed that there are certain conflict resolution processes that increase the likelihood of a positive consequence of conflict. The study's results provided indicators of effective conflict resolution steps for small business owners. The researcher identified what were the most common types of conflict, conflict resolution processes, and conflict consequences. Finally, the researcher examined what elements of the study were

consistent with the literature and what results were unanticipated. These results helped the researcher develop a prospective 5-step model for resolving workplace conflict effectively.

## **Chapter 1: Introduction**

*“Small business ownership is really one never-ending exercise in problem solving,”* (Tyson & Schell, 2008, p.5).

### **Background**

This dissertation is a study of the nature of conflicts encountered by small business owners. Small businesses are defined as companies with five to 50 employees. This study examined the types of problems small business owners encounter, what processes are being used to resolve those problems, and the consequences of those conflicts. The paper begins with a foundation of the research available in the confluence between small business and alternative dispute resolution research, and follows with a study for adding to that research.

**Conflicts and business.** This section begins by expanding upon six works that have examined workplace conflicts. These works have found that many conflicts in the workplace are resolved through Alternative forms of Dispute Resolution (ADR). ADR provides options for conflict resolution that are an alternative to litigation. Ury, Brett, and Goldberg (1988) first discussed how to design an ADR system that effectively resolved workplace conflicts (as cited in Stitt, 1998). Cloke and Goldsmith (2000) examined how to create dispute resolution systems that minimize the amount of conflicts a company experiences. Lipsky, Seeber, and Fincher (2003) conducted a formal study in which Fortune 1000 companies were interviewed to determine which ADR system they used. The study examined conflict in large firms, examined the prevalence and acceptance of ADR by larger firms, and demonstrated the efficacy of ADR at resolving conflict in large



firms (the definition of small and large firms will be examined in detail later in this chapter). Lipsky et al.'s study suggested that internal conflict resolution systems related with greater employee satisfaction and investment in the outcome. An external system or neutral may provide higher success rates, but it can take away from the employees' ownership in the outcome.

Lewin (2001) examined which ADR processes unions have developed for resolving workplace conflicts. Lewin specifically examined processes developed by Industrial Relations (IR) and Human Resource (HR) perspectives. He found that IR perspectives assume conflict stems from an employer-employee power imbalance, and that HR perspectives state that conflict stems from poor workplace policies and management. Lewin examined findings from IR and HR grievance procedures in unions and found that both perspectives were effective at resolving conflict. He gathered much of his data from a survey conducted by the Bureau of National Affairs in 1995 that examined 400 collective bargaining agreements. Lewin found that these grievance procedures cover a wide variety of issues and were available to all employees in the respective organization, both union and non-union. In a long-term study based on additional materials, Lewin discovered that after a grievance was filed a worker's satisfaction and productivity tended to decrease.

Slaikeu and Hasson (1998) studied the ADR options that commercial businesses are using to resolve disputes. Their book was written to provide a variety of options for company managers. They cite other researchers' data, showing that instituting an ADR process in an office can cut company expenses. The authors manage Chorda Conflict Management, a think tank and research center that is designed to provide efficient legal

solutions for companies. They tailor-make an ADR process for every company they work with, and then use the results of the process to influence what elements of that process should be used in a similar company. Their work at Chorda helped them develop definitions, guidelines, and a generic ADR model, which they included in their book.

Finally, Baltimore (2006) studied how healthcare organizations resolve disputes through ADR. This article was by Jane Baltimore, a clinical educator at Harborview Medical Center. Baltimore used data from an online survey in 2002 designed to elicit responses from active nurses. The author found that many factors contributed to nursing conflicts, such as age, experience, gender, and competition. This article provided a healthcare perspective on conflict resolution. She found that resolving conflict in the workplace would help to decrease attrition rates, faculty and employee mental stress, and a less stressful environment.

The common findings of these works were that ADR is the preferred method for resolving conflicts in the workplace, though smaller businesses do not seem to have as many ADR processes installed. These findings will be explored further in Chapter 2, but it appears that the main reasons for the lack of ADR processes are a lack of understanding of the logistics and benefits of ADR. These assumptions prompted the current study.

This study adds to the studies described above by examining three variables. First it examined the types of conflicts that small business owners are experiencing. This study also examined what types of ADR processes small business owners employ, and what they report as being an effective process. The third variable that this study examined was the consequence of conflict, both positive and negative. Additionally, not as a variable, this study asked small business owners to suggest additional ways to resolve conflict that

might be effective in their workplace. The results, described in Chapter 4, may help to develop more effective processes to resolve small business workplace disputes that will minimize the money, time, and negative emotions spent on resolving conflicts.

**Conflict resolution and small business.** Over 4,000 medium to large businesses report using ADR systems to resolve disputes (CPR, 2010). Additionally, organizations have sprung up to organize conflict resolvers, such as the American Arbitration Association (2010), the American Bar Association Section of Dispute Resolution, Mediate.com, and the Association for Conflict Resolution (Mediate.com, 2011). Many large companies have instituted multiple ADR techniques in their businesses, such as a human resources department, an employee relations office, a review board, or an ombudsperson (Stitt, 1998). These offices and departments have developed systems and procedures designed to make resolving conflicts easier. These procedures help to protect the businesses from being embroiled in expensive and time-consuming litigation (Dispute Resolution Policies, 2010).

Dispute resolution practitioners hope that the ADR options that have become commonplace in large businesses are made available to small business as well (Stitt, 1998). “Regardless of the size of conflicts that small businesses are dealing with ... an organization can use a well-thought-out ADR system to achieve its goals,” (Stitt, 1998, p. 9).

There are multiple reasons, however, why ADR is currently less prevalent in smaller businesses. First, most small business owners are focused solely on promoting their product and service and do not want to be distracted by creating a new system. Second, they may not believe that they have the time to learn how to resolve disputes or

what ADR options are available. Third, they typically do not have the resources that a large business would have to study and implement the most effective methods of dispute resolution, organizational structure, or ADR system design (White, 2007). Finally, changing to a different option of resolving disputes can be frightening, and so most owners have avoided it (Problems Faced by Small Businesses, 2009).

**Small businesses can benefit from ADR.** Even though there is resistance to implementing ADR processes in small businesses, the literature shows five primary reasons why small businesses would benefit from an ADR process. First, ADR options typically cost less than other options. ADR can reduce the cost of expensive litigation for small businesses (Cloke & Goldsmith, 2000). A large, drawn-out lawsuit can quickly bankrupt a small business. “An ADR system can include processes that cost a small fraction of the litigation, and yet produce as good or even better results,” (Stitt, 1998, p. 11). If a small business could avoid litigation and instead resolve a conflict through a quicker and less costly ADR process, it would have more money and time to focus on running its business (a list of the consequences of litigation and the advantages of ADR processes has been compiled by ConflictAtWork.com, and is available in Appendix A).

Stitt (1998) points out that the majority of business owners still consider litigation as the traditional approach to resolving conflict. Stitt believes they litigate conflicts only because they are not familiar with ADR options. These owners might know there are potential drawbacks to litigation, but do not have an accurate understanding of the time and money it will cost them. The cost of litigation is comprised of multiple factors such as lawyer fees and the loss of income while time was spent in conflict instead of making

money. Stitt believes that more small businesses would adopt ADR processes if they were more aware of its effectiveness.

Second, ADR minimizes the time impact of conflict. Small businesses cannot afford to be ineffective (Lipsky et al., 2003). Their budgets often have little flexibility, and they cannot sustain employees spending large amounts of time in conflict when they are not making a profit. When an employee is unproductively locked in a conflict, “that employee is not working to achieve the organization’s goals” (Stitt, 1998, p. 11). This means small businesses need to have a way to end the conflicts that are wasting their time and resources.

Third, ADR processes can manage current conflict by providing a small business with protection from mistakes. Many new small business owners are learning how to run a business, which increases their likelihood of making mistakes (Krotz, 2010). These mistakes can escalate into litigation that can bankrupt a business. If a small business has an ADR system in place to help it resolve conflicts, it has more protection from its own mistakes. For instance, a small business owner might fire a woman who became pregnant. Because of the owner’s inexperience, he might not know that this could be illegal. The pregnant woman could sue the owner for wrongful termination. With an ADR system in place for handling workplace conflicts, however, the matter might be able to be resolved faster, cheaper, and more satisfactorily than a lawsuit.

Fourth, ADR can prevent future conflicts. Most small business owners ignore the potential loss in time and money caused by conflicts until they are facing one (Krotz, 2010). When the conflict arises, companies are often left scrambling in unfamiliar territory. They try to ignore, avoid, and placate for as long as possible, and then often end

up in litigation when the previous efforts have failed (Stitt, 1998). “The best time for organizations to look at [ADR] systems design is before a crisis has arisen, when conflict has not yet manifested itself,” (Stitt, 1998, p. 10). Even if a business has not yet faced a dispute, implementing an ADR system gives them potential insurance against future disputes.

A final reason why it can be in a small business’s best interest to incorporate ADR techniques is that it can help the business to become stronger and to build a healthier business in the future. Workplace ADR techniques aim to improve working relationships so that employees can weather difficulties, make efficient decisions, and seek out ways to better meet the company’s vision (Clove & Goldsmith, 2000). ADR also tries to improve employee communication methods by helping employees work together more effectively.

### **Statement of the Problem**

The majority of American workers are currently employed by small businesses (as discussed further in Chapter 2; US Census, 2008). Small businesses are defined as having five to 50 employees. Based on the available literature, it does not appear that the majority of these businesses have effective workplace conflict resolution processes (This assumption is supported by this study’s findings.). To develop an appropriate dispute resolution system to resolve workplace conflict for small businesses, workplaces, conflicts, and relevant literature and studies must be analyzed.

It appears unlikely that the current dispute resolution options are effectively serving small businesses (Small Business Administration, 2004). The result is that small businesses may be more negatively affected by conflict than necessary. If current ADR

options are not serving small businesses well, then analysis of the system needs to determine the weakness and propose what would better serve the business (Stitt, 1998).

### **Purpose of Study**

This study has three primary goals. The initial purpose of the study is to gain an accurate understanding of the common types of conflict experienced by small business owners. This study examined which conflicts seemed to escalate and take a small business owner's time and money from the business. The types of conflicts that are draining time and money were studied to yield information that might be useful for designing a system for resolving these conflicts. This aspect of the study was designed to gain a broad snapshot of the type and scope of conflicts currently affecting small businesses. An accurate understanding of small business conflicts should be useful in designing a more effective method of resolving those conflicts.

Second, this study examined the common processes that small business owners report as employing to resolve conflicts. To design a dispute resolution system, Stitt (1998) reports that it is important to examine what systems currently exist and if they are effective, beneficial, and timely. These processes might be a formal dispute resolution system, or they may be informal conversations. It seems likely that those systems that are beneficial and cost-effective should be supported. In this study, systems that were effective were analyzed in order to identify models for other businesses.

Finally, this study examined the consequences of conflicts reported by small business owners. Costs to the company in terms of time, money, and relationships were examined. This study also examined whether conflicts resolved with an ADR process had a more positive outcome than those conflicts that were not. A positive conflict, for

instance, might be an uncomfortable argument over a substandard product, but a negotiated discussion of that product's merits could result in a higher quality product.

### **Research Questions**

This dissertation analyzed three research questions:

1. What are the common types of conflict that small business owners report experiencing?
2. What are the common processes that small business owners report as employing to resolve conflicts?
3. What are the consequences of conflicts on small businesses as reported by small business owners?

### **Theoretical Framework**

There are multiple theoretical frameworks that are relevant to understanding workplace conflict. The first is the Realistic Conflict Theory, proposed by Campbell (1965). Campbell suggests that conflict is based upon a tangible or intangible resource that two groups want, and the wants of both groups might not be able to be met. This unfulfilled desire leads groups into conflict.

This dissertation is also founded on the Social Identity Theory by Tajfel and Turner (1979), which states that merely having two groups in proximity to each other typically creates competition and jealousy between the groups. Tajfel and Turner indicate that one group bonds by identifying and defining itself, and the other group becomes the out-group. This happens due to a need to identify one's self in relation to others, making a quick decision if someone is a friend or foe.



Holland's (1997) theory of Vocational Preference and Self Direction states that there are six predominant personality types relevant to one's vocation: (a) Realistic, (b) Investigative, (c) Artistic, (d) Social, (e) Enterprising, and (f) Conventional. His work shows that people move into their chosen vocation based on their personalities. This means that many people who work together have the same personality types. This can result in clashes instead of complementing personalities (Holland, 1997). This dissertation also examined if similar vocations resulted in similar types of conflict.

The fourth theory is Escalation Theory, The theory suggests that a conflict, left unaddressed, is likely to escalate (Pruitt & Kim, 2004). When a conflict escalates, parties tend to use increasingly contentious tactics to try to win. These tactics can become increasingly negative and harmful to the individual and the company.

Uncertainty Reduction Theory (Solomon, 2008) states that people dislike uncertainty and so they try to reduce uncertainty through verbal communication. This theory has two implications. First, this theory suggests that people are naturally drawn to reduce uncertainty, meaning that all people, employees, small business owners, and so forth naturally desire to end uncertainties such as miscommunication and conflict. Second, Solomon (2008) states that the natural tendency of people, when they are uncomfortable with something, is to talk about it. This means that people desire to communicate about something, and so a conflict resolution process that increases communication is likely to be consistent with people's natural desires (Solomon, 2008).

The sixth theory is Situational Leadership. The Hersey-Blanchard Situational Leadership Model states that leaders have to be different in different situations (Hersey & Blanchard, 1977). These situations vary upon the situation and the maturity level of the

worker. This theory guided the researcher in examining how managers should behave in different settings in order to be the most effective. It also prompted the researcher to question if an employer who was trained in identifying and resolving a variety of conflict types in a variety of situations would be more or less effective than an employer who only had one option for resolving conflict, despite the situation.

Altogether, these six theories assist in understanding conflicts, how conflicts are resolved, and their consequences. These theories indicate that conflict is omnipresent in small businesses because there are tangibles (for instance, if two employees want the same office) and intangibles (for instance, if two employees want recognition for the same project idea) that are always in demand, and there the formation of groups results in the exclusion of a person or group. These theories suggest that this fight over resources or acceptance may result in a conflict, which, according to the escalation theory, will likely result in increasingly contentious tactics until the conflict is resolved. The conclusion, then, is that conflicts are highly likely in small businesses and if the owner wants to avoid a contentious escalation, he or she must develop a way to resolve these conflicts through natural communication.

### **Operational Definitions and Key Terms**

The following operational definitions explain the variables used in this study's research question. Each question is focused on one of three variables: (a) conflict types, (b) conflict resolution processes, and (c) consequences. The key terms used in this dissertation are also explained since they have adopted additional cultural meanings in their respective fields. This dissertation did not differentiate between the terms *conflict* and *dispute*. The two terms can be, and often are, used interchangeably.

**Operational definitions.** The first variable that this dissertation studied is the *type* of conflict that small business owners report. For this dissertation, the type of conflict is defined by both what caused the conflict and who is involved in the conflict. The cause of the conflict is grouped by internal stressors (meaning the conflict only involves people and/or issues inside the business), external stressors (meaning the conflict involves people and/or issues outside the business), or systemic (systemic workplace stressors caused by an organizational structure or policy that leads to conflict). Systemic is assumed to mean that each organization is viewed as one intact, open system (Laszlo & Krippner, 1998). For instance, what is causing conflict may be internal workplace jealousy or sexual harassment. An external conflict can be between an employer and an ex-employee or between an external vendor and the shipping department. A systemic conflict can be the communication flow from one department to another, and its design inadvertently leaves out one employee who is beginning to feel shunned.

Webster's (1983) Dictionary describes conflict as a fight, battle, or struggle. It is helpful to determine what is causing that fight, battle, or struggle in order to identify the type of conflict. To study this, the author has developed a survey that was administered to the owners of small businesses. In this survey, conflict type was measured both by the "what" and the "how" of conflict: both the issue that the small business owner reports during their survey as having caused the problem (such as task, process, or relational types of conflicts) and also by how the conflict is taking place (such as internal, external or systemic types of conflict). The researcher believes that determining the type of conflicts present will help to determine what types of ADR process will be helpful.

The second variable is the *process* that small business owners report as having solved the conflict. Thomas and Kilmann (1974/2009) state that there are five ways to end a problem between people: (a) competing, (b) accommodating, (c) avoiding, (d) compromising, and (e) collaborating. This dissertation analyzed variations of the fifth option: collaborating to resolve conflict. If the conflict was resolved, then the process used to resolve it was explored. The conflicts that were not resolved through collaboration were analyzed to determine if these conflicts shared common characteristics. The conflicts that were resolved were examined to determine whether they were resolved through one of the ADR processes identified below.

Pruitt and Kim (2004) further define Thomas and Kilmann's (1974/2009) category of collaboration into five ADR techniques called conciliation, negotiation, facilitation, mediation, or arbitration. The survey results were categorized according to which ADR process was used. Many of these methods to resolve conflict are being used informally. Small business owners were not asked to define their process as conciliation, negotiation, facilitation, mediation, ombuds, grievance processes, or arbitration (common ADR processes, as defined by Stitt, 1998). Instead, the owner described the process in his or her own words, and the researcher identified the formal process used. There were also processes that did not fall neatly into conciliation, negotiation, facilitation, mediation, or arbitration categories. These were explained as "other," and some were examined as a possible new method for resolving conflict.

The third variable that was defined is the *consequences* of conflict that small business owners report. The consequences of conflict are defined as the effect that the conflict had on the small business. Pruitt and Kim (2004) and Stitt (1998) list the more

common consequences of conflict as a loss of money, time, job efficiency, and employee morale. The additional consequences discussed by small business owners are presented in Chapter 4. While additional consequences of conflict exist that are external to the small business, this dissertation's scope is limited to only those consequences reported by small business owners participating in this study.

**Key terms.** Conflict resolution, as defined by this author, means the transition of conflict from a destructive stage to a peaceful stage. While some conflicts may never disappear completely, they are considered resolved when the parties involved are at peace with the state of the current disagreement. The researcher identified conflicts as being at a destructive or peaceful stage based upon how the participant described the conflict.

ADR is an "attempt to match the appropriate dispute resolution process with the type of dispute," (Stitt, 1998, p. 9) as an alternative to litigation. Typically, ADR includes conciliation, facilitation, negotiation, mediation, neutral evaluation, arbitration, and ombudstry (Stitt, 1998; Cloke & Goldsmith, 2000). Effective conflict resolution systems often employ multiple combinations of ADR techniques, since there is no "cookie-cutter solution to all disputes" (Stitt, 1998, p.9). Also, some groups have redefined ADR as meaning Appropriate Dispute Resolution or call it Effective Dispute Resolution (EDR). For now, ADR is most commonly defined and understood as Alternative Dispute Resolution, so that is the working definition used for this dissertation.

Lastly, this dissertation used Shayek's (2008) definition of *small businesses*: businesses with one or two locations, conduct most of their business in the U.S., are relatively young and/or still developing, have an annual revenue of less than \$10 million dollars, and have five to 50 employees.

## **Importance of the Study**

This study may provide information that is useful to dispute resolution professionals. This information is added to other studies that are the basis for resolving workplace disputes. It aims to help small business owners and dispute resolution professionals understand what types of conflict commonly occur in businesses and what are effective processes for dealing with those conflicts.

Uncertainty Reduction Theory states that people prefer to reduce uncertainties through communication (Solomon, 2008). This dissertation added to that theory by examining what those uncertainties (or conflicts) are and how they are currently being reduced (resolved) in small businesses. This dissertation also serves as an aid to Pruitt and Kim's (2004) Escalation Theory. Their theory states that an unaddressed conflict tends to escalate. This dissertation examined the ways that small business owners have successfully prevented conflicts from escalating. These data should help to assist other small business owners to prevent their conflicts from escalating.

The practical application of these data is that if a small business owner learns how to prevent a conflict from escalating, that business should be able to save time and money. It should also increase job efficiency and employee morale. In the long-term, this should help small businesses to be more stable. These data should also provide multiple options that suggest how a conflict can be resolved. These options allow a small business owner to select what processes may be most effective in that company.

## **Limitations**

Small businesses in other cultures have considerations that are outside the scope of this study. This study examined businesses in Richmond, Virginia; Los Angeles,

California; and Eugene, Oregon. These cities were chosen for their variety in size, location, and culture, and also because of the researcher's networks within these locations. This dissertation is limited to businesses that are small, instead of examining data from businesses of any size. The dissertation is also limited by the resources of the author, since the researcher could not examine every conflict experienced by small business owners due to the amount of time that such a study would require.

This study was also limited by the type of data it collected and analyzed. Since this study was only used to explore phenomena and to create infer trends, only descriptive analytics were conducted. Inferential statistics were not produced since a confirmatory, deductive study design would have been necessary.

The final limitation of this dissertation was also the author's largest concern. This limitation is that the data provided were based upon the memory of the small business owner. To help ensure that this limitation did not negatively affect the validity of the data, the researcher gathered data from multiple owners through two different methods (i.e., survey and interview). The participants also had the option to add to their survey results if they remembered something later (before the data were analyzed) in order to give them more time and opportunities to remember the details of conflicts that they had experienced.

This study had a few potential shortcomings. One problem was ensuring that the data was accurate. Problems with the accuracy of the data come from the difficulty of the subject matter. The subject matter could have resulted in the following problems, based upon the literature by Cloke (2001) and the findings of Lipsky et al. (2003):

1. People do not like to discuss problems and thus may not be willing to participate. People often do not have an accurate understanding of conflict, and may not have the same definition of what constitutes conflict as the researcher.
3. People want to ignore conflict and forget it, thinking this will minimize its effect. This may make them remember the conflict as being less frequent or less damaging.
4. People may have been so hurt or offended by the conflict that they exaggerate its frequency, effects, or the pain of the conflict.
5. People may be afraid to discuss a conflict for fear of repercussion within their workplace.

Some of these problems were mitigated through the research design, as introduced above and described in more detail in Chapter 3. Based on the suggestions of Bolman and Deal (2003) and Reason and Rowan (1981), the researcher took the following steps to mitigate these threats:

1. Increased the sample size from one business to multiple businesses.
2. Varied the demographic base of the samples from one city to multiple cities.
3. Collected data through multiple methods: online and phone.
4. Reviewed the operational definitions with the participant before administering the interview.
5. Allowed time for the subjects to reflect and prepare more accurate responses (by letting them choose to conduct the survey online, and save their progress and return later, or discuss their answers in more depth during an interview).



6. Allowed an additional researcher to examine the results and verify the researcher's thematic grouping. As described in Chapter 3, the auditor verified that the data was categorized appropriately.

### **Assumptions**

This study examined what types of conflict affect small businesses. It was assumed that these conflicts were large enough to disrupt the normal flow of work, and took some measure of time and/or money away from the small business owner. It was also assumed, according to Uncertainty Reduction Theory (Solomon, 2008), that those who are involved in conflict desire to resolve it. This can include those who are immediately affected by the conflict, or those who are indirectly involved, such as the company owner, vendors, or coworkers. A final assumption was that the researcher was able to speak with all of the interviewees in a way in which they felt comfortable in honestly sharing about potentially embarrassing or difficult events. This research required a degree of vulnerability and honesty from the participants to discuss such subjects. Their honesty was necessary for creating a more accurate picture of conflict in the workplace. Honesty was encouraged through the guarantee of confidentiality, specifically, in reporting results only in the aggregate.

## **Chapter 2: Literature Review**

This literature review is divided into four sections:

1. Historical Management Theories
2. Current Management Theories
3. Current Workplace Culture
4. Analysis of research variables
  - Conflict Types and Causes
  - Conflict Resolution Processes
  - Consequences of Conflict: Negative and Positive

This study focused on three variables: (a) conflict types, (b) conflict resolution processes, and (c) the consequences of protracted and resolved conflict. To understand these three variables, the literature review first examines the background of workplace conflict, the makeup of small businesses, and current workplace culture. It concludes by examining each of the study's three variables.

### **Background of Workplace Conflict**

Conflict has long existed in the workplace. It has been consistently reflected in writings over the last 6,000 years. Analyzing how workplace conflict begins and ends throughout history helps understand how ADR practitioners develop better practices.

The first escalated, multi-person, workplace conflict is documented in the Bible—occurring approximately 6,000 years ago. The Book of Genesis reports that Adam and Eve had two sons, Cain and Abel (NIV Bible, Genesis 4). Cain, the older brother, was a farmer. Abel was a shepherd. When the time came for both brothers to show their boss

(God) the product of their work (farming and shepherding), Abel brought his very best. He gave God the firstling of his flock. Cain, however, only brought an average portion of his crops. Genesis 4:4-5 states that God had respect for Abel, but not for Cain. Cain became very jealous, believing that his boss had more respect for his brother's work. The Bible states that Cain argued about the conflict with his brother. It can be assumed that they did not have an effective means to resolve the conflict, for the conversation quickly escalated and ended with Cain killing his brother.

While workplace disputes and resolution processes might have changed over the last few 1,000 years, conflict paths and patterns have not. It is important to note first that in this unresolved dispute the conflict escalated, second that Cain was uncertain why there was a disparity and this uncertainty caused him severe tension, and finally that the parties desired to resolve the matter through communication.

A brief review of workplace and conflict literature is helpful to understand the history of workplace conflict and the current methods for conflict resolution. Literature about workplaces shows that the formalized process of ADR has become more accepted into workplace culture in recent decades (Moore, 2003). The basic concepts of ADR have been an informal part of the workplace culture, however, as a preferable means of preventing, managing, and de-escalating conflict for centuries. These basic concepts are direct communication, addressing conflict early, and seeking to understand the other party's point of view (Lewin, 2001).

This review begins by highlighting key literature that shaped workplace culture throughout history. The second section of this chapter analyzes how small businesses are structured today, as well as what types of dispute resolution structures are available. The

third section provides an overview of literature on workplace conflict, specifically what studies have been done, characteristics of conflict, results of conflict, and what steps have been taken to resolve conflict. Finally, the results of existing workplace ADR systems are reviewed.

### **Workplace Culture**

Workplaces are complex systems (Robbins, 1989). Studying a workplace can be likened to walking through a house of mirrors: in every direction a person looks they see a different image (Bolman & Deal, 2003). Looking at workplaces from different angles is daunting because of the multitude of images, but it also helps to create a more complete picture. If there is an unresolved conflict in the workplace, a complete picture of the workplace might help to uncover the cause of the conflict and thus speed its resolution. This picture of the workplace defines workplace culture.

Workplace culture can be understood by examining traditions, policies, personality styles, communications, rewards, and group behavior. These characteristics often have a direct impact on how prolific conflict is in the workplace, and if it can be dealt with effectively. For instance, if a small business culture were flexible, then that workplace culture would likely be more adept at effectively responding to new situations. When a business with a rigid, inflexible culture is faced with a new conflict, then this conflict is primed to escalate quickly.

One of the angles that can be used to examine workplaces is quantitative. This means that workplaces can be examined strictly through their numbers. For instance, the literature that was most relevant for this dissertation examines workplaces with between five and 50 employees and making less than \$10 million.

Another angle that can be used to examine the workplace is chronology. The chronology of a workplace examines its maturity, its lifespan, and its experience. Examining workplaces chronologically is important because workplace systems and conflicts vary based on its age. Workplaces that were founded over 20 years ago are typically less nimble and may be less receptive to organizational change. Specifically, older workplaces experience corporate sclerosis, meaning that the bigger and older companies have a harder time quickly dealing with problems (Bowers, 2010).

In order to understand what element in the workplace is causing the conflict, the following sections of this literature review will provide a background of business structure and conflict type. This provided the researcher the basis to examine the business structure and the conflict types in the data collected to determine if there were prevalent themes in the workplace that are causing conflict.

### **Business Structures: Scientific Management and Human Resources**

A business culture is often structured around shared values (Bolman & Deal, 2003). Putting the CEO at the top of a business structure, for instance, assumes that he or she has the wisdom to take a business where it needs to go to be successful. If the founders of a company have values that are at odds with each other, however, the business structure represents this incongruence. For instance, the organizational structure might have unclear lines of communication if there is not clarity about who needs to have this information. This is salient since the survey data revealed that business structure and business values played a substantial role in workplace conflict.

The 20th century went through dramatic structural shifts in the workplace, which reflected a shift in societal values. The turn of the century was marked by four substantial

management theories: (a) Scientific Management (led by Taylor), (b) Idealized Bureaucracy (led by Weber), (c) Administrative Science (led by Fayol), and the (d) Human Relations Movement (led by Mayo). At the beginning of the century, workplaces were based around processes known as Scientific Management (Taylor, 1911). Taylor (1911) developed the core principles of Scientific Management in the 1880s through the early 1900s. One of the values of Scientific Management is that businesses should be run like a tight ship. Many employees of the time worked in factories, or held similar jobs that did not allow for creativity or individual expression. Employees behaved in a certain, specified manner. The best employee was believed to be the most robotic, meaning he or she behaved exactly as expected and was not given the opportunity to express emotions. Any conflict that arose then was attributed to a poorly designed business structure. If the structure were tighter and more streamlined, it was believed that this would eliminate the need for employees to act out (Gilbreth, 1911; Taylor, 1911).

According to Hillstrom and Hillstrom (2002), Scientific Management was similar in many ways to Weber's theory of Idealized Bureaucracy. Weber believed that employees were a detriment to the business, only necessary to produce products. Weber believed that organizations should be run like bureaucracies, with a strict set of rules, structure, and authority (Hillstrom & Hillstrom, 2002). Such a structure minimizes employee contact, employee teams, and does not allow for employee feedback. Instead, the perfect bureaucracy was one that maintained quality records. The needs of the employee were not a factor in the organizational structure, but he was concerned about the lack of humanity caused by the complete focus on employee efficiency (Hillstrom & Hillstrom, 2002).

The Scientific Management theory and Idealized Bureaucracy business structure did not take into account that many employees took an interest in the outcome of the company. Employees may desire an opportunity to become invested in the company and in return wanted the companies to be willing to invest in them.

A third management theory was Fayol's (1916) Administrative Science. Fayol focused on detailed levels of administration. As opposed to Taylor and Weber, he was also focused on personal efforts and team dynamics. His management principle of Plan, Organize, Command, Coordinate, and Control is still used.

Around the 1930s, the Human Relations Movement (HRM) took over for these classical theories. Scientific Management and Idealized Bureaucracy had a downfall: employees lost interest in the quality of the company. Roethlisberger, a founder of the Human Relations Movement, desired to avoid employees' disinterest. He was one of many that began to realize that paying attention to the employees could be a positive experience. They might have useful ideas, they might be more effective workers, or the quality of the product might improve (Roethlisberger & Dickson, 1939). HRM advocates offered that if people were listened to, they might have worthwhile ideas (Lewin, 2001). In other words, it was discovered that employees have a response to social stimuli. While employees did not have any power in the company, it was understood they might respond well to a positive social environment.

The Human Relations Movement was supported by the Hawthorne Effect. From 1924-1932, Landsberger conducted studies at the Hawthorne Electric Factory in Chicago. The original intent of this study was to determine if changes in environment such as lighting would increase the workers' effectiveness (Roethlisberger & Dickson, 1939).

The unintended findings showed that workers had a temporary increase in productivity simply because of the interest shown in them (McCarney et al., 2007).

HRM theorists began to develop ways that employees could work efficiently but also be sufficiently invested in a company to keep product quality high. The 1930s saw the introduction of work groups. Instead of the mechanistic expectations of employees under Scientific Management, employees were allowed to discuss together what norms and processes they expected in a company (Lewin, 2001). This allowed the employees to interact and not feel as isolated. When employees were allowed to bond together and form work groups, they were believed to feel a sense of community. This may help employees to feel invested in the company itself. The literature suggests that employees were not invested in the product or service of their company, but that instead employees were invested in the people that made up the company. The result of these work groups created increased “productivity and product quality,” (Lewin, 2001, p. 462).

The Human Relations Movement from the 1930s to the 1950s was most notable for giving employees more decisions and influence in the workplace. Mayo and Maslow helped employers to understand that employees could be more available if their individual needs were listened to, understood, and met (Hillstrom & Hillstrom, 2002). Much of Argyris’s early work also looked at the structure of an organization and how individuals reacted to the structure (Argyris, 1957). McGregor also examined the importance of incorporating employees’ needs into organizational structure. Specifically, McGregor said that organizations would be more productive if they gave the employees more responsibility. He postulated that self-actualization was more important to some



workers than money. Until then, many organizations had thought that money was the primary motivator (Hillstrom & Hillstrom, 2002).

**Rise of human relations.** From the 1950s to the 1990s, the HRM practices of changing the organizational structure to increase employee satisfaction became more widespread. These changes were known as Open-Systems Theory (in which organizations were open to looking at what external stressors were affecting their employees; Hillstrom & Hillstrom, 2002) and Double-Loop Learning (in which employees listen to their managers and managers listen to their employees, and then problems are examined from multiple angles or even modified; Argyris & Schon, 1978). Specifically, some managers reported that their employees were willing to work longer hours and they were working harder as new Human Resources policies were implemented. Some of these policies involved employee feedback in which employees were allowed to report policies that they thought could be improved.

A key moment for Human Resources (HR) came in 1973. The US Department of Health, Education, and Welfare released a study indicating that though employees may be invested in each other, they may not be invested in the work that they were doing. Many organizations were still based on Fayol's definition of organizations, developed around 1900, which indicated that a manager should organize, command, and control. Fayol's methods encouraged more employee initiative than Taylor's (whose Scientific Management Theory was published in 1910), but his approach to organization still did not allow for much employee recognition or socialization/teamwork (Lucey, 1991). Some reports even described employees as feeling alienated in the workplace by the work they were doing and by their managers. The US Department of Health, Education, and

Welfare warned that if not addressed this could lead to workplace conflict and even violence.

Employers began relying heavily on HR policies to try to motivate employees to be more invested in their work and satisfied in their job (Lewin, 2001). The focus of these HR policies was to make workplace culture more aware and tolerant of workplace conflicts. Some policies included quality circles, gain sharing, and employee feedback. Employers instituted quality circles where employees were allowed to be involved in key management decisions. The employees made suggestions and management decided which suggestions to implement and how (Khilawala, n.d.). Employers also implemented gain-sharing policies. With gain sharing, employees are able to suggest ways to reduce costs and then the gains are shared with the employees. Employers established a feedback program where employees could comment on their managers and company policies. By the 1990s, one out of every two publicly traded companies had such an employee feedback program. It seems that employees were involved in their jobs, and employers were pleased to see them being more invested. As a result of this mutual satisfaction, employers reported a reduction in turnover (Lewin, 2001).

At the end of the 1990s there was another important trend in business structure: the belief that employees wanted to be invested in more than each other. Employees were redefined as a resource that wanted to be invested in a company. Employees drove this change in societal values, investing in their companies and creating a high quality product and service. Employees said that they still felt employers saw them as replaceable. Employees wanted to be seen as at least a resource that added value to the company. Many employees advocated for a relationship with their employer where they both

worked to better the other. Employees were learning how to use their referent power (as defined by French and Raven as an employee's personality and charm), but they wanted to use more of their expert power (being seen as an expert in the job; French & Raven, 1959).

The result of this shift was a change in how employees were hired. Employees had been hired on an at-will basis so employers could fire them at their discretion. Policies changed, however, and the current union concept is that employment brings with it an implied contract. In such a program, as long as the employee continues to perform the job, there is an implied contract that the employer will continue to employ them. This helped employees feel that their employers were invested in them (Lewin, 2001).

In the last century workplaces have evolved to help ensure the most positive environment for workers, while still guaranteeing efficiency and quality for employers. Specifically, businesses are spending more time finding the right person for the right job and then working to keep that employee happy (Cooper, 2012). Cooper (2012) quotes Dr. Nelson in saying, "When an employee feels that the company takes their interest to heart, then the employees will take the company's interest to heart" (p.1). This reflects a societal value that companies are as good as their employees.

**Current workplace conflict focus: System design.** Despite this progress, conflicts still exist. Around the year 2000, researchers began to seriously explore why conflicts were still present. They found two reasons. First, according to Social Identity Theory people are different and these differences often result in some type of conflict (Tajfel & Turner, 1979). Employers began to realize that they needed to develop an effective way to deal with these inevitable conflicts (Cloke & Goldsmith, 2005). Some

conflicts seemed to appear more often, as there was more solicitation for employee feedback. Although companies began asking employees what was wrong, few were developing means to address that feedback. This, in turn, was leading to a new type of conflict.

Researchers discovered an explanation for this conflict: ill-designed systems (Lenski, 2011). Lenski (2011) states one of the most common reasons for the workplace conflict she sees is systemic. Underlying ineffective systems in the company were often the unrecognized cause of conflict. These systems had often formed unnoticed and had been left unchallenged. It often was not until an outside consultant or a new hire was brought in that they were objectively able to realize that these unhealthy systems existed.

A fictional example helps show how a workplace system that had gone unnoticed was resulting in unnecessary conflict. Imagine a company that noticed that there were always arguments among employees at the beginning of the month. Small discussions quickly escalated into heated arguments that often meant the employees stopped working to deal with the conflicts. The managers and employers that had always worked there barely noticed these conflicts anymore and just took it as part of working at the company. A new hire was brought in and after training could not believe that employees were paid on the 5<sup>th</sup> and 20<sup>th</sup> of every month. Invoices were paid on the 2<sup>nd</sup> so they processed the money and then paid their employees on the 5<sup>th</sup>. Of course employees were tense at the 1st of the month: rent is due on the 1st! The new hire pointed out that this system was counterproductive. After realizing that the system was putting pressure on the employees and this pressure was resulting in conflict, the owners were able to move their invoice dates and then pay the employees by the 1st of every month. This created a much happier

workforce, and less time every month was spent resolving conflict. Once understood and discussed, conflicts often disappear (Cloke & Goldsmith, 2005). System design will be studied further in the next section as a potential cause of conflict.

**Small business culture.** Workplace literature indicates that the size of a business affects its culture and operations (Gray, Densten, & Sarros, 2003; Taleb, 2012). A small business must be treated drastically differently than a large or a micro-business (Clifford, 2006). A large business, for instance, may be likened to a community with different interests and diverse groups. A micro-business is akin to a two- or three-person business. Micro-businesses may be likened to a marriage where the roles overlap and the people are completely dependent on each other for their success (Clifford, 2006).

This study has adopted the small business definition as proposed by Shayek (2008) in working with 23 authors to develop five characteristics that define small businesses. These are as follows:

The business must be independent, meaning it is not a subsidiary or branch. The business is not the dominant business in its industry, meaning it is concerned with competition. Small businesses have five to 50 employees. The business is at least 2 years old. Source of revenue is less than \$10 million. This definition is consistent with the U.S. Census Bureau and the Small Business Administration's definitions, except on the matter of size. Whereas Shayek (2008) states that a small business has five to 50 employees, the U.S. government defines the size as one to 500 employees. Shayek states that a business with one to four employees is a micro-business, while a business with 50 to 500 employees is a medium-sized business. Shayek sets these definitions because of the belief that the managerial and operational structure is either nonexistent or too heavy in these

other sized companies and thus is not representative of small businesses. Shayek indicates that it is helpful to break these groups into categories that better represent the business market. Shayek also states that defining a small business as five to 50 employees sets a definition that is closer in line with the global standard which defines small businesses as having fewer than 50 employees (SBA Program Office, 2010; Shayek, 2008).

**Impact of small business on the American economy.** Just after World War II, the federal government classified small businesses as being the cornerstone of the U.S. economy. The federal government created the U.S. Small Business Administration (SBA) in 1953 to aid, counsel, assist, and protect the interests of small business concerns, to preserve free competitive enterprise, and to maintain and strengthen the overall economy of the nation (Small Business Administration, About SBA, n.d.).

Small businesses employ the majority of workers in America. In addition, according to the federal census and SBA almost 90% of the businesses in America are small businesses. Small businesses play a key role in the US job market (Kobe, 2003). Small businesses (as defined by the Federal Census Bureau):

- Represent 99.7% of all employer firms
- Employ just over half of all private sector employees.
- Pay 44% of total U.S. private payroll.
- Create more than half of the nonfarm private gross domestic product (GDP).
- Hire 40% of high tech workers (such as scientists, engineers, and computer programmers).
- Make up 97.3% of all identified exporters.
- Produced 30.2% of the known export value in FY 2007.
- Produce 13 times more patents per employee than large patenting firms (Kobe, 2007).

Small businesses accounted for 64% of the 22.5 million net new jobs between 1993 and 2008 (U.S. Census, 2008). Of 119.9 million nonfarm private sector workers in 2006, small firms with fewer than 500 workers employed 60.2 million people while large firms employed 59.7 million. Firms with fewer than 20 employees employed 21.6 million (U.S. Census, 2008).

### **Theoretical Understanding of Conflict**

This study is based on a wide variety of theories. It derives from the field of conflict studies, organizational structure, psychology, and communication. It is also based on theories from multiple decades in order to understand the founding theories that have formed modern workplace culture, as well as the most recent theories on conflict and its resolution. The first is the Realistic Conflict Theory, proposed by Campbell (1965). This theory focused on the perception of groups, the importance of belonging to a group, and the impact of friction between groups. This theory was tested, and its importance solidified, by the Robbers Cave Experiment in 1954. During this experiment, 22 eleven-year old boys were divided into two groups. These two groups went to a camp and bonded with each other, and then competed against each other. The purpose of the experiment was to understand how easily conflict can form between groups, and how divisive the group mentality can be in competitive settings (Castillo, 2010). The results of this study were that the boys quickly formed two separate groups and competed heavily with each other. They created ways to identify proudly with their own group and to criticize the other group. At the end of the study, through a series of games and collaboration-building exercises, the boys abandoned their groups and formed one large, all-inclusive group again. Sherif (the Robbers Cave Experiment researcher) identified

three phases: (a) Ingroup Formation, (b) The Friction Phase, and (c) The Integration Phase.

The second theory is the Social Identity Theory by Tajfel and Turner (1979). It has been used in planning organizational change and in understanding the basis for prejudice. Other researchers that have confirmed and are continuing to study this theory are Michael Hogg, Marilyn Brewer, and Kipling Williams (University of Twente, n.d.). The University of Twente (n.d.) researchers set up an experiment to confirm this theory with schoolboys. They assigned these schoolboys to different schoolboys randomly. The researchers found that these boys displayed Ingroup Favoritism, in which they began to display favoritism toward boys within their groups and criticize those in a different group. Tajfel and Turner identified three phases in this theory that the schoolboys displayed: (a) Social Categorization, (b) Social Identification, and (c) Social Comparison.

John Holland's (1997) theory of Vocational Preference and Self Direction states that people with similar personalities are drawn to the same type of work, resulting in similar-personality clashes. He also categorized offices by their personality types. It is believed that his research on office personalities might be useful in identifying what types of conflict are the most common in certain offices. It also might indicate if certain personality types or personality groupings lead to conflict. Because of his work on vocational personalities, Holland was given the 2008 Award for Distinguished Scientific Applications of Psychology from the American Psychological Association (American Psychological Association, 2008).

The fourth theory is Escalation Theory, which states that a conflict will most often escalate until resolved (Pruitt & Kim, 2004). Escalation Theory has been discussed in



many types of conflicts that were summarized by Lisa Carlson. She discusses how escalation theory is confirmed by examining multiple conflicts and the parties involved (Carlson, 1995). Pruitt and Kim (2004) have taken the core pieces of Escalation Theory and applied them to ADR Processes, which makes their explanation of the theory the most relevant for this study. Their work also indicated that a conflict does not have to escalate if there is an effective intervention. This theory was supported by this study's findings, as reported in Chapter 4.

This dissertation is also based on the tenets of Uncertainty Reduction Theory (Solomon, 2008). Solomon (2008) helped to explain Uncertainty Reduction Theory in terms of conflict resolution, but Uncertainty Reduction Theory originated from the field of psychology by Berger (1986). Berger (assisted by Calabrese) created seven axioms and 21 theorems that explain verbal communication and how it is used to reduce uncertainty. Some of their concepts include: uncertainty is unpleasant and strangers use communication to reduce uncertainty. It has since been used to explain various types of human interaction and communication styles. Berger followed up his theory by developing a list of strategies to reduce uncertainty. These strategies (see Appendix B) are applicable to ADR processes since they are aimed at developing systems that promote good communication and problem solving (Berger, 1986).

Lastly, this dissertation is based on the Situational Leadership Theory. The Hersey-Blanchard Situational Leadership Model states that leaders have to be able to use different leadership tactics (Hersey & Blanchard, 1977). They combine four leadership styles with four levels of employees' maturity levels to create four approaches to developing more effective workers. Hersey and Blanchard (1977) identified four levels

of maturity in employees: (a) Low, (b) Moderate<sup>2</sup>, (c) Moderate<sup>3</sup>, and (d) High. Then they identified the developmental level of employees, believing that correctly identifying the developmental level of an employee can help a manager know how to interact and motivate the employee. These four developmental levels are (a) D1 (Low competence and high commitment), (b) D2 (low competence and low commitment), (c) D3 (high competence and low/variable commitment), and (d) D4 (high competence and high commitment). Identifying the employee's maturity and development level helps the employer to know when to move through the four leadership styles: (a) S1 (Directive), (b) S2 (Coaching), (c) S3 (Supportive), and (d) S4 (Delegating). This theory posits that employers cannot rely on a single reaction with employees, but employers must have different approaches in different conflict situations.

**Historical view of the causes of conflict.** In the beginning of the 20th century, individual employees were believed to be the primary source of workplace conflict. At the time, America was also deeply affected by World War One and the Great Depression (Lewin, 2001). Both of these events precipitated stress on small businesses, many of which were so weakened by the economy that they could not make further concessions to their employees. In order for companies to survive, the employees had to be able to get the job done and not require the company to spend time or money taking care of their problems. This attitude pervaded the workplace culture, and the belief became that an unruly employee who caused problems needed to be dealt with as efficiently as possible (Lewin, 2001).

Another important turning point in workplace conflict was in the 1960s. The country had recovered from the Second World War, and began to discuss human and

individual rights. This societal value also affected business culture. Although 1960 counterculture proponents regarded businesses as monolithic and bureaucratic, what was forgotten at the time was that American businesses were made up of American employees. These employees saw the counterculture as hopeful, a moment for them to take more responsibility and respect in their office. This desire for individual rights thus extended to the workplace. The workplace culture began to understand that some of the conflict that occurred in the workplace was due to an infringement of worker's rights (Frank, 1997).

### **The First Variable: Types of Conflict: Where, Why, and How**

There are many elements, which help to understand the causes and types of conflict. The types can be determined by three questions: (a) Why it began (task and relational processes), (b) Where it began (internal, external, and system-wide), and (c) How it began (avoidance, psychological, communication, and systemic). These types are examined later in this chapter and are also used to examine the data in Chapter 4.

Identifying the type of conflict helps to determine the cause and the appropriate technique for resolution. An internal conflict occurs between two or more employees within the organization. Some common internal conflicts are bullying, gossiping, silent treatment, withholding information, and miscommunication (Matyas, n.d.). An external conflict occurs between a company and an external entity, which could be another company, a governing board, a union, or the courts. A systemic conflict occurs when there is something in the design of a workplace that continues to cause conflict.

Defining the type of a dispute is helpful, but not definitive. Conflicts are often created by multiple issues, which means that the conflict can be defined by multiple

types. Conflicts also change as they escalate, so a conflict that began as an internal employee dispute, for instance, can grow and become an external dispute involving the union. This means that defining a conflict is usually not an exclusive definition, but a combination of multiple factors (Stitt, 1998).

**Studies on conflict type.** Nelson, Li, Sorensen, and Berkman (2012) agree that conflict can be caused by a variety of factors, including internal and external. Their study examined the relationship between work-family conflict and smoking at four extended-care facilities in the Boston Metro area from September 2006 to July 2007. They found a substantial relationship between the amount of conflict experienced and the proclivity to smoke. They found that conflict was stressful (which tended towards increased smoking) both because of internal and external factors. They cited internal factors as coworker disagreements. They cited external factors as stress from home life which workers carried into the workplace.

While a specific study on the general types of conflicts reported by small business owners is not known, there have been additional studies examining conflicts type, processes, and consequences in other settings. Examining these studies is helpful in developing this study. One such longitudinal study, performed by Jehn and Mannix (2001), analyzed how the type of conflict affected workgroup productivity. For their study, they developed and tested a dynamic group conflict model. Their model assumed, and proved, that conflicts could fall into three categories: (a) relationship, (b) task, and (c) process. They studied 51 three-student teams doing a similar organizational task over the course of a semester. The teams were taking the same general management course, and most were full-time employees concurrently taking courses. The researchers

measured group value consensus in each time, and compared this against the types of conflict they were experiencing at that point in the semester. They found that the frequency with which they met or the duration of the meetings did not affect the cooperativeness of the groups. The result of their study was that 97% of the intra-group conflicts experienced by work groups were Process Conflicts. They also reported that 90% of the general office emotional conflicts occurred when employees simply got angry at each other. Jehn and Mannix also pointed out that the groups that were the best performing had low levels of process and relationship conflict, and moderate levels of task conflict. This is consistent with the literature by Myers and Larson (2005) that examined task, process, and relationship conflicts.

Khalid and Amjad (2011) conducted a study on conflict types by examining organizational conflict in three Pakistani banks. Both quantitative and qualitative studies were conducted. They discovered that masquerading was the most common type of conflict. This study supported Situational Leadership Theory, in that the researchers found that different types of conflict required different management approaches. Khalid and Amjad produced an analysis of different working environments, the conflicts in those environments, and the different management styles that were most effective at resolving them.

Ayub and Jehn (2011) conducted three studies on workplace conflict, which revealed that task conflict was the most common. In one study, 131 Pakistani professionals were asked questions concerning perceived nationalism, which they ranked on a 7-point Likert scale. Another study also revealed that increased respect among group members increased task conflict, but decreased relational and process conflicts. Another

study revealed that national diversity is positively related to process conflicts. These studies showed that conflict could be studied not just by the type (task, process, and relational) but also by what caused the conflict. Determining the type of conflict helped to determine the most effective way to resolve the conflict.

Jansen, Kant, Kristensen, and Nijhuis (2003) conducted an additional study that is useful in understanding conflict type. Their study examined over 12,000 Dutch workers and developed a list of the most common causes of conflict for men and women. Some of the causes they discovered for men were work-related demands, work schedule, fear of losing a job, conflicts with coworkers or managers, having full responsibility for housekeeping, and the responsibility of a chronically ill dependent at home. For women, common causes of conflict were physical demands, overtime work or a difficult work schedule, the time it took to commute to work, and having dependent children. This study, however, was conducted in another country and so it is unclear how large of an impact this had. Also the size of the businesses that these researchers examined was not clear.

The remainder of this section examines the factors that can lead to conflict within the workplace.

**Why conflicts start: The internal process.** Internal conflicts can be defined by the subject matter of the dispute, the process that led to the conflict, or relational disputes. Stitt (1998) states that there are five types of internal conflicts that employers should learn to identify.

***Subject/task conflicts.*** Stitt (1998) has differentiated these five types of conflict based on the subject matter of the conflict.

Factual: disputes over the facts of an event, investigator or fact finder would be helpful to resolve. Technical: coworkers may disagree over the most efficient, fastest, safest etc. way to do something, good to use mediator to help parties communicate and develop the best process. Interpersonal: people do not get along or think that the other is being unreasonable, useful to have an investigator see if the system is causing the dispute, have an interest-based mediation, and maybe include the boss in the agreement to see if a reallocation of tasks is appropriate. Legal: dispute over interpretation of contract or documents, often these also involve factual or technical issues, early neutral evaluation or arbitration might be necessary. Difference of Opinion: people sometimes just disagree; if it is one difference then mediation will be helpful, if there are multiple differences of opinion then it should be treated as an interpersonal dispute.

***Process conflicts.*** Instead of looking at the subject matter of a dispute, Ayoko, Callan, and Hartel (2003) examined the process that caused the dispute. Ayoko et al. state that there are two processes that define internal conflicts: Task and Relational. A Task conflict occurs when employees are assigned a task and there is confusion over how to do that task. Employees blame each other or their employer for the confusion, which often hinders or prevents the task from being accomplished.

The second type of process conflict is Relational. Relational conflicts occur later in the process when employees are having difficulty working together to complete the task. As Relational Conflict is the most common, it is described in more detail below. Relational conflict often has more negative consequences on the workplace than Task Conflicts. The reactions to a relationship conflict, according to those interviewed by Ayoko et al. (2003) included not talking to each other, not looking each other in the eye,

not working well with each other, and not sharing ideas. All of these were detrimental to job performance and work productivity. These are also early warning signs of a conflict before it escalates (Baltimore, 2006). Task conflict, on the other hand, often does not escalate. If employees are trained in collaboration, then they can discuss all the pros and cons of the task and end up with a high positive effect on the workplace (Ayoko et al., 2003).

Myers and Larson (2005) disagree with Ayoko et al. (2003), suggesting that instead of defining task and relationship as process types of conflict, process should be included as the third type of conflict. Myers and Larson define conflicts as either being about the task, the relationship, or the process. In addition to the task and relational conflicts described by Ayoko et al., people often argue about the process by which they need to work together, and whether that process is fair. Task conflicts are typically simpler, shorter, and do not become as personal. Task conflict can even often be beneficial in making the task work better. Process and relational conflicts typically escalate. If not addressed early and effectively these conflicts can lead to employee dissatisfaction and poor work performance (Myers & Larson, 2005). In summary, internal conflicts can be subject focused (Stitt, 1998) or process focused (Ayoko et al., 2003; Baltimore, 2006; Myers & Larson, 2005). These definitions guided the data analysis reported in Chapter 4.

***Relational conflicts.*** There is a third type of internal conflict that occurs when one person is having difficulty with their relationship with the other party. This is the most common type of conflict according to the literature. The two types of Relational Conflict are Interpersonal and Bullying. This might be a strained working relationship, which is



defined as Interpersonal Conflict (Stitt, 1998). When Interpersonal conflict escalates into an abuse of a power imbalance it is called bullying (Ayoko et al., 2003). “Bullying involves situations where one or more persons feel subjected to negative behavior from others over a long period of time,” (Ayoko et al., 2003, p. 284). Lorelei Keashley defines bullying as “persistent negative interpersonal behavior experienced by people at work” (Rayner & Keashly, 2005, p. 271).

Interpersonal Conflicts most often stem from unintentional conflicts. The researcher identified the cause of these conflicts as Bad Communication. This Bad Communication often comes from differences in expectation. For instance, one person might think a situation is serious and expect a face-to-face conversation. Another person might think the situation is less important and expect an email. These expectations lead to a situation where one person will likely feel that the communication was inadequate. Wilmot and Hooker (2010) state that interpersonal conflicts are often elevated due to emotions. When Bad Communication feels like a personal slight, emotions may escalate the conflict unless an acknowledgement, forgiveness, or a third-party are able to intervene.

Power Conflicts are an escalated form of Relational Conflict as they stem from intentional conflict. The researcher identified the cause of these conflicts as Mean Communication. Power Conflicts are often defined as power imbalances or bullying when escalated. Bullying is a type of workplace conflict that was defined in the 1990s. Studies since then report that one in every 10 employees reports being bullied (Einarsen & Skogstad, 1996). Especially in companies that use workgroups, one of the most often reported disputes is bullying. Employees who are bullied report increased stress, which

results in poor job performance (Einarsen, 1999). The damage to small businesses is that one in every four employees who are bullied leave their jobs (Rayner, 1998). The result of this turnover is that small businesses have to waste time interviewing, hiring, and retraining employees.

Ayoko et al. (2003) report that the time and costs spent on bullying is unnecessary. Bullying is actually the display of an underlying, unresolved conflict. When conflicts are not dealt with early on, one way in which they can escalate is bullying. If small businesses were better able to identify the signs of a conflict, they could manage it before it turns into a bullying dispute. A definition of bullying behaviors is given in Appendix C. To manage a bullying dispute, all the parties involved need to have a conversation with an objective third party. This third party should be trained at balancing the power and creating a place safe enough where the victim of bullying can speak and feel heard. Another effective technique in dealing with a bullying dispute is to use caucusing or shuttle diplomacy, where the mediator meets for a time privately with each party. This allows the victim to be able to discuss whether they had done anything to enable the bully, and the mediator can discuss collaborative ways to diffuse the aggressive bullying behavior. The mediator can also meet privately with the bully to discover if there are underlying causes of conflict that need to be addressed which are manifesting as bullying behavior. An experienced mediator should be able to suggest the most appropriate method of resolving these underlying conflicts. These methods will be discussed further in the next section on conflict resolution methods.

**Where conflict starts.** One of many ways in which to categorize conflict is geographically, meaning where they started. Conflicts can be identified as beginning

internally (described above), externally, or systemically (described below). Internal conflicts mean that they begin inside of the company and are carried out inside the company. An internal conflict might be two employees who have an argument at work and it affects their job performance. Internal conflicts (such as process, task, relational, bullying, and power conflicts) were analyzed above. An external conflict is caused by something external to the company, but it results in a workplace conflict. For instance, a woman might be going through a divorce at home, and the added stress in her life results in conflicts in her work place. A third type of conflict is systemic. This is when something in the company's working system is causing conflicts. For example, if a company employs highly emotive and communicative workers, such as comedians, but encourages workers to only communicate via email, the employees might become frustrated at not being able to communicate effectively and eventually this frustration could spark conflicts.

These three types are not all-inclusive of all conflicts, nor are they mutually exclusive. For instance, both internal and external stressors might cause a conflict.

**External conflicts.** Slaikeu and Hasson (1998) point out that it is not just conflicts within a company that need to be resolved. Conflicts also arise between companies. This is because companies are often competitors over a product and thus have difficulty later being able to collaborate with each other if a conflict arises. External disputes are not just between companies. Companies can also have conflicts with family members, stockholders, former employees, vendors, and the public.

**External stressors as causes of conflict.** In *Getting to Yes*, Fisher and Ury (1991) discuss interest-based negotiation, which asked people to look at whether they might be

responsible for their conflict. “The impact of our human lives on our work lives is grossly under-estimated,” states Clifford (2006, p. 105). Clifford writes that when employees are experiencing stress in their personal life, that stress spills into their work life. This means that a person’s internal stress becomes a workplace conflict. The stress can result in employees blaming each other for their stress, or they can be sharp with each other, or be distracted and have reduced performance and quality. Shaub (2010) points out that everyone responds differently to stress. Stress may show up in depression, anger, substance use, checking-out, avoiding difficult situations, decreased motivation, lashing out on coworkers, or inability to concentrate.

Some authors believe that conflicts begin at work when people are unable to deal with a difficult situation at home. Whenever there is a stressful situation in someone’s life, such as children moving out of the home, people are often unable to fully resolve the conflict at home. With the children moving out, Shaub (2010) points out parents might be secretly upset with the kids for leaving because they anticipate missing them. Since the parents want to appear supportive, however, they may not discuss their feelings at home with their children. Instead, they might become irritable at work and begin blaming others irrationally.

Further, Shaub (2010) states that when someone is emotional they are convinced that what they are saying is more important and more truthful. In other words, when in conflict a passing thought becomes a life value that must be strongly defended. Based on this, Shaub believes that workplaces should provide a safe place where people can talk about what is going on in their life. By discussing the outside stressors, the conflicts at work are believed to lessen.

People sometimes generate conflict in work as a way to address other stressors in their life (Cloke & Goldsmith, 2005). For example, if a husband is feeling disrespected at home, he might become overly bold and bossy in the workplace to compensate.

Baltimore (2006) points out that this is just as likely to happen with an employer as with employees. Some people are drawn to the position of power because of their own feelings of jealousy or inadequacy. These personal issues, if not dealt with, will likely result in conflicts in the workplace.

Baltimore (2006) also discusses that when personal conflicts are acted out at work they become difficult to resolve without a neutral intervention. The reason for this, Baltimore states, is that when an employee acts out he attributes it to an external cause. He might attribute it to a difficult environment, a bad coworker, or a justifiable or righteous cause. He becomes entrenched and convinced of his right to act out. When someone else acts out, he attributes it to that person's poor temperament. This makes the conflict continually self-enforcing because the people involved tend to be tougher on the other party than they are on themselves. It can be helpful, then, to have a neutral third party assist parties to gain some perspective.

***Demographic conflict.*** In addition to the employees and the employers, external stressors exist that can cause conflict in a company. Shaub (2010) discusses how racial prejudices and stereotypes can put pressure on people and cause conflict. When the society outside of a company is feeling pressure because of different issues related to race, then those issues are often brought inside the company to be worked out.

Baltimore (2006) states that other potential external stressors include age, political views, and religious views. Cloke (2001) posits that economic disparity can result in

conflict. Again, these are stressors that typically result from external issues that are brought into the company. These stressors can result in conflict in the workplace because of a perceived need for power, retribution, or creating stability.

***Generational conflicts.*** Myers and Larson (2005) state that a common cause of conflict is generational. Myers and Larson state that when young people enter the workplace, they have not yet acquired the skills to resolve conflict. Myers and Larson state that when faced with a conflict, young workers seek third-party counsel (often friends and family), but only from those who affirm their point of view. It takes a level of maturity, objectiveness, and experience to be open to other points of view, be teachable, accept blame, and confront conflict in a healthy way. These are all characteristics that are helpful for resolving conflict.

Baltimore (2006) states that generational conflicts are two-sided. They are not just caused by the inexperience of young workers, but also the jealousy of the more experienced workers. “These types of errors are attributed to a lack of competence and commitment. In reality the cause can be traced back to omission of essential information and lack of guidance from their preceptor, often despite repeated requests for assistance,” (Baltimore, 2006, p. 29). Baltimore states that while it is commonly difficult to incorporate new and young employees, the senior staff can exacerbate the situation. The senior staff might expect more humility and a desire to learn from the new staff members, and instead be surprised at their confidence. Baltimore suggests that more experienced staff needs to realize it is their responsibility to ensure the new staff succeeds. A recent survey conducted by the staff at [www.allnurses.com](http://www.allnurses.com) revealed 75% of almost 2,000

respondents agreed that head nurses do not adequately support their new nurses (Baltimore, 2006).

***Work-family conflict.*** Work–family conflict is a type of inter-role conflict. This means that the demands from one role are incompatible with the demands of another role (Greenhaus & Beutell, 1985). Because of the often incompatible role pressures arising from the work and family responsibilities, effectiveness in one role is hampered by the other role. For example, work–family conflict may occur when experiences in a role interfere with meeting the requirements and achieving effectiveness in the other role, such as taking care of children at home while also needing to meet deadlines by working at home (Edwards & Rothbard, 2000).

Work–family conflict can be time based, behavior based, or strain based (Greenhaus & Beutell, 1985). A time-based conflict may exist if an employee is asked at the last minute to work late, and it conflicts with picking up a child at day care. Behavior-based conflict may be encountered when an individual who is hired for a particular job that requires an assertive and unemotional personality, then takes this behavior into the home life, creating family problems. Strain-based conflict occurs when the strain that is experienced in one role is carried into another role. If an employee experiences substantial strain at home or at work, then that strain can be carried into the other role and make the employee unable to efficiently perform her tasks, resulting in a work or family conflict.

**Economic conflicts.** Two external causes of conflict in the workplace include reporting policies and economic difficulties. Changes in reporting for businesses, specifically the Sarbanes-Oxley Act (SOX), have added an extra layer of accountability

on businesses. For some businesses, this requires them to work harder and spend more time on their paperwork and accounting to comply with the federal act. SOX was passed in 2002 to compel companies to be more transparent. For some companies it required “full disclosure, internal controls, and an independent board of director oversight by public accounting firms” (Marks, 2005, p. 41). Recent economic difficulties are also testing many businesses. The downturn in the economy has caused many companies to work harder with less, and this is resulting in increased pressure on companies. This increased pressure unfortunately often results in increased conflicts (Shaub, 2010).

**Systemic stressors as a cause of conflict.** Slaikeu and Hasson (1998) state that if a company continues to have the same problems internally or externally, it is an indication of the existence of a systemic conflict. Cloke and Goldsmith (2005) say that systemic conflicts are the most unidentified but the most common types of conflict in the workplace. Systemic conflicts, whether formally or informally, may have unintended negative consequences.

At the beginning of the 21<sup>st</sup> century, writers and employers began to look at another cause of conflict. Some authors recognized that both employers and employees were responsible for workplace conflicts, but they were also seeing an additional cause of conflict. Companies had begun to change into learning organizations in order to succeed. A learning organization is one that views the workplace as a flexible, living organism, where all of the systems affect the others. In a learning organization, managers should be more responsive to employee feedback and willing to examine and change their internal systems (Senge, 1990).



As businesses followed this model of a learning organization and began to look for problems internally, researchers realized that conflict is caused by many factors including internal stressors, external stressors, and systems. A system could be described by the way a company is designed, communication policies, the way a company complies with federal laws, or any overarching system that affects the company. The current literature reflects an interest in governing systems and the effect that systems have on workplace conflict (Cloke & Goldsmith, 2000; Lewin, 2001).

### **How Conflict Starts: Avoidance, Psychological, and Communication**

**Avoidance causes conflict.** Many companies' internal conflicts escalate because they are not addressed quickly. Some writers point out how large workplace conflicts result from avoiding the conflict when it was small. Clifford (2006) states that when companies have growing conflict they find it is because they avoided having a difficult conversation in the beginning. When something was miscommunicated, embarrassing, or uncomfortable, for instance, workers wanted to avoid discussing it. This avoidance might result in a conflict erupting that could have been avoided.

Flagg (2009) states that most employees put up with bad plans and difficult situations if it means avoiding a difficult conversation. She discussed one employee, for instance, who worked near a horribly smelly office refrigerator. The employee chose to put up with it, however, because he said he would rather die than tell his coworker to toss out the moldy sandwiches.

The problem, as Clifford (2006), Cloke and Goldsmith (2005), and Flagg (2009) point out, is that small conflicts rarely go away. If not addressed, they become larger as illustrated by Pruitt and Kim's (2004) Escalation Theory. And if an employee was

uncomfortable discussing it when it was small, they are not likely to want to discuss it when it becomes larger. This is the point at which companies may wish to step in with an ADR process.

Baltimore (2006) states that it is the employer's responsibility to observe and prevent conflict from growing. Baltimore discusses an example where an employer noticed a conflict emerging between the new, young employees and the older, experienced employees. The new employees did not feel respected for their education or their creativity. The older employees did not feel respected for their experience or wisdom. Both sides were jealous of the experience the others had, and were reluctant to work with someone different. The result was that the older workers did not take the time to teach the new workers, claiming that they were too impatient. The new workers complained of being "left out to dry," saying that the experienced staff did not provide them with the training and the support that they required.

The employees were unable to resolve the situation themselves. It began with gossip, which escalated into a toxic environment, which turned into a conflict, which resulted in a company that was barely operating. The conflict was thought to have begun because the manager tolerated the gossip in the beginning and was afraid to confront it.

Baltimore (2006) states that in order to prevent conflict from escalating, it is up to the employer to not tolerate gossip in the workplace, since this feeds conflict. When managers tolerate gossip, they are asking for conflicts down the road. Instead, the manager described above should have instructed both parties to recognize the value in the other side: the energy and the familiarity with the latest concepts from one party, and the wisdom and experience from the other party. Then the manager should have helped both

sides to see the difficulty that the other side had experienced, and help them learn how to respect each other. This could have created a more positive, more qualified working environment than either party could have had on their own. It is up to managers to create a workplace culture that does not tolerate gossip. It is up to employees to sustain that culture.

**Psychological and communication factors.** Cloke and Goldsmith (2005) and Slaikeu and Hasson (1998) write that the main cause of conflict in the workplace is the organizational systems. Cloke and Goldsmith (p. 94) list five causes of systemic workplace conflict:

1. “A lack of clear and courageous leadership.
2. An absence of agreement over values, visions, mission, and goals.
2. Unclear roles and responsibilities.
3. A lack of support for collaboration and participation in decision-making over important issues.
4. Inequality and unfairness in the distribution of resources and pay.”

Slaikeu and Hasson (1998) propose a second set of workplace conflict causes. Their list encompasses personal issues, business structure, external pressure, and systemic design problems.

1. The denial of existing problems.
2. Skill deficits (managers who are poor communicators and do not seek communication training).
3. Inefficient information/communication system (due to ill-designed system, misuse of system, or unwillingness to use system).

4. Conflicting interests or values in employees (workplace does not feel like a safe place for employees to express differing values).
5. Psychopathology (managers are often prone to stress, depression, and dissatisfaction; these issues can spill into the workplace without appropriate advisors; Caesar & Caesar, 2005).
6. Personality (some employees are combative, some are meek; it is the responsibility of the manager to ensure employees complement each other).
7. Scarce resources (less money and layoffs due to economic downturn lead to more pressure on staff: this often exposes one of the other problems).
8. Organizational deficiencies (employees blame each other for the organizational system's deficiencies).
9. Selfishness (an employer who is greedy designs a system that will benefit the employer and not make the employees happy).
10. "Evil intent" (sometimes people are just mean to their employees and they do not care enough to fix obvious systemic problems; Slaikou & Hasson, 1998, pp. 7-9).

Both authors agree that it is important to see conflict as complex, meaning that it usually has multiple causes. These authors believe that it is important for a researcher to be familiar with the many causes of conflict in order to be able to resolve them. The authors suggest that a system should be able to handle many of the causes listed above, since addressing only one cause will typically not fully resolve the conflict. Both of these lists are compared with the data results in Chapter 4.

## **The Second Variable: The Process of Resolving Conflict: Prevention, Path, and Common Processes**

This review began by examining the background of workplace structure and how conflicts fit into the modern workplace. In the section above, this review examined the first variable: conflict causes and types. Those first two sections are combined below, presenting options available for resolving workplace conflict.

**Studies on conflict processes.** There have been many studies examining the conflict resolution process, most of which examine the escalation of conflict, international conflict, or conflict resolution in large businesses. Studies that examine the conflict resolution process in the workplace recently have often focused on bullying. Bartunek, Kolb, and Lewicki (1992) have summed up many prior studies by other researchers, pointing out the complexity of resolving conflicts. They explain that the existing studies that have examined processes show that most conflict resolution systems attempt to be logical, linear, and simple. Bartunek et al. have studied conflict resolution in the workplace, however, and have seen that a more effective process for resolving conflict is one that incorporates many emotions, that allows people to be illogical if necessary, and provides multiple opportunities and options for discussing and resolving their conflict. Their book discusses studies that have found informal conflict resolutions processes to be effective. In their first study, they reviewed an ethnographic case study on a London police force. Its author, John van Maanen, shows how the policemen take breaks during their workday to stop at a pub. This time away from the office allows them to discuss things openly, thus airing and resolving many complaints before they escalate into conflicts. In the second study they examined, by Deborah Kolb, studied the role of

gender in the workplace. She studied the role that men and women played in a particular office. Kolb found that most of the conflicts were resolved through informal, conciliatory measures. She saw three women in the office step forward as the primary peacemakers. Bartunek et al. included both of these studies as they support the premise that conflict resolution is often informal and messy.

Rodon, Maria-Serrano, and Gimenez (2012) studied managing conflict in humanitarian relief situations. They studied a case in which a nongovernmental organization provided relief to a cholera outbreak in Mozambique in 2008. Their findings suggest that there are a variety of methods available for resolving conflict. They stated that conflict existed between the victims of the cholera outbreak (who were all competing to receive aid) and those providing aid. The aid providers used different methods with the victims such as phrasing conflicts as opportunities, and dangers as acceptable and exciting. They also discussed how the aid providers did not develop one static plan to resolve conflict, but often reacted creatively upon the spot to provide the best help. Their ability to change and adapt was noted with different types of conflict but also when their different levels of power involved in the conflict. The limitation of this study is that the single case study did not provide multiple examples of how to resolve conflicts in a variety of workplace settings.

A study by Dijkstra, Beersma, and Evers (2011) draws attention to the importance of preventing conflicts and providing employees with the tools to prevent and resolve their own conflicts. They compared the amount of stress caused by a conflict to the locus of control an employee had over that conflict. Providing tools for an employee to be able to prevent or resolve a conflict on their own increase this locus of control. They studied

774 nursing and ancillary staff of an institution. The staff filled out questionnaires that were designed to study workplace conditions. The researchers found that those employees with more control during a conflict experienced less psychological strain. Another important side effect of this study was drawing attention to the well being of the individuals involved in conflict and not just focusing on the effect the conflict had on the company as a whole. The relevance of their study is that providing employees with the tools to increase their locus of control may help decrease the negative effects of conflict.

Jehn and Mannix (2001) conducted a study (as described above in Studies on Conflict Type) on conflict dynamics. One of the findings of their study was that conflicts are dynamic and complex. Conflicts are not a static, simple process. This finding supported the researchers' assumption that resolving conflict involves multiple steps or a complex process.

A final study on conflict processes showed the negative effect of employers forcing employees to end it, instead of giving them freedom to choose their own process. Romer, Rispens, Giebels, and Euwema (2012) conducted a study on 145 employees at a Netherlands insurance company. They observed interactions between managers and employees and identified three types of conflict: task, process, and relationship. They also observed the perceived stress from these conflicts and different management attempts at resolving conflicts. They learned that when managers forced employees to accept a certain conflict resolution process without being able to choose the process, employees' conflict-related stress level rose.

## **Preventing Conflicts**

The most effective method for resolving conflict is to prevent it before it begins. Preventing conflict begins with (a) employees who are well trained in effective communication, (b) managers who intentionally take steps to minimize conflicts, and (c) a well-designed workplace structure (Cloke, 2001). Employees with communication training manage differences that often exist in the workplace. Different personality types working together can result in a difference of opinions. These differences, if managed well, do not necessarily have to be destructive. The conflict can be prevented, and even become an opportunity to challenge existing norms and standards to result in a higher quality service or product. Managers who are able to model open, effective communication show their employees how to prevent conflicts. A well-designed workplace structure must provide a safe venue for employees to discuss their point-of-view, and to develop an effective working relationship. Cloke and Goldsmith (2000) state that preventing conflict should be the first step in a company's dispute resolution process. If the conflict is not prevented, it may continue to escalate (Their Argument-Your Problem, 2005).

**Prevention theories.** Lewin (2001) states that there are two prevailing schools of thought on how to prevent conflict. One side believes that preventing conflict is up to the employee; the other side relies on the employer to do so. The first side is based in Industrial Relations (IR). IR states that conflict is inevitable, comes from power imbalance, and is caused by an employee (Lewin, 2001). Adherents of IR believe that conflict stems from employees who are upset by the power imbalance between employees and employers. With intervention, employers and employees can be better



able to understand each other and build a stronger company. Brining in an outside neutral may help those conflicts to be resolved in a fair and positive manner. From this perspective, conflict can become a positive experience.

The second school of thought is that of the Human Resources (HR) perspective. Instead of solely being concerned with the power imbalance and the employee's responsibility, the HR proponents expect managers to encourage employee dialogue and self-actualization ("The Dancing Nancy," 2007). This perspective states that conflict comes from poor management. HR proponents believe that conflict is not inevitable; rather, that it would be drastically reduced if not eliminated by implementing more HR policies to make the company a safer, fairer workplace. New systems, new innovation, and a better understanding of motivation can help to improve the workplace and make problems disappear. HR theorists see conflict as a bad thing and believe their policies are the answer to eliminating conflict. HR theorists typically see outside neutrals as unnecessary for resolving conflict. Instead they believe that managers and department heads should be better trained, and then conflict could be prevented.

Lewin (2001) states that there is one means of preventing conflict that both IR and HR theorists can agree to: if the employee is able to be involved in something that he is proud of, then the employee is more content and less likely to cause a conflict. The amount of grievances that an employee files is thought to decrease when the employee is satisfied with the quality of product or service he produces. Simply put, happy companies have less conflict, and vice versa.

**A variety of options helps to prevent conflict.** When difficulties erupt, people often make radical changes to remove what they think is causing the problem (Clifford,

2006). This action diminishes the stability of the company. A better option may exist in a variety of gradual options, such as employee training, an on-call mediator, board of advisors, or a consultant. Having a variety of options can help the company to be creative and resolve the problem in a healthy way. Clifford (2006) states that companies should have a variety of checkpoints to prevent conflicts. They should implement multiple types of safeguards with different resolution options to catch conflicts before they get out of control. If they do not have these checkpoints in place, Clifford states, the urgent trumps the important. The result is that immediate daily needs are dealt with while latent, festering conflicts go unnoticed.

Lewin (2001) also states that one of the keys to effectively preventing conflict is to have a variety of options available to employees. Lewin points out that when these options are undertaken separately, they are not as effective. But when employers use a variety of options in combination then they see conflicts diminish quickly. Some of these practices include (a) employee evaluations, (b) employee training, (c) variable pay, (d) skill training, (e) employee interchangeability, and (f) work groups. Lewin states that workers know that their workplace culture is supportive when managers are willing to do what it takes to resolve conflict by providing a lot of resources and options.

### **Good Communication Can Prevent Conflict**

**Manager driven.** Many conflicts can be prevented simply through good communication. Whether it is believed that prevention is the responsibility of the employee or the employer, both sides would benefit from better communication skills. If good communication is going to begin with the managers, then managers need to communicate in a way that minimizes conflict but also sets an example of how to speak

amongst each other in a way that prevents conflict. One way managers can do this is by having their communication and their instructions be precise, respectful, and easy for the employees to carry out without stepping on each other's toes. Managers who communicate well lay the groundwork to help their employees communicate well.

Clifford (2006) points out specific ways that employees can communicate well:

Communicate frequently, directly, often. Don't nitpick. As soon as you think 'always' or 'never', you should realize you are holding a grudge. Give specific examples and how it affects the company or clients, not generalizations. Listen and repeat. Be open to developing a solution together (p. 109).

Clifford (2006) states that mutual understanding of an issue often prevents it from turning into a conflict. Managers who want to avoid conflict or who begin to see disgruntled workers should try walking in another person's shoes. Specifically, people should try working in different sections or running different meetings to gain respect and understanding for that person. If these tips are not helping a company, then Clifford encourages managers to bring in a dispute resolution specialist to provide training in conflict prevention.

Marks (2005) also believes that it is up to the company to prevent conflict. Marks suggests bringing in outside neutrals or directors to do temporary system analyses that can expose potential conflicts. Marks states that to prevent conflict, it is the small business owner's responsibility to do these eight things:

5. Nominate independent directors.
6. Allow independent directors to meet privately with the CEO.

7. Avoid micro-management.
4. Shun overleveraging—to avoid this it is necessary to hire or nominate someone familiar with the economy and investments.
5. Keep current with market trends and company trends.
6. Visit different departments and offices.
7. Use outside professionals to discuss confidential or difficult issues.
8. Minimize exposure and liability.

White (1969) believes it is both the employee's and the employer's responsibility to prevent conflict. White suggests that many of the conflicts prevalent in the workplace today would not exist if everyone involved were able to take more ownership and maturity in the organization. To prevent conflict, White states that there are five childish behaviors that must be identified and removed from the organization:

1. Deciding "I am powerless". Inability to remain objective, making all relationships personal.
2. Inability to delay gratification or see the importance of working toward a goal.
3. Inability to see things from another person's point of view.
4. "An expectation that needs will be met without having to pay the price" (p. 33).

White (1969) believes that conflict prevention is the responsibility of both the employer and the employee. Employers must be able to address and change the five tendencies above. Employees must take the initiative to treat each other with respect and maturity. Both employee and employer must share the responsibility of creating a successful organization. White states that the owner can support employees in this by

giving them responsibility and treating them like adults. When treated like adults, employees must take responsibility to behave as they are treated.

Bowles (2007) agrees with White that managers are responsible for creating an environment that prevents conflicts. Bowles also agrees that once the employer has created this environment, employees begin acting in a way that prevents conflict. An employee that continues to cause conflicts needs to use the training and the resources available to learn how to prevent conflicts, or needs to find different employment. It is the responsibility of the employees to use the training and the resources available to them. It is the responsibility of the management to provide the options and conflict management training. Specifically, Bowles states that managers are responsible for six things to prevent conflict and create an environment for employees to resolve their own conflicts:

1. Create an environment where people can brainstorm solutions. Increase the perception of fairness. Increase the importance of resolving disputes.
2. Minimize the time it takes to be able to discuss a dispute.
3. Establish a policy of resolving disputes.
4. Have the ability to redress if there has been an ethical violation.

Especially in small businesses, Bowles (2007) believes that managers need to be trained to resolve conflicts internally. To resolve conflicts, managers should give employees ownership over the outcome of a conflict. Employees who feel empowered to resolve a conflict are less likely to let that conflict spiral out of control (Bowles, 2007).

**Systemic conflict prevention.** White (1969) believes that preventing conflicts is the responsibility of the employer and the employee. White also believes it is both of

their responsibility to be aware of systems that are causing conflict. Both employees and employers must be willing to make systemic changes that can prevent conflicts in the future. To discover systemic problems, White recommends asking all clients and employees how the company could have done better in substantial interactions. This is thought to help employees to feel empowered. It also uncovers problems that occur frequently. Baltimore (2006) suggests that another systemic change employers can make is to reward employees who are able to prevent a conflict from escalating and make suggestions for future conflict prevention.

The Wesley Agency is an example of a company that questions its employees and its clients to see what it can do better. White (2007) reports that the Agency has restructured all of its communication so as to define conflict as an opportunity for progress. The Agency has prevented conflicts from escalating by shifting the way that employees view them. When a conflict arises, the employees are asked to look at what caused the conflict and what can be done differently so that there is less conflict in the future. This includes requiring each employee to shoulder the burden of resolving the conflict and questioning what part they played in creating the conflict. Conflict resolution is carried out in the open through collaboration and consensus building. The company does not try to “smooth them out through HR techniques, but to structure them so that they will be productive rather than destructive,” (White, 1969, p. 39).

Slaikeu and Hasson (1998) suggest that conflicts in an office are inevitable. Since all of these conflicts cannot be prevented, the company has to create a system for resolving these conflicts effectively. The first decision in creating that system is how to respond to these conflicts. There are four general categories for responding to a conflict:

(a) avoid, (b) power play, (c) seek higher authority, and (d) resolution/collaboration (Slaikeu & Hasson, 1998). Slaikeu and Hasson state that employers subconsciously train their employees how to respond to conflict by rewarding a behavior. If the system is designed to reward avoidance, employees may avoid discussing difficult topics. If the employer rewards an employee who chooses to collaborate, then the employer is training the employees to collaborate. Possible rewards for collaboration might be allowing the employee the necessary time to negotiate the collaborated agreement and by honoring the terms of the collaborated agreement. By fostering an environment that rewards collaboration, the employee may be empowered to prevent conflicts before they spin out of control.

**The path of conflict.** If a conflict is not prevented, it manifests, a condition under which many conflicts escalate (Pruitt & Kim, 2004). Many small businesses are unaware of how quickly a conflict can spin out of control (Clifford, 2006). If companies do not discuss problems, then the rift can begin to be felt throughout the company. This rift causes a division that forces employees to choose one side or another. Employees may support one side, often at the detriment to the other. This can cost the “company time, money, profitability, and creativity” (Clifford, 2006, p. 109).

Baltimore (2006) has studied the path that conflicts often take as they escalate. This “includes a wide range and variable degrees of antagonism: gossiping, criticism, innuendo, scapegoating, undermining, intimidation, passive aggression, withholding information, insubordination, bullying, and verbal and physical aggression” (p. 30). Baltimore conducted his studies with nurses and was surprised to find out how this escalation of conflict affected the nurses involved. Nurses reported that even with all of

the difficult patients they had, they were more worried about aggression from their colleagues more than from any other source. The nurses also reported that when conflicts were not dealt with, they escalated so quickly that they even became frightened of each other.

Ayoko et al. (2003) note the effect that escalated conflict has on the workplace. Not only does it become more extreme but it also becomes more frequent. In other words, as conflict gets worse, it begins to disrupt work more often and for longer periods of time. Those interviewed by Ayoko et al. reported that when a conflict initially erupted, employees had to deal with it about once every 2 weeks. Quickly, though, they had to deal with it on a daily basis. The average conflict in their office lasted between 6 and 9 months.

Slaikeu and Hasson (1998) believe that when a conflict first appears, before it escalates, is when it needs to be addressed. If dealt with early and appropriately, then the conflict can become a positive experience as a learning opportunity to uncover a better way to do business. Slaikeu and Hasson write that conflicts escalate and become detrimental only when they are mismanaged. A conflict is managed well when it is dealt with appropriately in a collaborative fashion. The most common response, Slaikeu and Hasson state, is to ignore the conflict, then overreact to it. When employers or employees are unable to ignore a conflict any longer, they typically overreact, becoming adversarial and aggressive, escalating the conflict instantly. The damage with the *ignore, then overreact* approach is that companies lose the potential benefit and learning opportunities of the conflict.



**Common ADR processes.** Alternative Dispute Resolution (ADR) can include many processes for resolving disputes. These can all be included as options for a business to resolve disputes. Of these options, the workplace culture is most typical place for negotiation and mediation (Stitt, 1998). Designing the right dispute resolution system often means making a variety of these options available. In order to determine which options are appropriate, an organization must understand the type, frequency, and redundancy of the conflicts they are facing (Stitt, 1998).

Larger businesses have different options available to them to resolve conflict. Large businesses, for instance, often have a team of lawyers and HR professionals dedicated to making the business run smoothly. If a difficult conflict arises, larger businesses typically have resources available to call on a large ADR organization such as the American Arbitration Association (American Arbitration Association, 2010) or JAMS (Fast Facts, 2010). These larger organizations, however, often require more time and money than small businesses can afford.

Smaller businesses have fewer resources available to resolve conflict. They typically do not have the staff to maintain an in-house legal counsel, and might only have one person dedicated to HR. Typically the HR person does not have specific training in ADR. Small businesses also have difficulty spending the money to seek external ADR help (Business Money Today, 2009).

Small businesses do have some advantages over large businesses when it comes to implementing ADR techniques. They tend to be more flexible, more adaptable, and can be more creative. Resolving conflict requires using a variety of tools, especially in small businesses since there might not be procedures created yet for managers to know

how to resolve conflict. Small business owners must be creative and use intellectual and motivational resources. “Success proceeds from a synergistic combination of intellect and emotion, honesty and empathy, reason and intuition, head and heart, and a willingness to integrate and let each guide the other” (Cloke & Goldsmith, 2005, p. xv).

Lewin (2001) suggests that the employees within small businesses rely on each other to resolve conflicts. While they might not have access to an internal ADR professional, they can create teams that can mimic mediation. If small businesses use teams consistently for other work, then the employees may be able to be more effective at coming together in a team to resolve a conflict. Lewin also suggests that small businesses investigate what external ADR procedures are available to them. There are many ADR techniques available to low-income employers and developing businesses from the courts, the government, and the Chamber of Commerce. Most employers have access to “a variety of ADR techniques such as open-door policies, peer review panels, management appeal boards, and ombudsmen” (Lewin, 2001, p. 470).

In contrast to Lewin (2001), Smith (2002) believes that the best option for small businesses is no choice at all. In other words, Smith believes that small businesses should not have a variety of options as they can cause confusion amongst employees. Instead there should be a very clear, well-communicated process for resolving disputes. Smith states that employers should create a clear grievance process to ensure fairness and reduce subjectivity amongst employees. A well-defined grievance process also helps ensure due process since the conflict would have to be resolved in a set amount of time.

A grievance process should begin with a discussion between the manager and the staff member. If this does not resolve the conflict, then the employee should take the

problem to the next level—typically a director – who investigates the problem and reports back to the employee within a certain period of time. If this does not resolve the conflict, then the employee may have access to a mediator. If the dispute cannot be resolved through mediation, the employee may be able to use arbitration. Finally, if an arbitrator is not able to develop a solution, then the dispute may be submitted to a committee made up of other employees and managers. The committee makes a suggestion and the supervisor has the final say on whether or not to accept this recommendation (Smith, 2002).

There is currently not a consensus on what is the best process for small businesses for resolving disputes. Researchers such as Lewin (2001) feel that the history of trying out different ways to resolve dispute has given companies a wide array of options. A company can pick which tool is the most appropriate for the current conflict. Smith (2002) states that employers can benefit from their predecessors by choosing the best process available. Having a clearly defined process also limits subjectivity and can help conflicts to be resolved quickly. Cloke and Goldsmith (2005) support Smith's opinion that a conflict must be resolved quickly. However, they disagree with his method of having only one ADR process available as having only one complicated process can be detrimental to employees. Rather, say Cloke and Goldsmith, it is preferable for a company to have access to a wide array of ADR options and choose what fits their company and current conflict.

Stitt (1998) proposes an external option for small businesses to resolve conflict. For some businesses, especially new or small businesses, it might not be possible to have an in-house system or a professional dedicated to resolving conflicts. Instead, such small

businesses might rely on the local court's dispute resolution resources. A benefit to using the court's resources is that they typically have been resolving disputes much longer than a new business. This experience might help settle cases faster. In 1997, for instance, the Ontario Attorney General assessed cases that were mediated through the courts and compared them to cases that were litigated. The result was that twice as many cases resolved that were mediated than cases that were attempted to be resolved through other means. Also, of all the cases that were resolved, those that were mediated settled in approximately half the time (Stitt, 1998).

*Typical ADR processes.* ADR processes can be helpful in resolving workplace disputes appropriately because the alternatives are becoming less efficient than reported by Stitt (1998). Formal alternatives to ADR are grievance procedures and mandated arbitration. Lewin (2001) states that while these might be helpful in other types of disputes, they worsen disputes that occur in the workplace. The reason is that grievance procedures and mandated arbitration worsen an already strained relationship. Should ADR fail, litigation remains a more formal means of dispute resolution. Fox and Stallworth (2006), however, indicate that employees are becoming less and less likely to prevail in a workplace lawsuit. They state that employees who want to resolve a conflict need to do it through internal ADR processes such as mediation.

Mediation helps parties uncover the real cause of their problem and saves them both financial and psychological distress. ADR programs can ... help people to work through differences in a way that the relationship is able to be preserved. "ADR systems are confidential which is good for the company. Finally, ADR systems provide the place

for bullies to apologize without it later counting against them or the company in a lawsuit,” (Fox & Stallworth, 2006, pg. 32).

A typical ADR process begins with informal methods to attempt to resolve the conflict. These methods become increasingly formal and aggressive as the conflict escalates. The most common ADR methods (Stitt, 1998) include:

- Conciliation (one side gives in).
- Negotiation (those involved discuss the conflict privately).
- Facilitation (a neutral begins the conversation).
- Mediation (a neutral helps those involved to reach an agreement).
- Arbitration (a neutral listens to those involved and decides an agreement).
- Litigation (a judge listens to those involved, decides, and enforces an agreement).

### **The Third Variable: Consequences of Conflict**

**Studies on conflict consequences.** This section of the chapter examines the third research variable: the Consequence of Conflict. Breugst, Patzelt, Shepherd, and Aguinas (2012) explored the idea that conflicts can have positive or negative consequences. These researchers examined the positive effect that relationship conflict can have on workplace groups. The four researchers worked with 52 student teams and asked them to analyze levels of effectiveness individually and as a team, and the level of relational conflict. The results showed that when relationship conflict increased, so too did the perception of performance during the conflict. This means that while they were in conflict, team members did not measure their contribution to the team or their team members’ contribution accurately. While the results relate more to the level of perception and thus are not directly related to this study, the concept that conflict can be positive and have direct positive effect on workplaces and workplace groups is important.

The study conducted by Jehn and Mannix (2001) demonstrated that conflicts could have positive and negative consequences. Positive consequences were more likely when there was an open discussion of the conflict and when the conflict was task or process related. The conflict was more likely to be negative when it occurred right before a deadline or if it was a relational conflict.

A study conducted by Jansen et al. (2003) examined the impact of family life on work conflict. They developed a list of many causes of conflict, which was explained earlier in the introduction to the first variable. They determined that when family stress resulted in work conflict, some of the consequences were recovery time away from the office, fatigue, and increased conflict. It is also important to note that their study showed that stress from work-family conflict was reduced for employees when they were involved in decision-making and when they had coworker/team support.

These findings are consistent with the findings of the aforementioned researchers (Hillstrom & Hillstrom, 2002) that began to advance management theories in the workplace. They found that for employees to be more effective, they wanted to be invested and involved in the workplace and workplace decisions. An additional list of the known consequences of conflict is available in Appendix A.

While the researcher was unable to find a study with the same methods and variables, the study that appeared to be most similar found that employees wanted to be involved in the resolution of their dispute, but also that having access to an outside neutral may help increase the amount of conflicts resolved (Lipsky et al., 2003). In 1997, these three researchers conducted a study of Fortune 1,000 companies. They developed a list of questions that queried the companies on their current understanding, adoption, and

integration of ADR techniques. A subset of the companies was then visited to conduct on-site interviews. They found that two main components determined what ADR process a company will adopt: environmental factors and company motivation. Companies in their study often reported one of three motivations: (a) to contend, (b) to settle, or (c) to prevent conflicts. The authors discussed that those companies which had instituted an internal ADR process had employees that felt more ownership in the process than those with an external ADR process. These researchers also found that alternatives to formal dispute resolution were often less expensive, and thus promoted by management and perhaps even by federal policies.

An additional study by Psychometrics Canada (2009) examined the effect of conflict in the workplace. They surveyed 357 HR professionals in Canada from November to December 2008, finding that 99% of HR professionals report deal with conflict. Of these, 76% resulted in personal insults and attack; 43% in someone being fired; 81% in someone leaving; and 77% in sickness and absence. They indicated that poor leadership led to 73% of the conflicts. They also reported that some conflicts had a positive outcome: 57% led to better solutions, 21% to major innovations, and 77% to a better understanding of others.

**Negative consequences of conflict.** When unresolved conflict escalates, it can be disastrous to a small business. While each conflict impacts the company in a different way, there are some common results. The most common of these seems to be loss of money, decreased job performance, damaged reputation, and aggression.

**Loss of money.** Slaikeu and Hasson (1998) state that the main result of conflict to a business is loss of money. The largest of such losses comes from litigation-related

expenses. While these can vary, the main reason that this cost can be a waste is that it rarely benefits the company. At the end of a lawsuit, regardless of whether the company has lost or won, they usually do not see any profit from it; it did not help the business grow. Even when a conflict is ended, it is rarely completely resolved by litigation and often resurfaces, forcing the company to deal with it again.

Another cost of conflict is less tangible than a lawyer's bill, but no less damaging (Slaikeu & Hasson, 1998). The indirect cost of conflict that companies have to cover is due to conflict-related turnover. Slaikeu and Hasson (1998) report that when an employee leaves a company due to a dispute, it costs the company about 75-150% of that person's annual salary because of time spent on that conflict, and then posting, hiring, and training a new employee.

***Decreased job performance/ loss of time.*** Lewin (2001) states that the results of conflict should be examined in two categories: overt and covert. Some manifestations of conflict are quickly apparent and are defined as overt: (a) turnover, (b) absenteeism, (c) money spent resolving conflict, (d) etc. But Lewin indicates that there are also covert results of conflict: (a) diminished group efficiency, (b) diminished motivation, and (c) diminished creativity. These covert results create decreased job performance when an employee is wrapped up in a conflict.

Weeks and Fournier (2010) agree that the majority of the workday employees are spending their time on something other than working. In 2005, Weeks and Fournier issued the "Proudfoot Productivity Report" which reported that salespeople spend 79% of their time doing something other than sales. Dealing with workplace is one of the largest components of this non-value added time.



Ayoko et al. (2003) cite multiple studies that list the results of organizational conflict. The interpersonal results of organizational conflict were hostility, organizational aggression, or sabotage (Fox & Spector, 1999; Storms & Spector, 1987). Ayoko et al. state that the personal reactions to conflicts include “reduced levels of job performance, absenteeism and organizational and interpersonal aggression” (p. 285).

***Damaged reputation.*** Cloke and Goldsmith (2005) state that the closer the relationship had been, the more bitter the dispute can become. When colleagues who have worked together closely for a number of years enter into conflict, a sense of betrayal may emerge, making the conflict even more heated than it would have otherwise. This may be especially true when two founders of a company enter into a dispute. The damage done to their reputations as trustworthy leaders means that the employees begin to lose trust in their employers and might start to battle themselves or look for other work.

A damaged reputation does not just affect the business internally. A damaged reputation can do great harm to a company externally as well. Cloke and Goldsmith (2005) report that after hearing a company is experiencing conflict, many clients or contractors (e.g., accountants, vendors, etc.) advise their employees to quickly cut off ties with that company. They seem to know that conflicts can quickly escalate, and irate leaders begin to blame anyone around them. Clients do not want to get caught up in the conflict, and so they distance themselves from a company in trouble.

Some conflict can also have an attractive quality about it. Conflict can present drama and excitement, and so conflict is often gossiped about. This means that a conflict may start as a small internal conflict, but can quickly escalate into a large, public dispute.

Myers and Larson (2005) state that 96% of those in a work-related conflict reported discussing the results of the conflict with neutral outsiders.

*Company splits/company violence.* When conflicts escalate, the consequences can be damaging. Some conflicts cause companies to split, to disintegrate, or even result in violence. Ayoko et al. (2003) state that this is because conflicts at work can be “all consuming” (p. 289). In a culture that is defined by work, if there is a problem at work then people can personalize that conflict to mean that there is a problem with them. Ayoko et al. state that one of the study’s informants reported that a coworker committed suicide because of the conflicts she was having in the workplace.

Clifford (2006) discusses the conflict that arose when CaptureTech was transitioning its focus. The founding partners did not have a system in place to resolve the disputes that were arising from the organizational change. They did not have the conversation about how to resolve disputes when they were forming, and it simply became too uncomfortable to have it later. The founding partners report that the dispute became so heated that instead of being able to discuss the problems, one of them simply picked up the laptop with all of the vital company information and began running down the street. When the other founder caught up to him, they physically fought so intensely that they were incarcerated.

Unfortunately, governing bodies might fuel the conflict in order to make their story appear stronger. Lewin (2001) states that some unions reported that “a little blood must be spilled” (p. 460) in order to gain voluntary agreements. When pressed to explain this comment, the union said that they would promote walkouts, boycotts, and strikes to help their side in the conflict.

Anyone involved in a conflict understands that they can become tense and passionate. Denenberg and Braverman (1999) say that instead of denying the emotions that go along with conflict, there should be something worked into the conflict resolution process to allow those involved to process their emotions. They state that workplace violence may occur because people lack the appropriate mechanisms to resolve their conflicts.

**Beneficial consequences of resolved conflict.** Conflict is not inherently bad, and the effects of it do not need to be damaging. When conflicts are resolved through an appropriate dispute resolution process, the results can be positive, even beneficial for the company. Some of those benefits are money saved, time saved, increased job performance, and job satisfaction.

**Money saved.** Slate (2003) suggests that companies can never be *dispute-free*. Instead, Slate identified and studied companies that were deemed *dispute-wise* (The study defines *dispute-wise* companies as those with effective ADR methods). Slate found that overall these companies had better business practices. The study indicated that these companies improved key business relationships and lowered legal expenses (American Arbitration Association, 2010). The independent research firm Clark, Martire, Bartolomeo, and Shulman, administered the study. Legal counsel at over 100 Fortune 1,000 companies was surveyed. They found that ADR processes brought value to companies and also that well-managed corporate counsel were already using ADR processes. Having a portfolio of ADR options led to reduced legal costs and healthier business relationships.

Many companies have tracked their expenses before and after instituting a dispute resolution process in their workplace, and report a decrease in legal fees. Brown & Root (formerly Kellogg, Brown & Root) reported an 80% reduction in outside litigation fees in the first year. Motorola reported a 75% savings in outside litigation expenses over 6 years. Motorola attributes this to introducing a conflict resolution system internally and including a mediation clause in contracts with its suppliers. NCR reported a drop in pending lawsuits from 263 to 28 over a 7-year span. The Air Force estimated a 50% savings per claim in a study of 100 equal employment complaints when they used mediation (Slaikeu & Hasson, 1998).

Slaikeu and Hasson (1998) estimate that if companies were to have a more developed ADR process, they would see a reduction in legal fees of 50-80%. Other benefits he cites are stronger business relationships, longer external and internal business relationships, and a reduction in turnover. The most important result of installing an ADR process, Slaikeu and Hasson report, is that an organization that is not distracted by conflicts is able to accomplish its mission and work together to achieve the company goals.

***Time saved.*** Slaikeu and Hasson (1998) point out that after installing an ADR system, most companies save time as well as money. The reason is that if conflict is poorly addressed it wastes company time, and according to Slaikeu and Hasson, ADR systems address conflicts better and salvage this time. Slaikeu and Hasson point to an example of a Chorda study which showed that after introducing an ADR system, the Army Corps of Engineers completed the project 114 days ahead of schedule and \$12 million under budget.

***Increased job performance.*** ADR systems can be measured quantitatively by the time and money saved, but many authors state that the more important outcomes are qualitative (Lewin, 2001). Such outcomes are an increase in job performance, employee motivation and retention, a preservation of business relationships, and even a strengthening of group effectiveness. Freeman and Medoff (1985) even say that to increase productivity, it is necessary to have some type of an ADR system available. This system serves “as a mechanism through which employees can exercise voice in the employment relationship, grievance procedures result in lower employee quit rates, longer job tenure, increased human capital (through greater employee investment in employee training) and thus higher productivity” (Freeman & Medoff, 1985, p. 468).

***Saving relationships.*** Slaikeu and Hasson (1998) point out that most companies see conflict as a negative experience to be avoided. It is possible, however, that a constructive approach to conflict occurs as people cope with their differences and try to solve their conflict (Tjosvold, 1985). Research indicates that it is through open-mindedness and cooperation that people combine and integrate their ideas to resolve conflict and strengthen their relationships (Tjosvold, 1985). The behavior of 90 managers who were working with under-performing subordinates was examined. Managers who were able to cooperate with their employees were found to have positive expectations and were open-minded, and that cooperation occurred if manager and subordinate found a common goal. Tjosvold (1985) also found that when a manager and a subordinate find common ground and are able to cooperate, they have a more positive expectation of the other person’s intentions. For example, groups that react to conflict in a cooperative way discuss their opposing views more openly and skillfully (Tjosvold, 1985).

Lewin (2001) states that conflict can have positive effects when handled in a controlled environment that allows parties to speak their feelings and be heard. It helps people to diagnose and prevent future problems, but it also helps people to settle.

Baltimore (2006) advises that the key to turning a conflict into a positive thing is to address the conflict directly with the person to find out where the underlying problem is and be able to fix it.

*ADR as a natural process.* The literature above indicates that ADR programs can be quantitatively and qualitatively beneficial to a company. There is a third ameliorating element of ADR: it can benefit the people involved. People want to communicate to reduce the fear and uncertainty associated with conflict (Berger, 1986). The additional benefit comes from a psychological desire in people to make up for wrongs they have committed, speak up when they have been wronged, and to live in a peaceful community with coworkers. These are more likely to happen when an ADR system is present in an organization.

This has become evident through a series of studies and reflections in the available literature. Authors examine available types of dispute resolution processes and look at their long term effect. Companies that tried to institute a formal grievance policy seem to have fewer motivated and satisfied employees. These policies are short-lived because employees did not get the chance to say what they needed for the conflict to end (Godard & Delaney, 2000; Lewin, 2001). In contrast, Lewin (2001) reports that when employees were able to go through a more collaborative ADR process they became more effective. The ability to discuss hurt, motivation, apologies, forgiveness, and future actions allowed the employees to feel heard and validated. Employees felt more at peace

after this process and were able to be more effective workers. Myers and Larson (2005) studied a company that did not have a formal process in place for resolving a dispute. He reported that employees naturally created their own informal dispute resolution process. They naturally gravitated toward a third-party outsider who would help them talk through their dispute. Myers and Larson state that this indicates people prefer to work collaboratively.

ADR can be used to triage conflicts. “We have identified strategies to help you define your approach to conflict and to assemble a ‘resolution toolbox’ from the dozens of techniques we cite. Your challenge will be to design your own strategy” (Clove & Goldsmith, 2005, p. xvi). Conflicts do not typically have one specific cause, and so Clove (2001) points out that a set resolution should not be sought. Instead each conflict should be viewed with fresh eyes to find the best resolution possible (Lewin, 2001). When Corning was having difficulties motivating their employees, they finally stopped trying to tell the employees what to do and allowed the employees to figure out the problem themselves. The employees collaborated, discussed their work issues with a neutral party, and formed work groups to analyze processes. This group realized retooling of their line 6 times faster than any of the other departments. In another example, the EEOC interviewed its disputants and found that instead of filing a formal dispute, 67% would have withdrawn their dispute or lessened their charge if they would have received an apology or concession in mediation (Fox & Stallworth, 2006).

### Major Themes of Literature Review

This section briefly reintroduces the key elements of the Literature Review that were revealed in the data and will be discussed in Chapters 4 and 5. The elements

reviewed below are Workplace Development, Conflict Types, Conflict Resolution Processes, and Conflict Consequences.

**Workplace development.** Authors of workplace culture began by viewing the workplace as a tightly run ship, where employees were expected to do exactly what management told them. These core principles were developed in the 1880s (Gilbreth, 1911; Taylor, 1911). These principles developed into Scientific Management, which tried to compartmentalize employees, and minimize their interaction with each other and with management (Hillstrom & Hillstrom, 2002). In the 1930s the Human Relations Movement began to encourage employers to take more of an interest in the employees (Roethlisberger & Dickson, 1939). They also hypothesized that employees were not just motivated by money, but also by a desire to be invested and to be proud of their product or service (Hillstrom & Hillstrom, 2002). In the 1990s, there was an upsurge of employee feedback (360 evaluations) and involving employees in decisions. This had a positive effect on employee morale and company stability (Lewin, 2001). Around the year 2000, researchers began to discuss conflict systemically. Systems theory states that conflicts are often symptoms of a problem that is caused by the overarching systems that run the company (Lanski, 2011).

There are common themes that emerge through the chronology of the common workplace culture. Workplaces conflicts have been attributed both as an employee's fault and an employer's fault. There is confusion over whose responsibility it is to identify conflict and bring those involved into a conflict resolution process. Conflicts have also been misidentified as trivial or as a personality conflict, when they might be symptomatic of a deeper, systemic conflict. There is also a growing understanding that employees



want to be involved, they want ownership in decisions, and they want to take pride in what they have created.

**Conflict types.** The type of conflict can be identified by what, how, and where. Stitt (1998) offers five categories for identifying what the conflict concerns: (a) factual, (b) technical, (c) interpersonal, (d) legal, and (e) difference of opinion. Myers and Larson (2005) identify three conflict types by how they started: (a) Task, (b) Process, or (c) Relational. Slaikeu and Hasson (1998) and Cloke and Goldsmith (2005) identify the three settings in which a conflict can start: (a) internal, (b) external, and (c) systemic.

**Conflict resolution processes.** A review of the literature uncovered a variety of conflict resolution processes. Some of these are binding and formal, such as arbitration and litigation. Some of these are not binding but still a formal process, such as mediation, conciliation, negotiation, and facilitation (Stitt, 1998). Some of these are informal, *ad hoc* methods (Pruitt & Kim, 2004). There are also methods for preventing a conflict before it starts that are employee-driven (Bowles, 2007), management-driven (Clifford, 2006), and system-driven (Marks, 2005). This researcher proposes that there are three specific points in a conflict where it can be resolved: (a) the Entrance, (b) the Escalation, and (c) the Exit.

**Conflict consequences.** The majority of conflicts end negatively, positively, or a mixture of both. Negative consequences of conflict can include loss of money (Slaikeu & Hasson, 1998), decreased job performance (Weeks & Fournier, 2010), damaged reputation (Cloke & Goldsmith, 2005), and company split or violence (Clifford, 2006). Positive consequences of conflict can include money saved (Slate, 2003), time saved (Slaikeu & Hasson, 1998), increased job performance (Lewin, 2001), saving relationships

(Tjosvold, 1985), a natural process (Myers & Larson, 2005), and triaging conflicts (Lewin, 2001).

### **Chapter 3: Study Methods and Analysis**

*“The best studies have a strong inquiry procedure”*

(Creswell, 1994, p. 27).

#### **Introduction to the Study**

Three research questions guided this study. The first examined the types of conflict reported by small business owners. The second examined the processes that small business owners reported as employing to resolve conflicts. The third examined the consequences of conflicts on small businesses as reported by their owners. In answering these research questions, the researcher was also aware of any recurring trends that emerged explaining basic components of workplace dispute resolution. The conflict type components included whether disputes involved internal, external, or systemic stressors, and whether the conflicts were type, process, or relational conflicts. The conflict processes were examined to determine if they could be defined as conciliation, negotiation, facilitation, ombuds, mediation, arbitration, grievance process, or early neutral evaluation. The conflict consequences were often defined as either positive or negative. It was assumed that some of the data would fall into at least one of the categories mentioned above, some would fall into more than one category, and some would fall outside of the existing categories. The data that fell outside of the above-mentioned categories were analyzed to determine if new categories were warranted. The existing categories were not intended to affect the questions or the results, rather to provide a vocabulary to help analyze the data.

## Overview

The present study investigated conflicts experienced by small business owners. It involved the owners of small businesses in a variety of cities and business fields. After obtaining informed consent, an online survey was conducted by distributing the survey invitation hyperlink through various emailed list-serves. Then 10 participants of the survey were selected by initially dividing the participants into demographic groupings according to their city. These lists were put into a computer program entitled [randomizer.org](http://randomizer.org), which produces the desired number of names randomly out of a list. Participants were then selected at random from each group until a total of 10 were chosen. These 10 were contacted via email to determine their willingness for a follow-up interview (8 were able to participate) to clarify responses and generate more in-depth information in conflict consequences.

Ten questions were asked in the survey (see Appendix D). An additional item was included (“What is your title in the company?”) to verify that the participants qualified for the survey: a participant that indicated they were an owner, CEO, manager, head, president, or boss was included in the survey. This question is not included in the list of items since this item was not used to collect data, only to screen out unsuitable participants. Items 1-3 asked participants demographic questions (location, type of business, and number of employees) to be able to group data. Items 4-9 asked participants to describe workplace conflicts they have experienced and how they were or should have been resolved. Item 10 asked if participants would be willing to be contacted for a follow-up interview (Appendix E). An additional item (Survey Item 11) was included in which participants could optionally provide any additional questions or comments.

The survey used a mixed-methods design, soliciting demographics (Items 1-3), and both quantitative (Item 7) and qualitative (Items 4-6 and 8-11) responses. The purpose of the quantitative item was to gather quantitative data about conflict types, specifically, the number of conflicts and the rate at which they were resolved. The purpose of the qualitative items (Survey Items 4-6 and 8-11) was to gather new data about conflict Entrances, Escalations, an explanation of conflict Types, explanation of processes, and Consequences.

This study used only descriptive statistics to provide simple summaries and observations about the sample participants. These findings are presented in Chapter 4. Inferential statistics were not used, as the purpose of the study was not to provide generalizations about the larger population. The purpose of this research was to analyze the data that the sample produced (Laerd Statistics, 2012). This study is exploratory and only intended to induce trends, instead of subjecting data to confirmatory analysis. The data is primarily presented in measures of central tendency, measuring how small business owners reported conflict types, processes, and consequences.

The interview questions (Appendix E) were all qualitative. The initial questions (Interview Items 1-4) asked participants to describe positive and negative conflicts. The remainder of the questions (Interview Items 5-9) asked interviewees to provide comments on the results of the survey.

The research variables were defined by the survey questions, as indicated below.

- Conflict Type: Survey Item 4 (Entrance) and Survey Item 6 (Escalation).
- Conflict Resolution Processes: Survey Item 8 (Action that ended conflict) and Survey Item 9 (Suggestion for resolving conflict).

- Consequences of Conflict: Survey Item 7 (How did it end), Comments (outcome) Interview Items 1 and 2 (Positive Consequences), and Interview Items 3 and 4 (Negative Consequences).

The additional survey and interview items were used to gather demographic questions and to clarify questions.

This is a phenomenological study, meaning that observed phenomena as reported by participants were used to generate findings (Smith, 2008). In phenomenology, the unit of analysis is the individual or particular phenomenon being researched (Smith, 2008). This study involves the original collection of human attitudes and behaviors (Smith, 2008). The data are collected from the individual's first-person recollections. A key element to validity when studying phenomenological data is that the researcher must act as if she is viewing the data, ideas, and phenomena for the first time. This allows her to observe the data more objectively and help reduce bias (Giorgi, 1997).

Guba and Lincoln (1982) state that when observing phenomena relating to human social life, the naturalistic approach is often more appropriate than the rationalistic approach. In order to validate the naturalistic approach to gathering data, the researcher followed their four criteria:

1. Commitment to truth: the participants were encouraged to respond truthfully by having the option to respond anonymously.
2. Applicability takes the form of transferability: the recommendations received from the data were designed to be transferable to small business owners across the country.

3. Commitment to consistency: the researcher developed objective definitions to analyze and group the research data before the data was gathered, then all of the data was analyzed with these consistent definitions.
4. Neutrality takes on the form of confirmability: the researcher analyzed the data, cognizant that another researcher would be auditing the work. She also categorized the data hoping that a similar study might be repeated (see Recommendations for Future Study) by a different researcher who would need to categorize the data similarly. This helped her to ensure that her categorizations and definitions of data were as logical and replicable as possible (Hammersley, 1991).

Barritt (1992) indicates that an effective way for researchers to address their bias is through bracketing. In other words, a researcher should identify his or her bias, and then be able to segment that bias in brackets so that the data may be viewed more objectively. Bracketing is described as attempting to refrain from positing an assumption, but approaching, viewing, and analyzing the data with intentional openness (Giorgi, 1994). The researcher attempted to bracket her biases (such as the positive effect of instituting an ADR office and the effectiveness of mediators), by identifying what she expected and what she might have wanted from this study, and then she mentally bracketed these biases. She sought to examine every piece of data for the first time, without her experience or bias, which is in line with the definition of a phenomenological study.

The researcher prepared herself to interpret the data objectively by creating an epoche (Moustakas, 1994) which Gearing (2004) indicates is created when the researcher

creates a mental state conducive to absorbing new knowledge by setting aside bias, then observing each piece of new data as if for the first time, without attachment to bias or previous experience. To create a phenomenological epoche, the researcher had to identify, bracket, and then set aside all of her assumptions, expectations, and biases. This helped create the epoche within which she was able to view the data on its own and be able to generate themes, categories, and inferences in an enclosed space. Upon reading the data, the researcher only used the themes and categories presented in the literature as means to begin adding vocabulary and categories to group the data. This allowed the researcher to have a unique perceptual experience in which she experienced the concepts and data as if for the first time, without attaching expectations and significance to the data.

Bias was addressed by first examining the researcher's own biases. Then these elements were defined so that the data that could be biased had an objective standard. For instance, the researcher knew that she might be biased toward the efficacy of a mediator. The researcher is a mediator herself and thus would be biased toward believing that mediators would improve the conflict outcome in a company. First, she defined if a mediator was involved simply by whether the participant indicated that a mediator was used to resolve the dispute. Second, she defined if a conflict was effective by whether it was resolved or if it remained under the surface. Finally, these two elements were examined separately so that the researcher would be able to determine if a mediator was present when conflict was resolved effectively. Only after these two elements were defined did the researcher reunite the data and compare if having a mediator present seemed to indicate that a conflict was effectively resolved.



The researcher needed to categorize the data without having a pre-existing standard available. The researcher attempted to understand her bias and verify that it did not affect the categorization, as discussed later in this chapter. Her first bias as an ADR practitioner was that she presumed ADR would make a positive addition to small businesses. Her second bias was the belief that having a mediator available would decrease the amount of conflicts reported by a company. Her third bias was assuming that owners had used arbitration or litigation to resolve conflicts, and that it had been an expensive process. Her final bias that was identified involved assuming that all small business owners had a negative conflict experience.

Identifying these biases helped her to be aware of these biases when she was categorizing the data. She took care in categorizing data where her bias might have influenced the outcome. For instance, when determining if a conflict was a positive or a negative experience, she hid the fields that indicated if mediation, arbitration, or litigation had been used to resolve the conflict. This helped her to ensure that each piece of data was being categorized individually in a process that could reasonably be duplicated by another researcher in a way that prevented her biases from affecting the data. She also took caution in phrasing the survey and interview cautions in a neutral manner, so as not to prompt the participants to speak positively or negatively of conflict.

The researcher also used an independent auditor to review how she categorized the data. It was determined that it would be most effective for the auditor to verify the categorizations made by the researcher, instead of recategorizing the data as the auditor lacked familiarity with the dataset. This presents a limitation, however, since the validity

of the data is determined by the researcher and only verified by the auditor. The auditor has received her Master's degree in Dispute Resolution and is also a practicing mediator.

The researcher sent the auditor her data multiple times. The first time she sent the entire data set, broken out into separate questions, simply asking, "What categories do you see naturally forming in each of these sets of data?" Another time the researcher asked the auditor to verify the categories that she created. Later, she asked the auditor to look over her survey and interview questions and invitation emails, asking the auditor to determine what the questions were likely to produce. The auditor stated that she reviewed the raw data before viewing the categories suggested by the researcher, and she confirmed that she saw the data naturally falling into the same categories as the researcher. For instance, she also initially saw that poor communication was responsible for starting many of the conflicts. She said that after reading through more of the data, she also realized that some of the communication was unintentionally unkind and some of the communication was intentionally unkind.

The next step in the phenomenological process is the Transcendental-Phenomenological Reduction. According to Husserl (1970), it is this transcendental moment when the researcher attempted to transcend her own expectations to understand what the data conveyed. This occurred after the researcher bracketed her expectations and looked at the data from an objective view. Husserl states that this allows a subjective researcher to look at subjective data, remove all subjectivity, and analyze the data.

An additional step in the phenomenological process is the phenomenological essence. The beginning of the research involved gathering experiences and stories from the participants. In the next phase, the researcher began to synthesize what was the

essence of the phenomenon (Finlay, 2009). The researcher looked across the data, being careful not to overly interpret what the participant had said. The researcher attempted to explain the individual essence of each conflict story, instead of a group or general essence. As Giorgi (1997) states, in order to create the essence of a phenomenological study — even an individual essence — it is necessary to have multiple participants. Only in viewing, analyzing, and comparing their responses, can the structure, or essence, of the study be created. The essence of this study was created by considering the aspects in each participant's conflict story, and then beginning to create categories to study them.

### **Research Design and Rationale**

This study was designed both quantitatively and qualitatively, as its aim was to gather new information, rather than quantify, affirm, or refute existing data. Since this study generated both quantitative and qualitative data, it was a mixed methods study. Quantitative data included the number of employees, census data, demographic information, how often different processes were used, and the number of conflicts. Qualitative data included oral data and the responses to open-ended questions, such as how they felt about the experience and what suggestions they had for a more effective process. A mixed method study includes a mix of both quantitative and qualitative data in order to triangulate evidence (Creswell, 1998). The study began with a survey, and then a random sampling of the survey respondents chosen for a follow-up interview.

This study analyzed conflict type, conflict resolution processes, and conflict consequences. Some of these data were quantifiable, such as the dollar amount spent on lawyers to resolve a conflict. Since owners expressed how the conflict affected them by telling their stories and showing their emotions, the majority of these data were

qualitative. Creswell (1998) suggests that it is necessary to analyze the stories, epiphanies, and historical context of the participant's responses to have a complete understanding of the data. Analyzing stories and emotions required some subjectivity and interpretation from the researcher. For this reason, the most appropriate method for conducting this study was phenomenological. This approach allowed the researcher to take the responses from the owners, and understand "the underlying structures of an experience by interpreting the originally given descriptions of the situation in which the experience occurs," (Moustakas, 1994, pg. 13).

A qualitative approach allowed the study to be designed with open-ended questions. This allowed the subjects to provide additional information about conflict in the workplace, instead of being limited to a set choice of responses (Bolman & Deal, 2003). A qualitative component was also included because at the time of this study little information existed that studied the overall picture of small business conflict. In situations where little information is available, qualitative studies are often conducted (Creswell, 1998).

### **Sampling Method, Sample, and Participants**

The data collection portion of the study had two phases: a survey and an interview. Because of the widespread location of the participants, a face-to-face survey and interview were not feasible. Instead, participants first completed the survey online. The survey took approximately 5 minutes to complete, although participants were able to take more time to complete the survey if they chose. The researcher hoped for a minimum of 15 respondents from each data collection site. The researcher then randomly

selected volunteers from each demographic group to conduct a telephonic interview. The interview took approximately 20 minutes to complete.

The most recent small business information available from the U.S. Census Bureau by city is from 2002. The total number of firms in Eugene, OR in 2002 is approximately 14,000. Los Angeles, CA had approximately 901,000 firms in 2002. Richmond, VA had 608 total firms in 2002 (State & County Quick Facts, 2002).

According to the Small Business Administration (2004), 99.9% of businesses are defined as small businesses, meaning that the total initial population included the owners of approximately 915,000 firms. This number was greatly reduced by the number of firms that are still in business and that have current, correct contact information easily available. It was hoped to have a successful response rate of 1% for Eugene, OR (n=140 owners), 10% for Richmond, VA (n=61 owners) and 0.1% for Los Angeles, CA (n=915 owners). The actual response rate was smaller than this: n=29 (0.2%) for Eugene, OR; n=13 (2%) for Richmond, VA; and n=11 (0.001%) for Los Angeles, CA. This further supports the decision to use descriptive rather than inferential statistics in analyzing the data since generalizations to the larger populations of interest are not warranted.

Survey (see Appendix D) recipients were selected using non-probability sampling. Every small business owner in the chosen cities had the opportunity to be included in the survey. The survey was conducted via convenience sampling. The small business owners were chosen based on their company's location. This limited the participant base by area. The three cities (Eugene, Oregon; Los Angeles, California; and Richmond, Virginia) were also chosen as they represent diverse demographics of culture,

location, and affluence. The population included all small business owners in these three cities.

Selecting the appropriate population, sample, and setting is important to gather the correct data. The population was small business owners. The sampling frame included those owners who were available for the surveys, whose contact information was immediately available, and who lived in an area accessible by the researcher. This was purposive sampling, whereby the sample group is chosen to ensure that they have lived through the phenomena being studied (Creswell, 1998).

The data were gathered by an individual level of analysis. An individual level of analysis was chosen instead of a group for two reasons. First, it was not feasible to be able to survey all the employees of small businesses simply because of their sheer number, so the owner was chosen to represent the conflicts that they have experienced. Second, it is anticipated that these data will be used to create a dispute resolution model for small businesses. After this model is designed, choosing to adopt such a model would be the owner's decision. Therefore, learning what concerns owners have may help to design a model that could address those concerns and be more readily accepted into the business.

After obtaining informed consent, the participants were emailed a link to a website ([www.Mediate.com/WorkplaceConflict.com](http://www.Mediate.com/WorkplaceConflict.com)) which included the rationale and instructions for completing the survey (see Appendix D). They were emailed a reminder 1 week later. The format for completing the survey was the Mediate.com online survey tool. With the Mediate.com online survey tool, participants clicked on a link in the email that allowed them to begin the survey confidentially. The survey was not anonymous,

since participants could choose to provide their contact information for a follow-up interview. The researcher only used this contact information to be able to contact the selected participants for a follow-up interview.

The survey began with a small set of closed-ended demographic questions. The remainder of the survey asked the participants to describe the types of conflict they have experienced, how they were resolved, and the effects on their business. An online survey tool developed by Mediate.com reported the results to the researcher. It could be viewed by respondent or by question. All of these data were then moved into many sets of Microsoft Excel Spreadsheets. The initial spreadsheet held all of the raw data. This spreadsheet was divided into additional spreadsheets by question, so that each contained a different question. After the data in each question was reviewed, categories were added to the spreadsheet according to the most common themes that the researcher identified in that data set. After the data was categorized, it was summarized to provide a summary for each survey item. Finally certain worksheets were combined in order to allow for clear data comparison and analysis. Every worksheet had the participant number listed along the left-hand column to provide a common means by which the data in each worksheet could be reconnected for analysis.

The second phase of data gathering was an interview. Participants could volunteer to be contacted for a follow-up interview. This interview was used to clarify answers, to explore emerging themes, and to understand new ADR processes. Phenomenological research studies participants who have experienced a similar phenomenon (Creswell, 1998). This dissertation studied participants who were experiencing owning a small

business. It was also assumed that all of these owners had viewed or experienced a conflict at work.

In order to ensure this confidentiality, the researcher did not use the names of the businesses and the participants in analyzing and reporting the data. Instead the participants, the businesses, and their conflicts were referred to by a number. For instance, “Participant 753 at business ABC, discussing conflict B.” The only time that contact information was connected to the data was when the researcher chose to contact the participant for a follow-up interview. After all of the information from the survey and the interview was gathered and clarified, the contact information was deleted from the data by the researcher. No information identifying research participants is included in this dissertation.

### **Human Subjects Considerations**

There were multiple considerations for the researcher in working with human subjects. In the initial invitation email, participants were alerted that participation in the survey implied consent that their data would be analyzed and published for research purposes. They were also provided with contact information for the researcher should they have additional questions. The researcher tried to minimize the risk of being identified to all participants. The researcher only analyzed data by a participant number; any identifying information about the company was changed. The relevant data from the questions were about conflict, not information that could be used to identify the participants. The people involved in the conflict did not need to be disclosed. To provide further protection, the names of the company or people involved in the conflict were changed prior to analysis. Their contact information was maintained during the data-



gathering phase of the study, but was deleted after interviews were complete. Participants could also choose not to provide their information. This means they were able to submit a survey response and could elect to not be contacted for an interview.

When inviting participants to complete the survey, the researcher explained the benefits of the research to society and hoped that this would inspire an acceptable number of small business owners to participate in the survey. The immediate benefit to society from this research would be a better understanding of workplace conflict. There were also multiple secondary benefits anticipated:

Designing a method of resolving workplace conflict that is more effective and efficient than the current methods. Money saved on legal fees. A more peaceful and productive workplace. Long term increased employee morale. The respondents had a chance to enter a drawing to win a Kindle Fire. Participants were not monetarily compensated, but were able to enter a drawing for a Kindle Fire following the submission of the survey. They were able to enter their email address in a separate database, stored only for the Kindle Fire drawing and not connected to the data. The drawing was designed to encourage survey responses. After the survey closed, the winner's email address was chosen at random via a computer-randomizing program. The winner was contacted by email as soon as the program generated the email address. The winner was contacted via email at the end of April 2012. The winner confirmed via email that the Kindle Fire was received on May 19, 2012.

### **Data Collection Setting and Procedures**

The data were collected from small business owners who were contacted by the researcher and chose to participate in a survey. Initially the administrators of the

Chambers of Commerce in the three cities were contacted and permission to email their clients was obtained. The researcher then began to email the clients on the Chamber of Commerce lists. Upon realizing that the response rate was far less than anticipated, the researcher began to look for listservs that went to small businesses with a focus on the desired cities. The researcher spoke with the owners of the listservs and then sent an invitation to the online survey to every listserv that was approved. The small business owners were selected based upon those who lived in or conducted business in the selected cities (Eugene, Oregon; Los Angeles, California; and Richmond, Virginia) and who had a valid email address available.

The sample small business owners from each city were sent an initial email that explained the project and asked the owners to participate. The email indicated that they had 2 weeks to complete the survey, and it provided the researcher's email address as a contact for more information. Those who chose to participate were deemed the study participants. The owners were sent a reminder email 1 week after the initial email was sent. This email alerted the small business owners that they had 1 week left to complete the survey. They were also sent a thank you email following the survey with a reminder of the researcher's contact information.

The researcher analyzed the data collected from the survey and selected business owners to contact for a follow-up interview. The researcher emailed the owners with details about the interview. They arranged a time to speak over the phone. The interviews had a few predetermined questions (see Appendix E) but also allowed time to follow some of the participants' responses. The interviews were recorded and then transcribed.

## **Instrumentation**

The researcher developed the survey and interview (available in Appendix D and Appendix E, respectively). A pre-existing survey that asked for the specific questions desired by the researcher was not found. The survey included certain demographic questions (see Appendix D). This was a mixed methods survey that contained both closed- and open-ended questions. Some of the data gathered needed to be analyzed quantitatively and was derived from the closed-ended questions. The open-ended questions allowed the participants to speak more conversationally. These data were analyzed qualitatively. This created responses that not only had more depth, but also responses that the researcher could never have anticipated in a close-ended question. The interview allowed the researcher to clarify the responses, and also to gather more information on the conflicts. This gave the researcher a more complete picture of the phenomena under investigation (Weiss, 1994).

The variable definitions, key terms, and survey and interview questions were agreed upon by the researcher and the auditor. Before analyzing the data, the researcher sent the auditor her research and proposed survey. The auditor proposed clearer language in the survey invitation (specifically so that the language would not need to be changed when it was sent to different cities). The auditor also suggested rewording the conflict consequence question to make it broader, encouraging the respondents to phrase the response in their own words. Finally, after participants completed the survey, the researcher sent the auditor her definition of a negative and a positive consequence. The auditor made several suggestions to the wording, which the researcher agreed with and accepted. Specifically, instead of having a set list of consequences, which would either be

positive or negative, the auditor suggested determining from the tone and the specific actions mentioned by the respondent if they viewed the consequence as positive or negative. The researcher agreed with this suggestion because of the individuality of every conflict, every small business owner, and every office. What was negative for one office might be positive in a different office. This suggestion allowed the researcher to take cues from every response to determine if they perceived the conflict as having a clearly positive or negative consequence. The auditor also suggested to only include those conflicts that were clearly one or the other, and to exclude the conflicts that were ambiguous. The researcher also adopted this suggestion, believing that it would make the data clearer to use the consequences, which the respondents were stating and not try to force an interpretation upon the data.

### **Analytic Techniques**

The researcher compiled the survey and interview results. They were transcribed and coded, question-by-question, into multiple Microsoft Excel spreadsheets. These responses were sorted (for the quantitative responses) and analyzed for emerging themes (for the qualitative responses). These data were sorted by common trends and outliers. Outliers for most data sets were discarded; however, the questions that prompted suggestions or the interview questions (which had a very small amount of data) retained the outliers. The data were also categorized by geographic and demographic characteristics to determine any trends. It was anticipated that some of the data would fall into pre-determined categories and some of it would not. The researcher has placed the data securely in password-protected spreadsheets. It was shared with an auditor who helped analyze the data to validate the results, as described at the end of this chapter.

To be analyzed, the answers were initially transferred to three folders made up of Microsoft Excel spreadsheets: (a) Types, (b) Processes, and (c) Consequences. The first step in analysis was arranging the answers according to their category. If they did not fit into a category, the data were placed in an Other category. After all of the data were gathered, the Other category was analyzed to determine if there were common themes or categories. Then, these categories were arranged from most to least common. Second, lists were made of each theme, with an identifying reference to the original transcription. The conflicts that the small business owners discussed were analyzed to determine their similarity to the conflict types discussed in Chapter 2, or if the owners were discussing a new type of conflict. The same was done for the processes and the consequences they discussed. This validated existing research, and hopefully will add new understanding about conflict types, processes, and consequences.

In the third step, data were clustered thematically, meaning bits of data were arranged and analyzed around a shared theme. This data clustered around seven themes. The first two themes provide background information, and the remaining five answer the research questions, so they are subdivided to provide a more complete answer.

5. Internal Stressors: The first cluster examined all of the conflicts that were completely internal to the business. This cluster was subdivided by the types of internal conflict, such as employee/employee, employee/employer, and employee/work group.
6. External Stressors: The second cluster analyzed if the workplace was subject to substantial non-work stressors, such as demographic, family, and or economic stressors.

7. Systemic Conflicts: The third cluster examined conflicts that involved a company system.
8. Prevention Attempts: The fourth cluster was any attempts that were made to minimize or remove existing stressors, such as communication or emotional intelligence training.
9. Resolution Process: The fifth cluster contained all of the processes that were used. These were divided into the following categories: conciliation, negotiation, facilitation, mediation, arbitration, litigation, avoidance, ombuds, and other. It is noted that many of these processes were being used, but were not being formally defined by these categories. This was also divided according to who was involved in the conflict, the resolution, the location, and the type of business.
10. Negative Consequences: All of the negative consequences that the conflict had on the business were placed in this cluster. They were subdivided by loss of money, decreased job performance, damaged reputation, and aggression. The conflict type that resulted in these negative consequences was identified. Also the common processes involved in a negative conflict were identified.
11. Positive Consequences: The seventh cluster examined all of the positive consequences that the conflict had on the business. They were subdivided by money saved, time saved, and other positive themes that arose. The conflict type that resulted in these positive consequences was identified. Also the common processes involved in a positive conflict were identified.

The next step was creating a textural and structural description of these themes. This was done by analyzing the clusters and the Imaginative Variants in these clusters, and creating a textural description to help better understand the phenomena. To find the Imaginative Variants, the researcher cleared her mind of her preconceptions and expectations and imagined how each of these variants/pieces of data should be described (Mohanty, 2007). She pictured each of the variants as separate pieces. Then these phenomena were described with a structural definition that took into account the environment, the causes, and the structure around the phenomena (Creswell, 1998).

The data were also grouped by Task, Process, Relational, and External:

1. Task: This is a conflict around the task itself. This might involve what a project is, the content of a business decision, allocating resources, or disagreements over whether a task falls within the business mission (Ayoko et al., 2003).

2. Process: A process conflict is sparked by a disagreement over completing the task, or how to operate the business. This might be assigning workload, scheduling, general office policy, the proper method to communicate, or establishing a method for making group decisions (Myers and Larson, 2005).

3. Relational: Relational conflicts are sparked by how people relate to each other. This often involves communication that intentionally or unintentionally offended another person. This includes spoken conversations, e-mails, non-verbal communications, power advantages, jealousy, and gossip (Ayoko et al., 2003).

4. External: External conflicts were provoked by something external to the office environment, but the issues were brought into the office. An example of an external conflict is someone fighting with his or her spouse at home, and then directing his or her

frustration at someone in the office. Additional external conflicts involve disliking someone in the office, not because of something personally viewed in the office, but because of external views that were brought in, such as racism, ageism, sexism, and ethnic prejudices. A final external conflict that was common in the data is a poor office environment leading to conflicts. For instance, some participants reported that because of their office location or their workers, they were subjected to workers smoking, dressing inappropriately, using inappropriate language, or an unsanitary workspace. Such frustration led employees to spark conflicts with their coworkers (Slaikeu & Hasson, 1998).

Ayoko et al. (2003) report that relational conflicts are the most common, followed by process, and then task. Lewin (2001) reports the opposite order for the potential productivity of a conflict. Relational conflicts are often the least productive and have the highest chance of escalating quickly. Process conflicts often do not escalate, but rarely provide productive conversations. Task conflicts have the highest chance of being productive. For instance, if two employees are arguing over the content of a report, then it is possible that their discussion may increase the quality of the report. Since the conflict is very rarely personal or value related, it also has the lowest chance of escalating (Myers & Larson, 2005).

The final stage of analysis was using these data to create recommendations for workplace policy and practice. This final stage provided one of the major reasons for choosing a phenomenological approach. Other methods for analyzing the data and observing trends were available. Phenomenological research, however, focuses more heavily on the use of intuition in examining the governing structures and their effect on



phenomena (Moustakas, 1994). It was anticipated that these data would provide suggestions for systemic improvement in business structure and conflict resolution. The phenomenological approach provided the researcher the freedom to examine the effect of systems that were present in the workplace, and the phenomenological epoche allowed the research to view the data on its own and what this new data revealed about conflict in the workplace.

Validity was enhanced by using multiple instruments for data collection and an auditor for analysis. Collecting the data with both a survey and an interview means that the data was collected with two distinct instruments in two distinct settings (over email and over the phone). This increases the convergent validity of the data. Convergent validity occurs when multiple instruments (*i.e.*, a survey and a call-in interview) measure the same traits (conflict types, conflict resolution processes, and conflict consequences) and have consistent results (McMillan & Schumacher, 2001).

The face validity of the surveys was determined by the initial researcher. To further determine the validity of the responses, the data were examined separately by an auditor familiar with the terms of the survey. This analysis of the data also revealed criterion group validity (Giorgi, 1994) by demonstrating differences in scores from groups who should have a difference in scores. For instance, the groups of data that revealed negative conflict should have more negative conflict experiences described than those with positive conflicts. The auditor received categorizations of the data at different periods of the research process. At every point the auditor agreed with the researcher's categorizations. She did make clarification suggestions regarding the researcher's wording of the invitation email. The researcher responded to her suggestions by

clarifying her category terms where the suggestion was an obvious improvement to the term that the researcher had chosen. The researcher also contacted the auditor when she was initially creating the definitions for the categories. The researcher and auditor together created the definition for a positive and a negative conflict. Specifically, the auditor suggested the term effective resolution of conflict and the researcher adopted that as a better definition than her original term of a complete resolution of conflict.

## Chapter 4: Results

The results of this study came from three sources. The first source of data was the initial quantitative data in the survey. The next source of data was the qualitative data in the survey. The final source of data was the qualitative interview. These three data sets were analyzed together to form a picture of conflict and its resolution in the workplace.

These three research questions address three variables: (a) conflict types, (b) conflict resolution processes, and (c) consequences of conflicts. These variables were studied through a survey of small business owners and then with interviews of selected survey participants. The “Type of Conflict” variable includes what the conflict is about, who is involved, and what sparked the conflict. “Conflict Resolution,” as defined by this author, means the transition of conflict from a destructive stage to a peaceful stage. The “Conflict Resolution Process” variable was assumed to include formal (litigation and arbitration) and informal (negotiation, facilitation, conciliation, and mediation) processes as well as *ad hoc* methods. The “Consequences of Conflict” variable was examined to determine if there were trends in the consequences of conflict and whether they were deemed by the small business owners as being overall a positive or negative consequence.

### Participant Characteristics

There were 148 overall respondents. 109 were selected from these respondents. Thirty-nine survey respondents were initially eliminated from the analysis since they were not an owner, co-owner, or in an ownership/decision-making position within the company, or company size resulting in 109 total participants. These 109 included 90

small business owner survey respondents. An additional 19 large businesses were chosen to include in the data analysis. These 19 were included because they were part of a business that had a small business culture, such as a satellite operation that has authority to make its own decisions and relies solely on its own resources.

Participants could elect to skip a question if desired. All participants appeared to answer all questions, excepting the “Other Comments?” or “Other Suggestions?” questions, which 31 of the 109 total participants left blank.

**Response rate.** This analysis includes 109 responses, which includes responses from 90 small businesses and 19 large businesses (as stipulated above). Overall, the data includes responses from all 109 businesses unless otherwise noted (such as where large and small business are compared).

Interviews were used to measure data in the second phase of the study. The survey participants were then categorized according to geography and business size (This is considered the third source of data, with quantitative survey data being the first and qualitative survey data being the second.). One participant was then randomly selected from each representative city and business size. Ten participants were chosen and requested for an interview. Of these 10, 8 elected to be interviewed. These interviews were conducted telephonically over a period of 2 weeks, from April 1, 2012 to April 15, 2012. The researcher transcribed the interviews.

### **Presentation of Findings**

The findings are presented in this chapter then discussed in Chapter 5. The survey data were first analyzed individually on an item-by-item basis. Next the researcher compared the survey items with each other to reveal trends among the data. Finally the

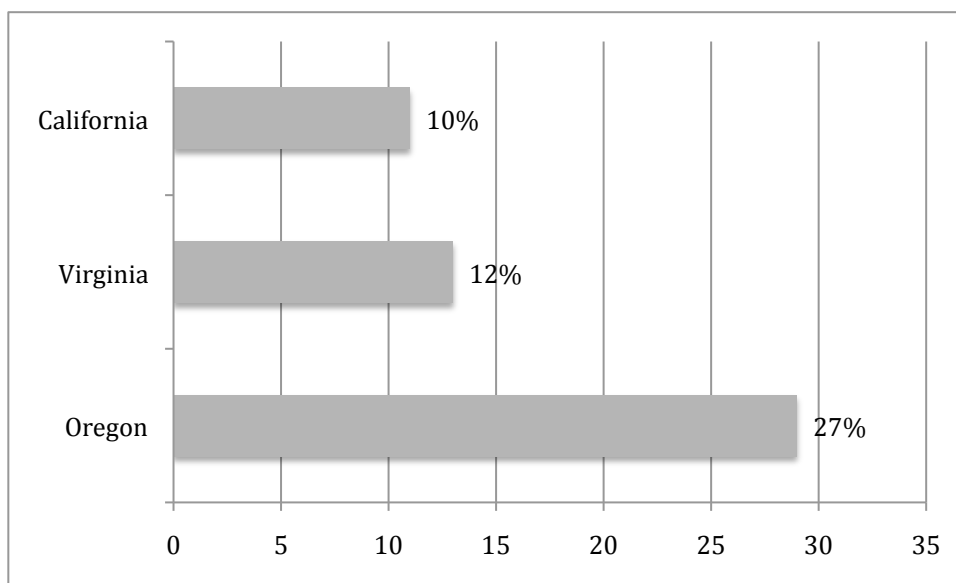
survey results were grouped according to the three research variables: Conflict Type, Conflict Resolution Processes, and Conflict Consequences. The interview results were also organized by item and then compared to other interview data and finally to the survey data to reveal trends by the researcher.

After quantitative analysis, the researcher developed a phenomenological epoche, which began by setting aside her assumptions and expectations. She viewed each piece of data as separate, unique, and new. The data is presented that way below, where each Survey Item and Interview Item are analyzed separately without any expectation. Perceiving only what each set of data revealed allowed the researcher to remove her biases, and instead experience the themes that this data provided. Viewing the data in this manner also allowed the researcher to leave her expectations for how the data would be presented, and instead viewed new themes, such as the possibility of two separate events, Entrance and Escalation, existing within each Conflict Type.

## **Survey**

**Location.** The first survey item asked participants about the locations of their business. 100% of the businesses reported that they operate out of only one location. Figure 1 shows the breakdown of the participant's location from the three focus cities, as well as a percentage of the total 109 responses. The survey was closed after it appeared that 15 responses had been gathered from all three of the target cities. After removing responses that either did not have enough employees (at least three) or that were not from an owner, there were only 13 responses from Virginia businesses. California also had less than the desired response rate, with only 11 acceptable survey responses. This means that there were two and four fewer responses than the originally study proposed from Virginia

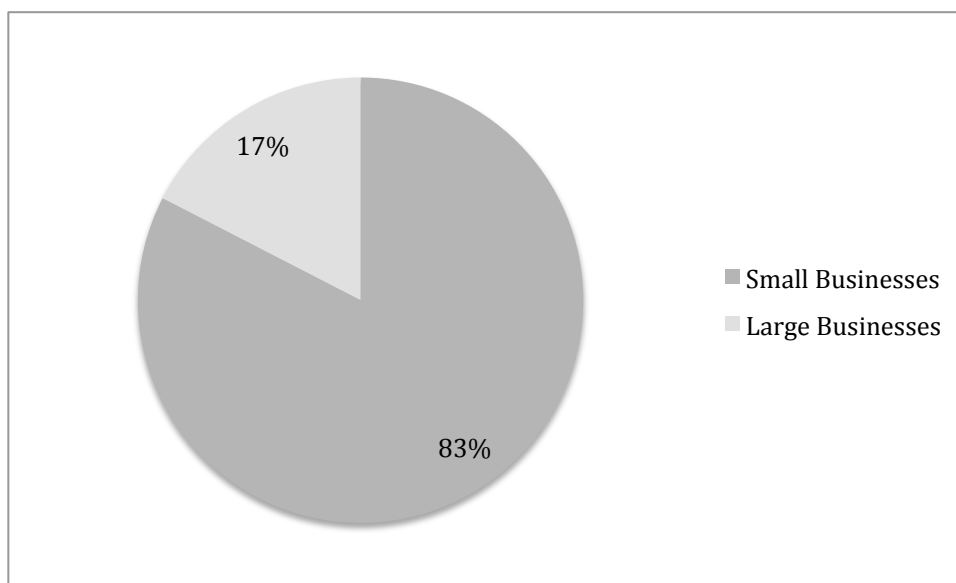
and California, respectively. Twenty-nine of the businesses were from Oregon, based in Eugene or the vicinity. There were an additional 56 responses that either were not from Eugene, Richmond, or Los Angeles; or they did not clearly indicate a location. These responses were not included in Figure 1.



**Figure 1. Number of participants.**

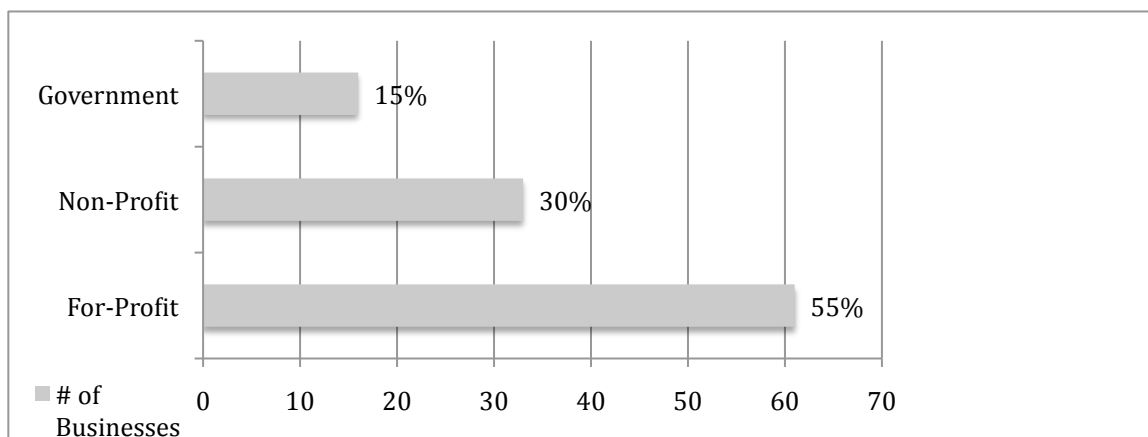
**Total employees.** Survey Item 2 asked the participants how many employees their businesses employed. This was used to clarify that the participants qualified to be in the survey. There were some participants who managed too many employees and did not qualify as a small business. Conversely, there were some participants with businesses of over 50 employees that were included in the survey based on how they described their business in this question. For instance, there was 1 participant who was part of a 5,000+ person organization that provided educational services to the government. Their office only included 12 employees, however, and they operated as an autonomous small business that relied solely on their own resources and made their own policy decisions. They were included as their office culture was closer to a small business than a large business. Every response was examined individually. Participants that operated as a small

business were included in the data set. Figure 2 shows a breakdown of the businesses that were included in the data, both the small businesses and the large businesses that operated as a small business. The large businesses had an average of 2,054 employees. The remaining 90 respondents were small businesses averaging 28.3 employees.



**Figure 2. Comparison of 90 small and 19 large businesses.**

**Business type.** The third survey item analyzed businesses by their type. The businesses could self-identify but they were prompted with the terms “For-Profit” and “Non-Profit.” This Item was not mutually exclusive. One business reported that it was a Non-Profit that worked in the Government, so this business qualified as both a Non-Profit and a Governmental business. Sixteen of the 109 participants, as indicated below, wrote in “Government” as their type of business. Figure 3 shows that the largest amount of responses came from For-Profit responses, with 61 businesses. The next highest was Non-Profit with 33 businesses. Finally, 16 businesses were Government businesses. This means that 55% of the business were For-Profit, 30% were Non-Profit, and 15% were Government.



**Figure 3. Small businesses by type.**

This figure shows raw numbers and the percentage of 109 total respondents.

**Conflict entrances.** The survey examined both what sparked the conflict and what the conflict concerned. The researcher identified what sparked the conflict as the Entrance (Item 4) and the actual cause as the Escalation (Item 6). In reading the responses, it was made clear that owners attributed something different for starting the conflict than what the conflict was actually about. When the researcher originally created the questions for Item 4 and Item 6, she assumed that the data for both questions would confirm each other. Upon reviewing the raw data, the researcher realized that the data from Item 6 did not support the data from Item 4. She reviewed both sets of data to determine what had created the difference. The assumption was that Items 4 and 6 were the same question, phrased slightly differently, in order to validate what were the conflict types that small business owners experienced. The researcher reviewed the phrasing of the question of Item 4 (“What started the Conflict”) and Item 6 (“Describe the conflict”) and realized that two different events were being analyzed. The small business owners were reporting that there were actually two different types of conflict, depending upon the time period in which they were viewing the conflict. The first event was the



beginning of the conflict, which the researcher named the Entrance, which the participants were describing in Item 4. The second event was what turned the experience into a conflict. In other words, this second event seemed to be what the conflict was actually about. This was described in Item 6, and the researcher named this event as the Escalation. The researcher then went back through her data from Items 4 and 6 and broke them out into two separate data sets. Instead of combining Items 4 and 6 as she had originally anticipated, she changed these into two separate results: Conflict Types: Entrance and Conflict Types: Escalation, respectively. While both questions still studied the first variable, Conflict Type, the researcher recognized that two different sets of data were being produced that warranted being studied separately.

Thus, the researcher chose to break the Conflict Type into two different categories: henceforth Entrances and Escalations. Both Entrance and Escalation were used to identify the Conflict Type. Each respondent was able to identify multiple conflicts. Each of these conflicts could fall into multiple categories; they were not mutually exclusive.

Table 1 contains a list of self-reported conflict Entrances (researcher-determined categories regarding what actually started the conflict). It shows that conflict was most commonly sparked by difficulties with communication. Bad Communication was the Entrance to 60 conflicts, and Mean Communication was the Entrance to 49 conflicts.

**Table 1**  
**Entrances to Conflict**

<b>Theme</b>	<b>Entrance</b>
Bad Communication	60 (23%)
Mean Communication	49 (19%)
Unclear Job Description	23 (9%)
Group/Personality Conflicts	17 (7%)
Entitlement	14 (5%)
Unclear Protocols/ Feedback	14 (5%)
Business Decisions	13 (5%)
Unfair Treatment	11 (4%)
External Customer/Contractor	11 (4%)
Physical Office	10 (4%)
Unappreciated	8 (3%)
Poor Work Ethic	7 (3%)
Unrealistic Deadlines	6 (2%)
Bad Attitude	6 (2%)
Family/Home Issues	4 (2%)
Scheduling	3 (1%)
Discipline	3 (1%)
Cultural Differences	1 (0%)
Not Enough Pay	1 (0%)
Personal Use of Resources/Theft	0 (0%)
<b>Total Identified Conflict Entrances</b>	<b>261</b>

**Who is involved.** Item 5 of the survey asked participants to identify who was most commonly involved in a conflict. It was an open-response question, but the participants were prompted to discuss if the conflict involved employees and managers. These results were not mutually exclusive, meaning that respondents could identify multiple choices, Employees, Managers, Both, or Other. Figure 4 charts these responses.

This chart indicates who was identified as being responsible for starting the conflict. There were 109 respondents who discussed 183 people responsible. The largest group was employees.



**Figure 4. Who started the conflict.**

In summary:

- 76 businesses reported that conflicts involved employees;
- 50 reported that conflicts involved managers;
- 32 of those companies reported overlap, that conflicts just as often involved both an employee and a manager; and
- 25 businesses reported that their conflicts were most commonly caused by someone outside the company, such as a vendor or a client.

**Conflict cause/escalation.** The researcher initially developed 3 categories to analyze the data in Item 6: Placement (Where), Substance (What), and Responsibility (Who). These categorizations were drawn by the researcher as prevalent themes from the literature reviewed. Initially, the researcher anticipated combining the results from Items 4 and 6 together, as they were both studying Conflict Type. However, when the researcher realized that Items 6 were analyzing two different events in the conflict (Conflict Entrance and Conflict Escalation), the researcher separated Item 6 from the rest of the data to be able to examine conflicts independently of any other factors. She began

by reading through all of the identified conflicts. Then, in order to be able to better process the data, she began by separating the conflicts out into a variety of categories. First she separated them by where they occurred, then by what occurred, and finally by who was involved. She created separate spreadsheets that contained a list of all of the conflicts, and then within each spreadsheet she began to separate out the conflicts according to the category. On a separate column, to the side of the conflict, she began to write keywords summarizing what was described. When the conflicts were divided up in this manner, it was simpler for the researcher to analyze the data. She began to see trends such as the prevalence of Bad Communication and a desire for Job Clarity.

The Placement category identifies where the conflict occurred within the company: Internal, External, or Systemic. The Substance of a conflict analyzes the substantive issue, or what it actually was that escalates the conflict. Finally, the conflicts were analyzed by the person or persons who appeared to be responsible for escalating the conflict. These first sets of data were later expanded by the research into 20 general categories. The researcher found these categories to be the logical summation of the Conflict Type data, replicable by another researcher. The full list of these categories and any subsets may be found in Appendix F. The first set of data, Where, examined the placement of conflict (Item 6):

- 220 Conflicts were Internal, defined as being escalated by an issue primarily internal to the company.
- 46 Conflicts were External, defined as being escalated by an issue primarily external to the company.
- 138 Conflicts were Systemic, defined as being escalated by a systemic-wide issue.

The second set of data examined What: the Substance. The researcher chose to use Substance as it was one of the themes prevalent in the Literature Review. The researcher copied all of the conflicts mentioned in Item 6 into a separate spreadsheet, and then began to categorize these conflicts according to their substance. She initially read through all of the conflicts and wrote key summary words in a separate column next to the conflicts. She then used these keywords to generate new categories that summarized the conflicts. She then read through all of the conflicts, placing tick marks in the applicable descriptive categories. She conducted this process three times, each time checking to see if she had missed any categories, and placing any outliers in their own category. These outliers were dismissed. Of all these conflicts, the researcher found that 17 involved Not Enough Money, 38 involved Not Enough Time. 114 of these categories involved Miscommunication. Lack of Money, Time, and Miscommunication were categorized first as the researcher expected these would have caused the largest number of conflicts.

The third set of data analyzed Who (the person reported as being responsible for causing the conflict). Ninety-one conflicts appeared to be caused by a manager or a manager's decisions. After grouping the data into categories of Who, the researcher found that 65 of these conflicts appeared to be caused by an employee. The remainder of these conflicts (258) did not have a clear person responsible.

There were 414 conflicts reported in the data. These conflicts could fall into multiple categories, which were not mutually exclusive. These conflicts were condensed into 20 distinct themes by the researcher about Conflict Type (Uncondensed Information about Conflict Causes in Appendix G, Comparison of Conflict Entrances in Appendix H,

and Condensed Conflict Themes in Appendix I). This was done by initially writing down all of the data, then rereading and regrouping according to prevalent, recurring themes presented by the data. These 20 categories are analyzed below in Table 2. Table 2 lists the proposed Escalations of Conflict by Small Business owners. The top Escalation of conflict was Bad Communication. The next most common Escalation was Unclear Job Description. The Escalation of conflict was analyzed to determine the first research Variable, “Conflict Type.” For the remainder of the survey, conflict causes will be identified as Escalations or Escalations and will be discussed using the data presented in Table 2. This table lists the Causes/Escalations of Conflict, showing the raw data and percentage of 414 identified Escalations to Conflict.

**Table 2**  
***Causes/Escalations of Conflict***

<b>Theme</b>	<b>Source</b>
Bad Communication	53 (13%)
Unclear Job Description	43 (10%)
Poor Work Ethic	39 (9%)
Mean Communication	35 (8%)
Unfair Treatment	33 (8%)
Entitlement	30 (7%)
Unclear Protocols/ Feedback	26 (6%)
Cultural Differences	20 (5%)
Physical Office	19 (5%)
Unappreciated	18 (4%)
Business Decisions	17 (4%)
External Customer/Contractor	14 (3%)
Unrealistic Deadlines	13 (3%)
Group/Personality Conflicts	11 (3%)
Scheduling	11 (3%)
Bad Attitude	8 (2%)
Discipline	8 (2%)
Not Enough Pay	8 (2%)
Family/Home Issues	6 (1%)
Personal Use of Resources/Theft	2 (0%)
<b>Total Escalations of Conflict</b>	<b>414</b>

**Conflict consequence.** Survey Item 7 asked participants to report how many conflicts in the past year ended by one of four suggested methods (listed in Table 3), or if another method was used. Initially, the researcher copied all of the answers into a spreadsheet and simply added up the total responses for the four provided choices (remained quietly under the surface, resolved amicably, faded away, or very disruptive or violent). Then the researcher placed all of the responses from the Other category into a separate spreadsheet and analyzed it as described above for Item 6. The researcher read through every consequence, placed descriptive keywords next to each response, and then used these keywords to generate categories. These categories provide the tool to create a total amount of additional consequences, and what type of consequences. The researcher made this determination, initially by providing a summary of the numbers presented by the participants. Table 3 shows that most conflicts remained quietly under the surface. This means that the conflict never went away, it remained present, but had not escalated. Next were conflicts that resolved amicably. These conflicts used a variety of methods to resolve which will be discussed further in the next section. Next were conflicts that faded away, meaning that they disappeared without escalating. The least common were conflicts that turned very disruptive or violent. While this is the least common result, it means that there are still 394, or 11% of conflicts, that become disruptive or violent. This item was not mutually exclusive, meaning respondents filled out the number of conflicts they have seen in each category. Participants were also able to list another outcome, identified as “Other”. Respondents used this field to explain conflicts in more detail or to list additional conflict resolution outcomes. The respondents listed outcomes in this field if they were unsure if this outcome should have been placed in one of the other four

categories (These conflict experiences were also charted in Appendix J). The researcher read through their responses and placed them in the appropriate category (either listed below, or as a Conflict Exit or Suggestion). Table 4 shows a summary of responses that did not fit into other categories.

**Table 3**  
**Conflict Consequence**

Resolution Method	Frequency
Remained Quietly Under the Surface	1431 (40%)
Resolved Amicably	1006 (28%)
Faded Away	740 (21%)
Very Disruptive or Violent	394 (11%)
<b>Total Resolution</b>	<b>3571</b>

This table shows the conflict consequence identified by small business owners out of a total of 3,571 identified conflicts. Table shows raw data and percentage of total.

**Table 4**  
**Other Outcomes**

Other Consequence Responses, Item 7
Employees here have a mutual respect for one another so any misunderstandings/conflicts are openly discussed and resolved.
One issue was resolved by demoting a manager and several others by firing the employee.
5 conflicts where staff member was terminated
Build conflict competence, is identifying budding conflicts earlier and addressing by resolving through conversation, often before the conflict becomes known to many.
12% - Continual highly emotional and unresolved conflict
Conflicts often fester unless recognized and are addressed in a respectful and knowledgeable way.
Most conflicts had business-related causes, some deep-seated. Examples: Inherent functional conflicts (e.g., finance vs. line operating; legal vs. marketing). Also, occasional personal incompatibility between senior managers.
Sometimes they don't end until someone leaves the organization.
I tried to conciliate, but the other party appeared to back down, but in reality was still aggressive and confrontational
This conflict was very stressful.

**Conflict exit.** Item 8 of the survey asked the participants if they could identify an action, intervention, or turning point that helped a conflict end. Table 5 lists those suggestions, as identified and categorized by the researcher. This is a summary of the



responses from Item 8. The researcher copied all of the responses into a spreadsheet, which she then used to list descriptive categories based off of the keywords in the responses. She used these categories to create new columns to identify how often each keyword was mentioned in the responses. Then she used these categories to analyze the data, which appears below. The most common turning point was Direct and Honest Communication (47, 53%), then Mediation (19, 21%), and then Management Intervention (14, 16%).

**Table 5**  
**Conflict Exit Suggestions**

<b>Conflict Exits</b>	<b>Frequency</b>
Direct and Honest Communication	47 (53%)
Mediation	19 (21%)
Management Intervention	14 (16%)
Not Resolved	3 (3%)
Office Décor	2 (2%)
Police	2 (2%)
Fired	1 (1%)
Training	1 (1%)
<b>Total Identified Exits</b>	<b>89</b>

**Suggestions for conflict resolution.** Table 6 shows a summary of the combined suggestions in response to Survey Item 9, as identified and categorized by the researcher. The most common suggestion was conversation, comprising 10% of the suggestions. The next suggestion was that people had to address the conflict directly, in-person, and honestly. Next, participants suggested that the management play a stronger role in forcing those involved to take advantage of conflict resolution processes. These suggestions for resolving conflict were gathered from the survey results in an open-ended question. The expanded survey results are available in Appendix K.

**Table 6**  
**Conflict Resolution Survey Suggestions**

<b>Conflict Resolution Suggestions</b>	<b>Suggestion Frequency</b>
Conversation	21 (10%)
Direct, In-person, and Honest	18 (9%)
Stronger Management, Refer to process	16 (8%)
Address Early	15 (7%)
Staff Neutral	15 (7%)
Outside Neutral	14 (7%)
Pre-Conflict Training	12 (6%)
Clearer Policies	11 (5%)
Employee Emotional Intelligence	9 (4%)
Continued Communication Training	9 (4%)
Staff Meetings	8 (4%)
Have Employees Design ADR System	7 (3%)
Listen	7 (3%)
Management Feedback	6 (3%)
Employees Design Outcome	6 (3%)
Team-building Exercises	5 (2%)
Review Workloads	4 (2%)
Managers Keep Doors Open	4 (2%)
Direct Resolution as Condition of Employment	3 (1%)
Mediation as Condition of Employment	3 (1%)
Emotional Intelligence Survey	3 (1%)
Equal Pay, Hours, Workload, Consequence	3 (1%)
Let People Go That are Difficult	2 (1%)
<b>Total Suggestions</b>	<b>201</b>

**Willingness for participation in follow-up interview.** Survey participants were asked if they agreed to be contacted for a follow-up clarification or interview (Survey Item 10). Of the 109 invited, 94 participants indicated they were willing to be contacted. Willing participants were divided based on city, and one volunteer was randomly chosen from each city. Then, 10 participants were randomly chosen from the remaining participant pool for a follow-up interview to be discussed in the next section. Ten participants were contacted, as this was the number agreed upon by the researcher's dissertation committee as a starting point to generate sufficient follow-up data. Following

the interview, their contact information was moved to a separate database from the data to avoid linking personally identifiable information to the data.

**Interviewee comments.** Item 11 of the survey provided participants the opportunity to make any additional comments they desired. Fifty-six participants posted comments or questions. Many of the comments suggested managers become stronger at dealing with conflict. Such comments suggested that small businesses might not always have access to a mediator and so the managers should become trained in conflict resolution. Examples of responses to this item included:

- “Managers are so often selected because of subject matter expertise. If the manager has an acceptable personality, that helps. But neither attribute automatically makes them a good administrator and leader.” (Participant 76758)
- “It is not sufficient to have a personnel policy in place that deals with grievances. The personnel policies must be followed. That is not always the case. People act from instinct and ignore the policies in place - which has legal implications.” (Participant 76789)
- “The supervisor sets the staff up for conflict between co-workers.” (Participant 71684)
- “Management should have stepped up to the plate on behalf of their subordinates and asked for clarity of this person's job and their own response to her stepping into their jobs.” (Participant 75115)

Two additional responses said that they had to demote managers that were unwilling to help employees resolve conflicts. Such responses stated a desire for a stronger management to help them create or adhere to conflict resolutions policies.

### Survey Comparison

**Conflict types, processes, and consequences across locations.** The location of the company (Item 1) was compared with the results from Items 6, 7, and 8 (Conflict Types, Processes, and Consequences) to identify any trends among and between geographies in which the study was conducted. The survey was distributed via online list-serves, and the participants were then grouped by Eugene, OR; Richmond, VA; and Los Angeles, CA.

**Table 7**  
***Small Businesses By Location***

<b>Comparisons</b>	<b>California</b>	<b>Oregon</b>	<b>Virginia</b>
Conflicts about Money	4 (10%)	3 (2%)	2 (5%)
Conflicts about Time	1 (3%)	12 (9%)	7 (16%)
Average Employees	77	16	14
Total Business	11	29	13
Total Conflicts	38	128	43
Avg. Conflict per Business	3.4	4.4	3.3

Conflicts that the small business owners reported were analyzed by geographic location by a variety of categories, including money and time (from Item 6). Table 7 shows these. According to the survey, the small businesses in California reported substantially more (10%) conflicts about money as Virginia (5%) or Oregon (2%). Conversely, California reported experiencing a similar amount (3%) of conflicts about time as Oregon (2%) or Virginia (5%).

Comparing Items 1 and 7 shows the conflicts experienced in various locations. The small businesses from Oregon reported that the average business experienced 4.4 conflicts in the last year. Virginia small businesses had fewer conflicts, 3.3 per year per business. California small business owners also reported experiencing about 3.4 conflicts per year.

Items 7 and 8 also asked how the conflict was resolved. Item 7 allowed participants to respond that the conflict: (a) Remained quietly under the surface, (b) Resolved amicably, (c) Faded away, (d) Became very disruptive or violent, or (e) Other. Item 8 asked what were the consequences of conflict. If the owner mentioned a mediator, a neutral, or described a mediation process, then this business was identified as “having access to a mediator.” Having access to a mediator means that they had the time and financial resources to bring in a mediator. Some owners identify the mediator as resolving the dispute, and others state that the mediator was helpful in showing the employees how to resolve the conflict on their own. Only 15% of Virginia businesses reported having access to a mediator. Thirty-four percent of the surveyed Oregon businesses reported having access to a mediator, and 45% of California businesses had access. Virginia businesses also reported the highest amount of conflicts that become disruptive or violent, at 23%. Oregon businesses reported 7% and California businesses reported 10%.

**Conflict escalations across business types.** This study examined the prevalent conflict types by vocation. The Escalations of conflict (Item 6) were examined according to their prevalence in three types of businesses (Item 3): Non-Profit, For-Profit, and Government. Government businesses were primarily those that acted as a consultant to

government offices. They abided by government policies but had a small business culture. The type of office was determined by response to Item 3, and the Conflict Escalation was determined by response to Item 6. It was determined by the researcher that the majority of the conflict causes were similar in all three environments. In the areas that differed, however, the difference was substantial as shown in Table 8.

Table 8 shows the Escalations of conflict across different types of offices. The total number of Escalations was separated by type of business, totaled, and then divided by the amount of business to reach a percentage. This table includes a list of all Escalations, uncondensed, in order to best identify any trends. Data from 61 For-Profit businesses, 32 Non-Profit business, and 16 Government offices were used to analyze this information. The resulting findings indicate how many of those businesses report that type of conflict. This table was not mutually exclusive, meaning businesses could identify more than one Escalation.

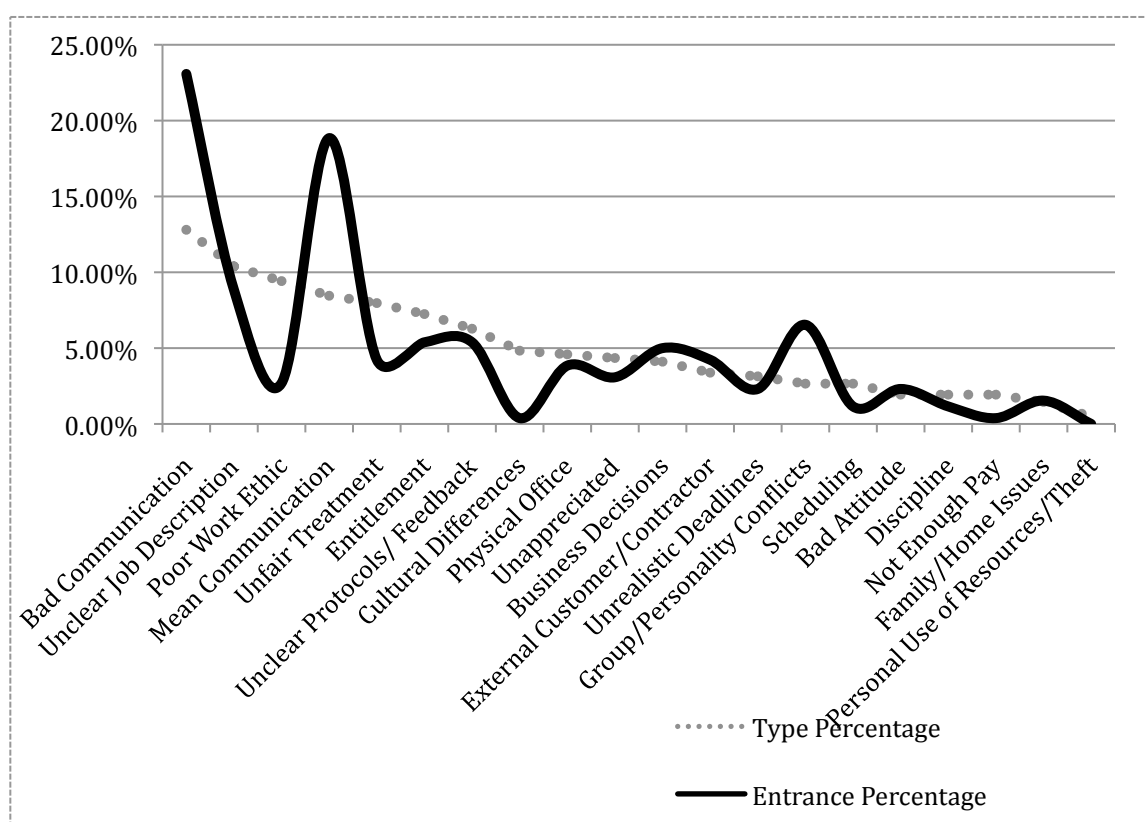
**Table 8**  
**Conflict Type By Business Type**

<b>Results</b>	<b>Non-Profit</b>	<b>For-Profit</b>	<b>Government</b>
Cultural/Departmental/ Racism Differences	14 (43.8%)	0 (0.0%)	6 (37.5%)
Rudeness	12 (37.5%)	4 (6.6%)	3 (18.8%)
Micromanaging	1 (3.1%)	3 (4.9%)	1 (6.3%)
Bad Communication/ Argumentative	9 (28.1%)	17 (27.9%)	11 (68.8%)
Poor Work Ethic	9 (28.1%)	14 (23.0%)	3 (18.8%)
Unclear roles/workload	7 (21.9%)	10 (16.4%)	2 (12.5%)
Unfair workload	7 (21.9%)	7 (11.5%)	4 (25.0%)
Poor Physical Office Environment/ Noisy/Layout/Smoke	6 (18.8%)	8 (13.1%)	4 (25.0%)
Unfair treatment	6 (18.8%)	6 (9.8%)	3 (18.8%)
Group Conflict	5 (15.6%)	4 (6.6%)	2 (12.5%)

(continued)

<b>Results</b>	<b>Non-Profit</b>	<b>For-Profit</b>	<b>Government</b>
Hours/Work Schedule	5 (15.6%)	5 (8.2%)	1 (6.3%)
Resource allocation/not enough resources to help clients	5 (15.6%)	3 (4.9%)	1 (6.3%)
Competition/Politics	4 (12.5%)	8 (13.1%)	3 (18.8%)
Lack of Discipline/ Consequences/ Unable to correct staff	4 (12.5%)	2 (3.3%)	2 (12.5%)
Management Not Giving Praise/Recognition/ Not Listening	4 (12.5%)	6 (9.8%)	3 (18.8%)
Petty/Drama	4 (12.5%)	3 (4.9%)	4 (25.0%)
Unclear Expectations/Vision	4 (12.5%)	11 (18.0%)	2 (12.5%)
Unclear Protocols/Policies	4 (12.5%)	11 (18.0%)	4 (25.0%)
Withholding Information	4 (12.5%)	2 (3.3%)	1 (6.3%)
Business Issues	3 (9.4%)	5 (8.2%)	0 (0.0%)
Miscommunication	3 (9.4%)	6 (9.8%)	1 (6.3%)
Misusing technology	3 (9.4%)	1 (1.6%)	0 (0.0%)
Unrealistic/Missed deadlines	3 (9.4%)	3 (4.9%)	1 (6.3%)
Insulting Appearance/Sexual Remarks	2 (6.3%)	2 (3.3%)	1 (6.3%)
Jealousy	2 (6.3%)	3 (4.9%)	1 (6.3%)
Not Enough Money	2 (6.3%)	6 (9.8%)	0 (0.0%)
Tardiness	2 (6.3%)	4 (6.6%)	2 (12.5%)
Attitude/General Negativity	1 (3.1%)	1 (1.6%)	2 (12.5%)
Behavior reflects Poorly	1 (3.1%)	0 (0.0%)	1 (6.3%)
Client/Customer Complaints	1 (3.1%)	7 (11.5%)	1 (6.3%)
Entitlement	1 (3.1%)	4 (6.6%)	3 (18.8%)
False assumptions	1 (3.1%)	0 (0.0%)	0 (0.0%)
Not Enough Time	1 (3.1%)	5 (8.2%)	0 (0.0%)
Stress	1 (3.1%)	3 (4.9%)	0 (0.0%)
Unclear/No Method to Provide Feedback	1 (3.1%)	5 (8.2%)	1 (6.3%)
Unprofessional Language/Dress	1 (3.1%)	0 (0.0%)	2 (12.5%)
ADA Compliance	0 (0.0%)	1 (1.6%)	0 (0.0%)
Contracts/ Contract workers/ Terms of the contract/ Vendors	0 (0.0%)	4 (6.6%)	1 (6.3%)
Family business brings in family issues	0 (0.0%)	4 (6.6%)	2 (12.5%)
Personal Use of Resources	0 (0.0%)	1 (1.6%)	0 (0.0%)
Theft	0 (0.0%)	1 (1.6%)	0 (0.0%)
Unappreciative Staff	0 (0.0%)	1 (1.6%)	0 (0.0%)

**Entrances vs. escalations to determine the conflict type.** Figure 5 shows a comparison of the Entrances to conflict (from Item 4) with the actual Escalations of conflict (Item 6). Examining both the Entrance to the conflict and the identified Escalation of conflict is helpful to determine the type of conflict (examined further in Chapter 5). The survey solicited two types of data: an Entrance (Item 4) or an Escalation (Item 6). This figure shows that some conflicts were started by something different than what the perceived Escalation was about. The main differences were in communication:



**Figure 5. Comparison of the entrances to conflict to the types of conflict.**

23% of conflicts were *started* by Bad Communication, but only 13% of conflicts appeared to be *caused* by Bad Communication. 19% of conflicts were reported to be *started* by Mean Communication, but only 8% appeared to be *caused* by Mean Communication. The other large difference was in Poor Work Ethic. Only 3% of



conflicts were reported to be *started* by Poor Work Ethic, but appeared to *cause* 9% of conflicts.

Government offices had twice as many conflicts started by Bad Communication than Non-Profits or For-Profits. In government offices, 68.5% indicated they had conflicts caused by Bad Communication, as opposed to 28.1% of Non-Profits and 27.9% of For-Profits, indicating that Non-Profits and For-Profits may have more effective communication skills.

More For-Profit companies had conflicts caused by client/customer complaints (For-Profit: 11.4%, Non-Profit: 3.1%, and Government 6.3%). This might indicate that Government offices have a more effective method of handling customer complaints, or that Government offices have fewer interactions with customers.

Both Non-Profits (9.4%) and For-Profits (8.2%) had conflicts that were caused by Business Issues, indicating the employees feel passionate about and invested in their business issues. Governments had zero conflicts caused by Business Issues, indicating either less employee investment or less opportunity for involvement in business issues.

A substantial number of Non-Profits (43.8%) and Governments (37.5%) had conflicts caused by Cultural/Racial/Ethnic Differences; zero For-Profits reported this conflict.

**Small business vs. large business conflict: Who is involved.** The respondents were asked who was usually involved in conflicts (Item 5): between employees, between managers, between employees and managers, or other. 62% of the large businesses reported that they had conflicts that only involved managers, compared to only 48% from

small businesses. The findings show that of the small business owners, 6% indicated in Item 5 that they had never experienced a conflict.

**Small business vs. large business conflict: Conflict resolution.** Large business owners reported having, on average, 5.48 conflict-causing issues to deal with, while small business owners reported 3.34 issues. The data for this question identifies the conflicts that the small business owners are dealing with at that moment in time. On average, the large business owners reported that 2.9 of these are Internal issues, 0.52 are External, and 1.86 are Systemic. The major themes of these issues involved Miscommunication (1.1 issue on average per business at one time) Time (0.4), and Money (0.19). Small business owners reported that 1.83 are Internal issues, 0.4 are External, and 1.12 are Systemic. Owners also reported that, on average, 1.02 of their issues deal with Miscommunication, 0.14 dealt with Money, and 0.3 dealt with Time.

**Conflict resolution by mediator versus type and location of business and the type of conflict.** The survey responses were also divided by those that had or did not have a mediator available to resolve conflicts (if a mediator was identified by the participants in the additional information section in Items 7 and 8). Categorizing the data according to the presence of a mediator did not indicate that much changed if a mediator was present, meaning the type of business, the location, and the type of conflict remained the same regardless of a mediator's presence.

There were some differences that appeared when comparing the results based on the availability of a mediator. For instance, of those businesses that had access to a mediator, 10% reported no conflicts during the last year. Of those businesses that did not have access to a mediator, only 2% reported not experiencing a conflict.

The main differences appeared in how conflicts were resolved. Small businesses with a mediator reported that of all of their conflicts, 13% faded away without being dealt with and 44% were amicably resolved. Those businesses without a mediator reported that 24% faded away without being dealt with, and only 20% were amicably resolved.

**Conflict type, entrance, and escalation.** The conflicts reported by the small business owners were categorized according to the methods described in “Analytic Techniques” in Chapter 3. These categories were used to determine a variety of conflict types (Item 6). The first set of categories, defined by Ayoko et al. (2003), whether the conflict was a Task, Process, or Relational Conflict. When the researcher analyzed conflict types; many conflicts (15%) were not Task, Process, or Relational Conflicts, but fit into a fourth category: External. These four categories help to determine what it was in the normal course of business that sparked a conflict. The conflict type was also analyzed by what sparked the conflict (Conflict Entrance, Appendix F) and what the conflict was actually about (Conflict Cause, Appendix G).

Task Conflicts were the lowest reported, at 13% of all conflicts. Process Conflicts were the next most common, at 28%. Relational Conflicts were the highest at 44%, meaning almost half of all the conflicts reported were Relational. 15% were External Conflicts, which did not fall into the description of Task, Process, or Relational.

***Systemic conflicts.*** The conflict type data from Item 6 was also examined by the Systemic Conflict categories created by Kenneth Cloke and Joan Goldsmith (2000) and Karl Slaikeu and Ralph Hasson (1998). The researcher analyzed the works by Cloke and Goldsmith and Slaikeu and Hasson, created a list of systemic conflicts indicators, and

then used those categories to reanalyze the data. They write that the main Escalation of conflict in the workplace is the organizational system.



**Figure 6. Systemic conflict escalations.**

Specifically, both the first researchers (Clove and Goldsmith) and the second researchers (Slaikeu and Hasson) had created a list of systemic conflict indicators, described as those things which indicate a systemic conflict may be present or escalate a smaller conflict into a systemic conflict. The researcher took both of these lists and combined them, to create a long list of categories. The researcher then created a new spreadsheet where she copied in all of the conflict type data from Item 6 into the left column, and placed all these systemic conflict categories as column headers along the top. She then examined every conflict to see if it would fit into these new categories and placed a tick mark into the corresponding category field when appropriate. Figure 6

shows the summary of the conflict types categorized by the list of systemic indicators.

Figure 6 shows conflict Escalations that are symptoms or indicators of Systemic Conflict.

As seen in Figure 6, it appears that the main Escalations of Systemic Conflicts are

Inefficient Communication, Unclear Roles and Responsibilities, and Unfairness.

**Conflict resolution by vocation.** The data indicate that while some conflicts were consistent regardless of office type, many (75%) of the conflict types varied according to office type. This was indicated by the similarity in conflict types by business types.

Interview Item 5 asked employees about specific suggestions for resolving conflicts, and six of the interviewees (75%) had to clarify their response based on their office. The table below confirms this trend: the type of conflict might vary with the type of office.

Table 9 compares Item 3 (Type of Business) with Item 6 (Conflict Type). This table begins to show slight differences between office types.

**Table 9**  
**Comparison of Business Type by Conflict Type**

Conflict Types:	Internal	External	Systemic	Money	Time	Mis-communication	Manager responsible	Employee responsible	Total
Government Office Raw numbers	35	7	23	0	6	13	14	9	67
% of Government Conflicts	10.4%	34.3%	0.0%	9.0%	19.4%	20.9%	13.4%	10.4%	
Non-Profit Raw Numbers	91	16	51	4	13	35	27	24	158
% of Non-Profit Conflicts	10.1%	32.3%	2.5%	8.2%	22.2%	17.1%	15.2%	10.1%	
For-Profit Raw Numbers	94	23	64	13	19	66	50	32	180
% of For-Profit Conflicts	12.8%	35.6%	7.2%	10.6%	36.7%	27.8%	17.8%	12.8%	

**Conflict resolution process.** There are many ways to look at conflict resolution processes (Items 7 and 8). The main question is, what works? According to this study, it

appears that while there are a variety of categories proposed by the literature review available to examine conflict resolution, every category has methods that are effective and ineffective. The categories that appeared in the data from Item 8 examined formal and informal ADR processes; the most common method; and employee-, management-, and systemic-driven processes to help determine what is effective (analyzed in Chapter 5). Table 10 shows a summary of all uncondensed identified conflict resolution processes, including all processes identified in the survey (with some clarifying done during the interview).

**Table 10**  
***Uncondensed Combined Conflict Resolution Processes***

<b>Conflict Resolution Processes</b>	<b>Raw Total</b>	<b>Percentage of all Processes</b>
Compassion and Understanding	46	9.85%
Conversation/ Collaboration	45	9.63%
Pre-training	38	8.10%
Mediating	36	7.88%
Post-training	35	7.66%
Honesty	30	6.35%
Meeting with all involved	28	6.13%
HR/Management forcing people to be nice	26	5.69%
Stronger Leadership	22	4.81%
Address early	21	4.60%
Let it go	21	4.60%
Firing	16	3.50%
Peaceful décor	14	3.06%
System redesign	14	3.06%
Police	13	2.84%
Agree to Disagree	12	2.63%
Neutral/ Facilitation	12	2.63%
Reorganizing	12	2.63%
Focusing on Issue instead of Person	7	1.53%
Paid time-off/break/space	5	1.09%
Apology	4	0.88%
<b>Total Identified Conflict Resolution Processes</b>	<b>457</b>	<b>100.0%</b>

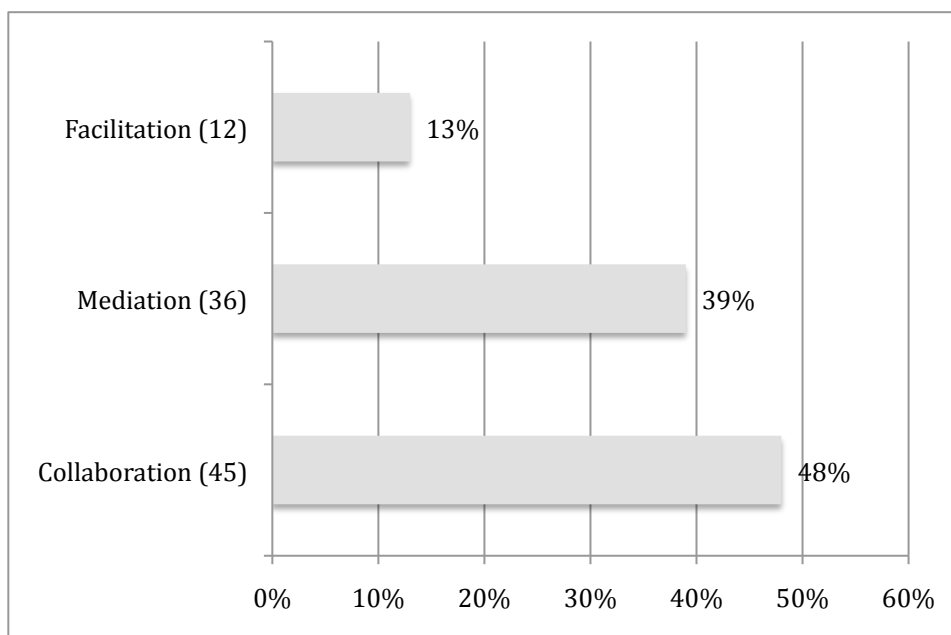
**Conflict resolution with ADR processes.** The Literature Review in Chapter 2 identified six common ADR processes (Stitt, 1998). These are the six processes that the researcher expected to find in the data:

- Conciliation (one side gives in);
  - Negotiation (those involved discuss the conflict privately);
  - Facilitation (a neutral begins the conversation);
  - Mediation (a neutral helps those involved to reach an agreement);
  - Arbitration (a neutral listens to those involved and decides an agreement); and
  - Litigation (a judge listens to those involved, decides, and enforces an agreement).
- The researcher initially categorized the responses from Item 8 by these six

categories. The researcher read the responses, and placed a tick mark in one of these six categories next to the participant's number if that individual used language suggesting one of these processes (according to the above definitions). These categories were mutually exclusive, meaning that a conflict resolution process could be a negotiation or a mediation, but not both. Responses that did not fall into one of these categories revealed new employee and management driven-processes, as well as new systemic processes, all explained in Figure 7 (processes are also discussed in Table 6 in an earlier section showed a summary of all conflict resolution processes, Table 10 showed an uncondensed list of all conflict resolutions processes identified and suggested in the survey and interviews).

The data revealed that small business owners used three of the six processes outlined by Stitt (1998). The three ADR processes that the survey reported were collaboration, facilitation, and mediation. None of the owners reported using a formal, binding ADR process such as arbitration or litigation. The two other informal processes that Stitt identified -- conciliation and negotiation -- were defined by the researcher as an Employee-Driven Process, seen later in Figure 8.

Figure 7 presents all of the informal ADR Processes that small business owners reported using to resolve disputes. There were 93 reported Informal ADR Processes used. The most commonly reported Informal ADR Process was Collaboration, then Mediation, and then Facilitation.



**Figure 7. Most common informal ADR processes.**

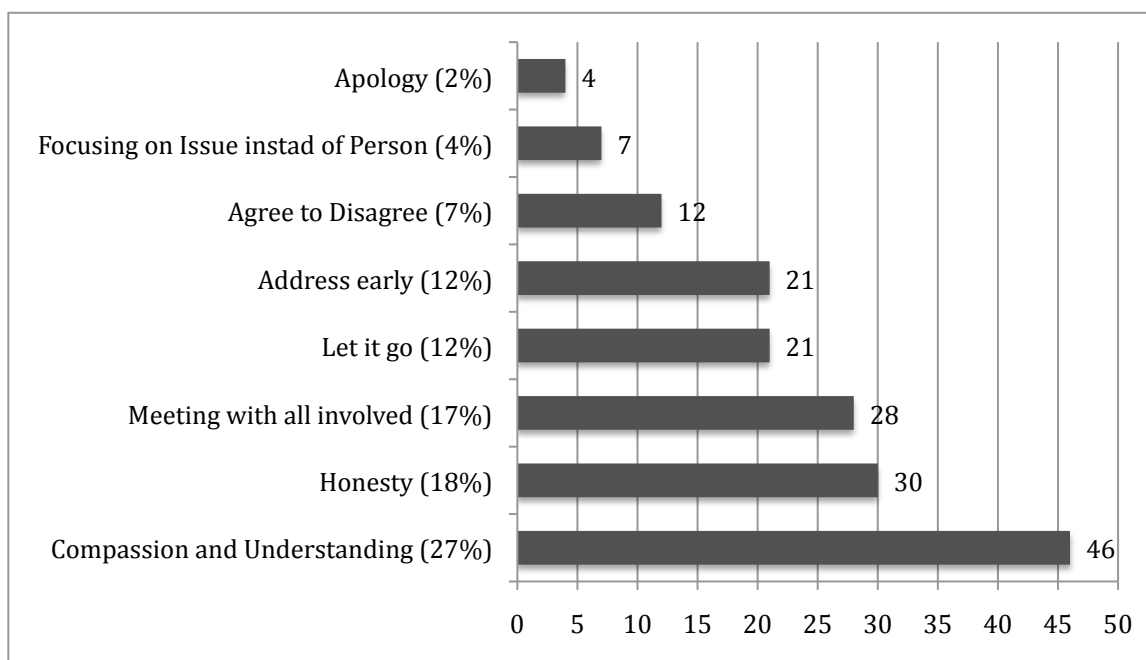
***Conflict resolution by conversation.*** The most common process reported by small business owners involved a conversation. Owners reported various versions, such as, “speak with all involved,” “sit down and talk through the issues,” “bring everyone together in a room,” “get a neutral to help them talk through it,” and “encourage the people involved to meet privately and develop their own resolution.” Over a quarter (26.26%) of the conflict resolution processes are centered on having a conversation with everyone in the room, as shown in Table 11.



**Table 11**  
**Conversation Related Resolution Processes**

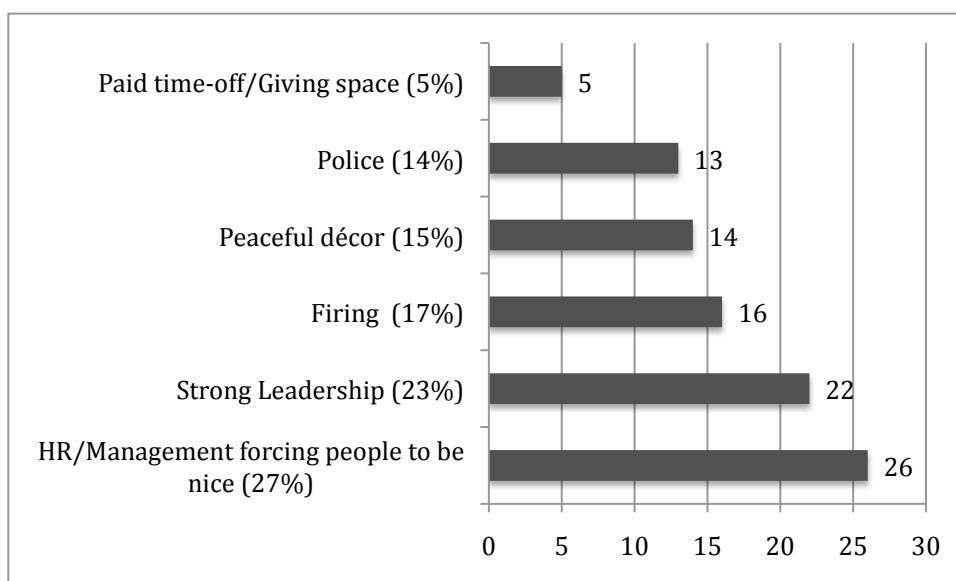
Conversation Processes	Raw Total	Percentage of all Processes
Conversation/ Collaboration	45	9.63%
Mediating	36	7.88%
Meeting with all involved	28	6.13%
Neutral/ Facilitation	12	2.63%
<b>Total</b>	<b>121</b>	<b>26.26%</b>

*Employee-driven processes.* Figure 8 presents the Employee-Driven processes that were suggested by responses to Item 8. There were 169 Employee-Driven Processes that Small Business Owners identified as conflict resolution processes. These categories were not mutually exclusive, meaning that it was possible that a conflict could be resolved by two categories, such as addressing a conflict early and meeting with all involved. These are the soft skills that small business owners report employees can do themselves that are resolving conflicts.



**Figure 8.** 169 Employee-driven conflict resolution processes.

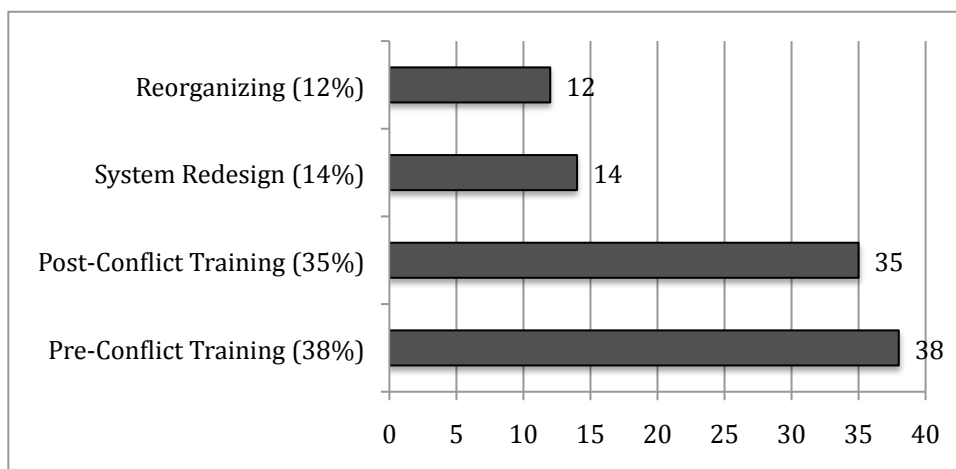
**Management-driven processes.** These are processes where the manager chose to or needed to step in to the conflict resolution process. It is important to note that these data simply examine what the small business owner reported as using to resolve conflicts in response to Item 8. There were 96 Management-Driven Processes total. Figure 9 shows the six most common processes, indicating that the most commonly identified Management-Driven Process was led by the HR Department telling employees to let the conflict go or be nice.



**Figure 9. Management-driven conflict resolution processes.**

**System-driven processes.** Authors such as Ken Cloke and Joan Goldsmith (2000), and Karl Slaikeu and Ralph Hasson (1998) believe that the above processes (employee- and management-driven processes) might only address the symptom. They state that sometimes the causes are systemic, and thus can only be resolved with a systemic process.

The suggestions for resolving conflict from Item 8 revealed four main Systemic processes, charted below in Figure 10. There were 99 total Systemic Processes identified by small business owners. The first two involve training employees to more effectively use the current system. The first is pre-training, meaning that managers train employees before a conflict occurs. The second is post-training, meaning that managers wait to see where a conflict arises and then train employees in that area. The third is system redesign, meaning the manager redesigns at least one system in the company. This system might be the hierarchy, the use of technology, payroll, standard communication, client services, etc. The final process is reorganizing. This is when employees, departments, or projects are shuffled around, hoping that this makes the conflict disappear.



**Figure 10. System-driven conflict resolution processes.**

Many (22%) of the responses to Item 8 indicated that the staff desired that management be more involved in resolving conflict. Some of the methods that they desired from management included clearer policies for resolving conflict and a stronger leadership. Specifically, they were desirous of clear steps to take once they were involved in a conflict. They also wanted management to step in and require a method for conflict resolution much sooner.

Managers requiring employees to simply end a conflict appeared to be an ineffective method. The conflicts seemed often to fester or spring up again, and the staff resented or lost respect for the management. In response to Item 6, some managers (21 responses, 4.6%) indicated frustration with the staff for not being able to let go of something or for consistently bringing up the same issue. These data come from Item 6 where owners were asked to discuss conflicts. For example, one owner stated that when she instituted an open-door policy, she did not know it would turn into a revolving door where the same issue kept “walking in”.

**Conflict consequences.** The consequences of conflict can be positive, negative, or both. The small business owner sometimes identified the consequences of conflict (in response to Item 7 and Item 9) as either being a positive or negative experience. If the end result did not clearly fit into one category or if it could fall into both categories, then it was not used for this portion of the analysis.

The following section compares the consequence of a conflict with the type of conflict. This analysis helped the researcher determine if certain types of conflict are more likely to result in a positive or negative conflict, and the degree to which these consequences correspond to the processes used to resolve the conflict.

***Conflict consequence compared with conflict type.*** An example of a positive conflict provided by a small business owner in the interview is a website design dispute. Both the employee and her manager are unhappy with the current website. The unhappiness might spark a difficult dispute, but when the conflict is over both are happier with the redesigned website. An example of a negative conflict provided by a small business owner in the interview is two employees that work near each other with

contrasting personalities. Their different personalities sparked many conflicts, one of which escalated dramatically. This conflict was resolved, but left hurt feelings and mistrust on both sides.

The positive or negative effects of a conflict are not always clear, nor do they appear immediately. Given this, only the conflicts where the small business owner clearly identified it as a negative or positive experience were categorized by the researcher as such. The rest were discarded from this analysis. Table 12 separated the conflicts by whether they were positive or negative. Then the Escalations of these conflicts listed in Item 4 were broken down in a list of Positive and Negative Conflicts. This table examines what type of conflicts resulted in a positive or negative conflict.

**Table 12**  
***Elements of Positive and Negative Conflict***

<b>Conflict Escalation</b>	<b>Positive</b>	<b>Negative</b>
Bad Communication/Argumentative	20 (35.09%)	8 (27.59%)
Cultural/Departmental/racism Differences	17 (29.82%)	2 (6.90%)
Poor Work Ethic	13 (22.81%)	7 (24.14%)
Poor Physical Office Environment/Noisy/Layout/Smoke	11 (19.30%)	5 (17.24%)
Rudeness	11 (19.30%)	5 (17.24%)
Competition/Politics	10 (17.54%)	7 (24.14%)
Unclear Expectations/Vision	10 (17.54%)	5 (17.24%)
Unclear roles/workload	10 (17.54%)	6 (20.69%)
Unclear Protocols/Policies	9 (15.79%)	1 (3.45%)
Unfair workload	9 (15.79%)	6 (20.69%)
Unfair treatment	8 (14.04%)	4 (13.79%)
Miscommunication	7 (12.28%)	1 (3.45%)
Group Conflict	6 (10.53%)	1 (3.45%)
Management Not Giving Praise/Recognition/Not Listening	6 (10.53%)	3 (10.34%)
Unclear/No Method to Provide Feedback	6 (10.53%)	6 (20.69%)
Withholding Information	6 (10.53%)	0 (0.00%)
Business Issues	5 (8.77%)	2 (6.90%)

(continued)

<b>Conflict Escalation</b>	<b>Positive</b>	<b>Negative</b>
Entitlement	5 (8.77%)	3 (10.34%)
Hours/Work Schedule	5 (8.77%)	1 (3.45%)
Petty/Drama	5 (8.77%)	2 (6.90%)
Unrealistic/Missed deadlines	5 (8.77%)	0 (0.00%)
Client/Customer Complaints	4 (7.02%)	2 (6.90%)
Family business brings in family issues	4 (7.02%)	1 (3.45%)
Jealousy	4 (7.02%)	3 (10.34%)
Lack of Discipline/Consequences/unable to correct staff	4 (7.02%)	3 (10.34%)
Micromanaging	4 (7.02%)	1 (3.45%)
Not Enough Money	4 (7.02%)	3 (10.34%)
Resource allocation/not enough resources to help clients	4 (7.02%)	2 (6.90%)
Tardiness	4 (7.02%)	2 (6.90%)
Contracts/Contract workers/terms of the contract/vendors	3 (5.26%)	1 (3.45%)
Not Enough Time	3 (5.26%)	3 (10.34%)
Behavior reflects Poorly	2 (3.51%)	0 (0.00%)
Insulting Appearance/Sexual Remarks	2 (3.51%)	3 (10.34%)
Stress	2 (3.51%)	3 (10.34%)
Unprofessional Language/Dress	2 (3.51%)	1 (3.45%)
Attitude/General Negativity	1 (1.75%)	2 (6.90%)
False assumptions	1 (1.75%)	0 (0.00%)
Misusing technology	1 (1.75%)	3 (10.34%)
ADA Compliance	0 (0.00%)	1 (3.45%)
Personal Use of Resources	0 (0.00%)	0 (0.00%)
Theft	0 (0.00%)	1 (3.45%)
Unappreciative Staff	0 (0.00%)	1 (3.45%)
<b>Total</b>	<b>293</b>	<b>130</b>

*Positive conflict consequence compared with conflict resolution process.* Many of the processes that small business owners reported in Items 7, 8, and 9 were common to both positive and negative conflicts. There were some processes, however, that stand out as being more common to positive or negative conflicts. The four most common processes, shown in Table 13, involved in a positive conflict were conversation, compassion, pre-conflict training, and mediation.

**Table 13**  
**Most Common Processes Used to Resolve Conflict**

<b>Process</b>	<b>All Responses</b>	<b>Positive</b>	<b>Negative</b>
Conversation/ Collaboration	45 (10%)	33 (11%)	8 (6%)
Compassion and Understanding	46 (10%)	32 (11%)	8 (6%)
Pre-Conflict Training	36 (8%)	32 (11%)	7 (5%)
Mediating	38 (8%)	24 (8%)	6 (5%)
<b>Totals</b>	<b>165</b>	<b>121</b>	<b>29</b>

Table 13 shows that the most common process in positive conflict was Conversation. Small business owners identified key elements to a conversation to be: having all parties attend (28 participants indicated this) and having a collaborative conversation (45 participants indicated this). Table 13 shows the four most common processes used to resolve conflict, examined by a total of All Conflicts, Positive Conflicts, and Negative Conflicts. The responses are listed by the percentage of occurrences in that category and the sum total responses in that category (All, Positive, and Negative).

A two-way tie existed as the second most common processes in positive conflict: Compassion and Understanding. Forty-six small business owners identified both of these processes as the key turning point in the conflict.

Pre-Conflict Training occurs when, before a conflict escalated, managers trained the employees. The topics of these trainings varied, but often involved communication skills and using the existing communication systems more effectively. While it is unclear exactly why this led to a positive conflict, it appears that this training helped employees to work through a difficult conversation before it escalated into a conflict. If correct, this would support Pruitt and Kim's (2004) Escalation Theory that suggests conflicts can be positive if dealt with before they escalate.

The final common process in positive conflict was Mediation. In some instances the owner acted as a mediator between the parties. In other situations, the owners report using a mediator on staff or hiring a mediator to resolve the conflict (6 participants indicated this). It appears that all of the situations where an outside mediator was hired resulted in a positive conflict (24 participants indicated this).

**Negative conflict consequence compared with conflict resolution process.** The most common process (from Item 8) in negative conflict (determined by Item 7) was Post-Conflict Training (13% of all negative conflicts were resolved with post-conflict training, and only 4% of positive conflicts).

The second most common process in negative conflict is when management forces those involved to be nice or to let it go. Ten percent of negative conflicts report using this process, over double of the 4% of positive conflicts.

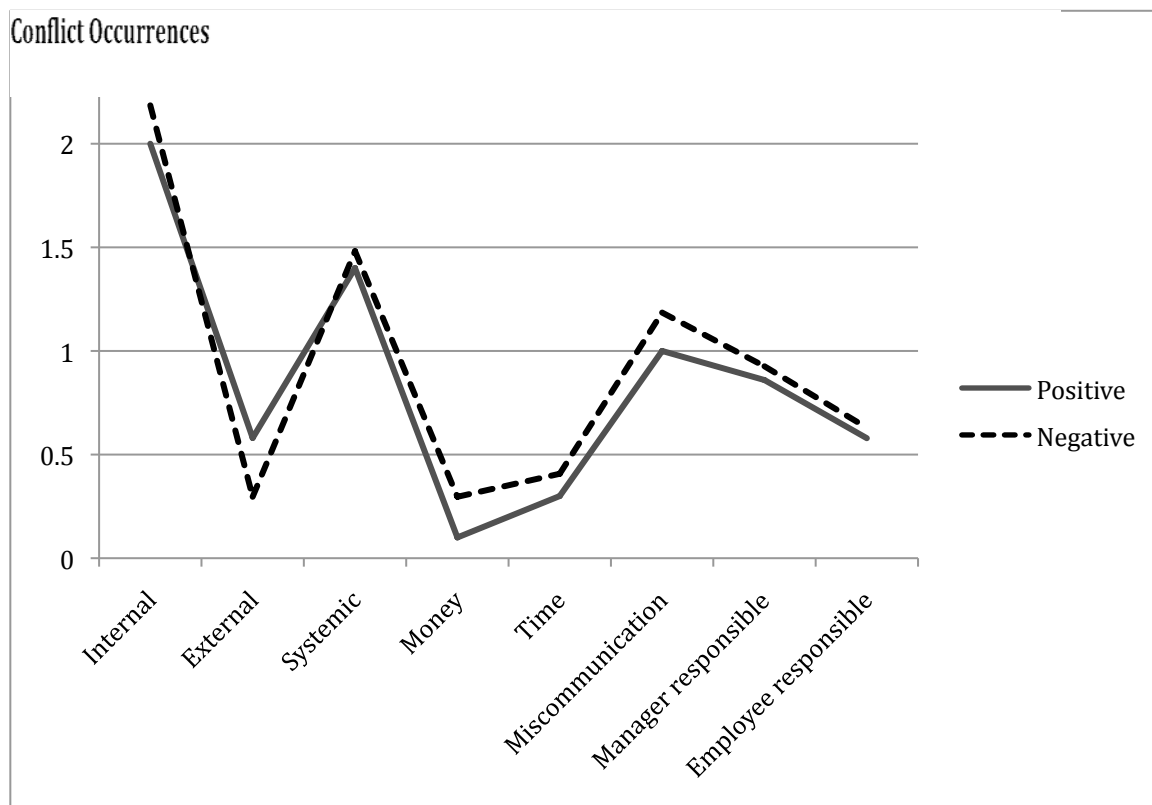
The third most common process in negative conflict is using Stronger Leadership. Eight percent of negative conflicts involve stronger leadership, as opposed to 4% of the positive conflicts. Stronger leadership means that the business ownership told those involved how to end the conflict, instead of letting them develop the terms of the agreement.

The conflicts that ended negatively also had some common themes. Of the 130 conflicts that were negative, only 4 (3%) were addressed early. Nine (7%) negative conflicts involved firing. Ninety-nine (76%) of negative conflicts did not have a mediator present.

**Positive vs. negative conflict themes.** Comparing Item 6 (Conflict Type) with Item 7 (Conflict Consequence) showed that the type of conflict had little impact on the



outcome of the conflict. Figure 11 shows that a similar amount of conflicts were caused by Internal, External, Systemic, Money, Time, Miscommunication, Manager-Driven, and Employee-Driven issues. This figure shows a comparison of the primary Escalations of positive and negative conflicts, comparing the number of conflict occurrences on the x axis with the type of Escalation on the y axis.



**Figure 11. Escalations of positive and negative conflicts.**

Of the conflicts that were positive, 49% of respondents indicated in Item 7 that they had access to a mediator. This means that they might have had a mediator on staff to assist in training or they mediated the conflict. Of the conflicts that were negative, 24% had access to a mediator.

While the type of conflict appeared to have little effect on the consequence, the process had a significant effect on the consequence. After the researcher had created a

spreadsheet identifying the type of a conflict, the researcher also created a spreadsheet identifying the consequence of a conflict. The researcher then combined the two spreadsheets to form a third, where the type and the consequences were lined up next to each other. The researcher marked all of the types of conflict by whether the conflict had:

1. Became very disruptive and/or violent;
2. Remained quietly under the surface;
3. Simply faded away; or
4. Resolved amicably.

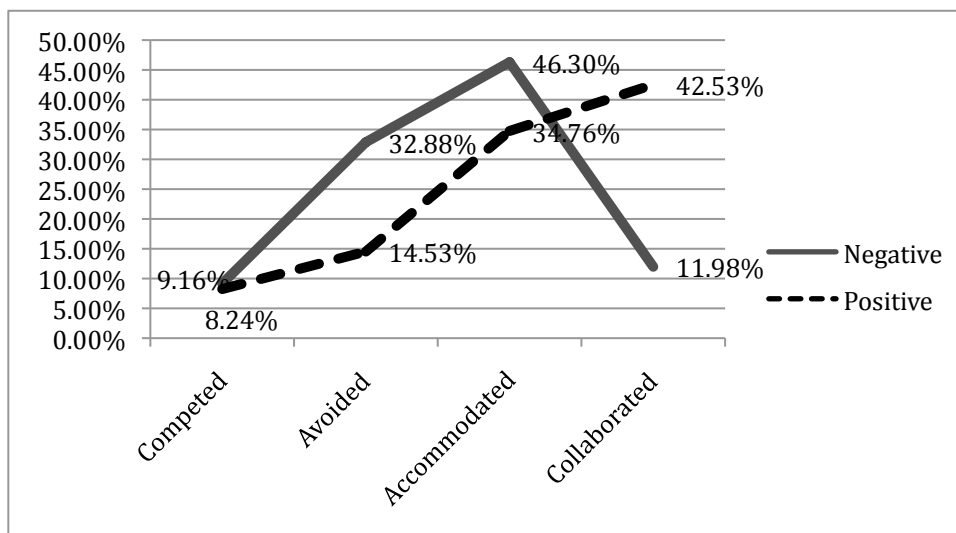
These four conflict designations from Item 7 coincide with Thomas and Kilmann's designation of conflict:

1. Competed and allowed the conflict to become disruptive;
2. Accommodated the conflict and allowed it to remain quietly;
3. Avoided the conflict and let it fade; and
4. Collaborated with those involved and resolved the conflict.

Thomas and Kilmann (1974/2009) state that there are five ways to end a problem between people: (a) competing, (b) accommodating, (c) avoiding, (d) compromising, and (e) collaborating (Compromise and Collaborate were combined within this study).

The researcher analyzed the process identified for positive and negative conflicts in Item 7 according to Thomas and Kilmann's (1974/2009) process designation (see Figure 12). If the small business owner clearly identified competing, avoiding, accommodating, or collaborating in a conflict then it was included in the data set. The researcher reanalyzed the data mentioned in the previous spreadsheet by the Thomas and Kilmann categories of Competition, Accommodation, Avoidance, and Collaboration. Not

all of the data responses fit into these categories, and so these responses were simply discarded from this data set. If the respondent clearly described Competition, Accommodation, Avoidance, or Collaboration then a tick mark was placed in that category. The purpose of this was to identify the degree to which there was a process more common to positive and negative conflicts.



**Figure 12. Processes used to resolve negative and positive conflicts.**

Figure 12 shows that the data vary according to the conflict resolution process. More specifically, the data show that when conflicts are avoided, 33% of these avoided conflicts have a negative consequence. When a conflict is accommodated, there is a 46% chance that a negative consequence can be realized. Forty-three percent of positive conflicts involved collaboration.

Companies that report having a positive conflict experience (compared to those with a negative conflict experience):

- Report six fewer conflicts per year;

- Have more conflicts sparked by bad/unintentional miscommunication, cultural/departmental differences, group/team disagreements, scheduling differences, no method for providing feedback, unrealistic deadlines, and withholding information; and
- Have fewer conflicts sparked by competition, politics, insults, sexual remarks, abusing technology, stress, and unclear protocols or policies. These data come from Survey Items 4 (Conflict Entrances), 6 (Conflict Type), and 7 (Conflict Consequence).

**Common elements of a positive conflict.** The researcher examined the common elements among respondents who indicated that they had experienced a positive conflict. Forty-nine percent of positive conflicts had a mediator present. Forty-three percent of the positive conflicts involved collaboration. Furthermore, positive conflicts did not allow mean communication (insults, sexual remarks, competitive, etc.) to escalate. Employees also preferred to be involved in the outcome of a conflict.

### **Interview Results**

There were two main sections of the interview portion of the study. The first section was designed to gather additional data about positive and negative conflicts. The second section was to confirm the survey data results. The interview participants were asked to elaborate on a positive and negative conflict. Then these characteristics were grouped as common elements of a positive and a negative conflict. The interview was comprised of the researcher asking a set of pre-defined questions (see Appendix E). Occasionally, the respondent asked a clarifying question and the researcher would state the question in a different way.

**Positive conflict elements.** Table 14 lists the summary of elements of a positive conflict (solicited in Interview Items 1 and 2). These are discussed here in detail as these elements may indicate ways to make conflicts a positive experience. There were 8 participants who completed the interview. Of these, 50% of the interview participants stated that discussing the conflict was a necessary part of making the conflict positive.

**Table 14**  
***Characteristics of a Positive Conflict from Interviews***

<b>What Made the Positive Conflict Positive</b>	
Discussion	4 (50%)
Address Early	3 (38%)
Arbitration	3 (38%)
Comprising	3 (38%)
Conciliation	3 (38%)
Leadership Skills	3 (38%)
Negotiation	3 (38%)
Taking Time	3 (38%)
Vary Agreement by Personality	3 (38%)
Accommodating	2 (25%)
Avoiding	2 (25%)
Business Issues	2 (25%)
Mediation	2 (25%)
POV Myopia	2 (25%)
Client Issues	1 (13%)
Facilitation	1 (13%)
Heal From Past Negativity	1 (13%)
<b>Total Positive Escalations</b>	<b>41</b>

The next most common elements in a positive conflict were (a) addressing the conflict early (3, 38%), (b) resolving the conflict in arbitration (3, 38%), (c) compromising from all parties involved (3, 38%), (d) conciliation (choosing to let go of one or more of the issues involved in the conflict, 3, 38%), (e) strong leadership skills from the management (3, 38%), (f) taking the necessary amount of time to resolve the conflict (3, 38%), and (g) having the option to create the appropriate agreement for the personality of those involved (3, 38%). The third most common elements in a positive

conflict, addressed by a quarter of the participants, were (a) accommodating a request from the other party (2, 25%), (b) choosing to avoid certain negative/hot topics in the conflict (2, 25%), (c) dealing with business-related issues (2, 25%), and (d) using mediation (2, 25%). Another issue was mentioned by 25% (2) of the participants as a common element in the conflict, but not positive: conflict myopia (unable to see things from the other person's point of view). The final elements were only mentioned once: Conflicts that involved dealing with clients instead of employees (13%), having a coworker or manager help facilitate the conversation (13%, and being able to heal from past negativity/ choosing not to hold a grudge from a previous negative experience (13%).

**Table 15**  
***Characteristics of a Negative Conflict***

<b>What Made the Negative Conflict Negative</b>	
Business issues	6 (75%)
Competing	5 (63%)
Power Struggle	5 (63%)
Client Issues	4 (50%)
Personal Issues	4 (50%)
Slander/ Gossip	4 (50%)
Waited too long	4 (50%)
Address Early	3 (38%)
Avoiding	3 (38%)
Accommodating	2 (25%)
POV Myopia	2 (25%)
Shame	2 (25%)
Violence	2 (25%)
Conciliation	1 (13%)
Facilitation	1 (13%)
Insecure Manager	1 (13%)
Mediation	1 (13%)
Negotiation	1 (13%)
Selfish	1 (13%)
System Fosters Competition	1 (13%)
<b>Total Negative Escalations</b>	<b>53</b>

**Negative conflict elements.** Table 15 identifies the elements that the participants listed as an element in their negative conflicts (Interview Items 3 and 4). It is important to clarify that the first element, “Business Issues”, simply means that the participants identified a business issue that was central to the conflict. The most common element in a negative conflict was a Business Issue (6, 7%). The next most common elements were Competing and Power Struggle (both with 5 respondents, 63%).

**Participant suggestions and questions.** Interview Items 5 and 9 asked participants if they had additional suggestions or comments. Their suggestions are listed in Appendix L. Table 16 below lists the primary suggestion from each participant given in Item 5. These were suggested once. If an interviewee was unclear how to respond to this question, the researcher rephrased the question but did not offer any suggestions.

**Table 16**  
***Interview Suggestions for Resolving Conflict***

<b>Conflict Resolution Suggestion from each Interviewee</b>
Train Everyone in Conflict Resolution
Address Conflict Immediately
Discuss Policies and Expectations as soon as Someone is Hired.
Have someone on staff with training get to know employees so they can mediate conflicts in the future.
Ask people to reflect on what they really want.
Use Biblical relationship standards.
Direct and honest communication.
Agree to common language and ground rules.

**Confirmation of survey findings.** The second section of the interview was designed to confirm the data gathered from the survey (Interview Items 6, 7, and 8). All of the interview participants responded positively to every question posed by the researcher, confirming that:

1. They or their employees would call or email someone that was available to help them resolve conflicts. They would meet with someone from out of the office at lunch or in a private place after work.
2. They would like this process to be part of the office policy and they would pay for it.

**Interviewee observations of positive and negative conflicts.** The interviews were categorized according to (a) what made the positive conflict a positive experience and (b) what made the negative conflict a negative experience. The chart of their answers is in Appendix J. The most common factors in positive conflicts (from Interview Items 1 -2) were:

- Discussion with all Parties: 4 (50%)
- Addressing the Conflict Early: 3 (38%)
- Arbitration: 3 (38%)
- Compromising: 3 (38%)
- Conciliation: 3 (38%)
- Strong Leadership Skills: 3 (38%)
- Negotiation: 3 (38%)
- Setting Aside Adequate Time to Resolve the Conflict: 3 (38%)
- Tailoring Process and Agreements to Individual Personalities: 3 (38%)

The most common elements in negative conflicts (from Interview Items 3-4)

were:

- Business Issues: 6 (75%)
- Competing: 5 (63%)
- Power Struggle: 5 (63%)
- Client Issues: 4 (50%)
- Personal Issues: 4 (50%)
- Slander/Gossip: 4 (50%)
- Waited Too Long to Address/Conflict Escalated: 4 (50%)
- Needed to Address Earlier: 3 (38%)
- Avoided Conflict: 3 (38%)



**Interviewee suggestions for conflict resolution.** The Interview Items 5 and 9 gave interviewees an opportunity to make suggestions. Every Interviewee gave a suggestion for resolving conflict. These are quoted or summarized below.

- “Train everyone in understanding conflict. Give them language for hot buttons and triggers.”
- “Address conflict immediately.”
- Address conflict directly. “9 times out of 10 it is more than a passing little scuffle—there is really more.”
- “The manager has to provide the structure for resolving conflict.” The content is up to the employees.
- “Develop office ground rules for communication and dealing with conflict.” Stick to them.
- Have regular staff meetings or lunches to develop good relationships.
- “Don’t allow bad communication.”
- Managers must create a peaceful environment and strongly direct people to resolve their conflict.
- Try using a mediator on staff first. If this is not effective, then contract out.

### **Summary of Findings**

**ADR.** ADR refers to an alternative to litigation. The literature review (Cloke & Goldsmith, 2000; Stitt, 1998) proposed that ADR would be advantageous to small business owners as cheaper and faster. The data appears to show that while some commonly identified ADR Processes (mediation, facilitation, and collaboration) are effective at resolving conflict, there are also a variety of other techniques that are effective, such as a direct conversation, good communication, and addressing the conflict immediately.

**Conflict type summary.** The first research question investigated what types of conflict small business owners commonly report as experiencing. On average, small business owners report that of their conflicts, 1.83 annually are Internal issues, 0.4 are External, and 1.12 are Systemic. Owners also reported that, on average, 1.02 of their issues dealt with miscommunication, 0.14 dealt with money, and 0.3 dealt with time.

These conflicts were reported as being sparked by Task (13%), External (15%), process (28%), and Relational (44%) matters. The most commonly reported Escalation of conflict was bad communication.

**Conflict process summary.** The second research question examined what processes small business owners commonly report as using to resolve conflicts. The data from the surveys and interviews differed slightly: collaboration (10%), facilitation (3%), and mediation (8%) are the three most common formal ADR processes. These numbers only represent the data from the surveys since the questions were more in-depth and it included a larger number of respondents.

Processes were also examined by who was coordinating the process (employees, management, the organization's system, or everyone).

- Most common employee-driven process: compassion and understanding (27%).
- Most common management-driven process: HR/management forcing people to be nice (26%).
- Most common system-driven process: pre-conflict training (38%).
- Most common informal process for all involved: employees having a conversation (27%).

**Conflict consequence summary.** The third research question explored what consequences small business owners commonly report as occurring from conflict. Conflicts were categorized as resulting in positive or negative consequences. While every conflict was not examined, the owners were asked to characterize their overall view of conflicts in hindsight. The majority of owners characterized conflict as negative while they were in the middle of conflict, and positive when the conflict was over. The four

most common processes involved in a positive conflict were conversation (10%), compassion (10%), pre-conflict training (8%), and mediation (8%).

### **Derived Phenomenological Essence**

**The first variable: Types of conflict: Where, why, and how.** The themes that the researcher identified in studying the first variable can be defined by Moustakas' essence (1994, p. 34). He defines "essence" as the theme or structure derived from the phenomenological study that guided the data analysis. The researcher placed these themes into categories to assist in studying the type of conflict. The categories that the researcher derived from this section were:

1. Entrance versus Escalation.
2. Prevalence of Relational Conflict.
3. External Conflicts.

1. Based upon the literature, the researcher expected that there would be a clear method for defining conflict type. After reading through the survey responses, however, the researcher realized that the essence of conflict type was better analyzed by two separate events. The first event she titled "Entrance," meaning that moment when participants entered into conflict. The second event she titled "Escalation," meaning the moment where participants felt the conflict begin to escalate, heat-up, and become more emotional.

2. The responses also showed a predominance of relational conflicts, in accordance with the literature. Almost half, or 44%, of the reported conflicts were relational. The researcher defined relational conflicts as those whose main conflict issue centered on the relationship between the 2 participants. The amount of relational conflict

guided the researcher to examine what sparked these conflicts, and the largest reason was Bad Communication (23%). The researcher identified Bad Communication as contributing to Interpersonal Conflict and the next most common cause (Mean Communication, 19%) as contributing to Power Imbalance Conflicts. This data comes from Table 1.

3. Many, 15%, of the conflicts were external. This means that the researcher was only able to identify who was involved—such as a customer, external vendor, consultant, etc.—but the researcher was not able to further research the causes of these conflicts as they dealt with outside parties.

**The second variable: The process of resolving conflict: Prevention, path, and common processes.** The essences that the researcher derived in studying the second variable were:

1. The Importance of Communication.
2. The Impact of Mediation/Neutral.
3. The Desire for Stronger Management.

1. The clearest phenomenological essence throughout all three variables was the importance of communication. As shown in the first variable, the largest cause of conflict was communication. In studying the second variable, the researcher recognized the most common theme for resolving conflict was also communication. Specifically, the essence of resolving conflict centered on good communication. Good communication, as defined by the researcher, is what was effective at resolving conflict. The processes that were effective were: Direct and Honest Communication (47, 53%), then Mediation (19, 21%), and then Management Intervention (14, 16%). Likewise, when managers identified what

they would like to see more of to help them resolve conflict, the first process was conversation (21, 10%), then Direct, in-person and honest communication (18, 9%). Over a quarter (26.26%) of the conflict resolution processes are centered on having a conversation with everyone in the room, as shown in Table 11.

2. The impact of a mediator or a neutral available to the company had less of an impact on the number of conflicts than the literature suggested. But the presence of a mediator helped the researcher identify a larger theme: while the number of conflicts might not be affected, the outcome of the conflict was affected. There were certain conflict resolution processes such as having a mediator present and having good communication that did not decrease the amount of conflicts that a company experienced. These processes did, however, increase the likelihood that a conflict would have a positive outcome instead of a negative outcome.

3. A final essence of studying conflict resolution processes was the desire for stronger management. Specifically, 8% of survey respondents indicated that they had seen a desire for stronger management. This desire was reiterated by interview respondents. When asked to clarify, interview respondents said that employees had indicated that they wished to be pushed into a conversation by management.

**The third variable: Consequences of conflict.** The essence that the researcher derived in studying the third variable were:

1. Many Conflicts Remain
2. Many Conflicts Resolve Amicably/Positively
3. Not All Conflicts Escalate; Some Fade
4. The Importance of Collaboration

1. Table 3 displays the essence of conflict resolution consequences. It illustrates that almost half of conflicts remain under the surface. This means that either they are not being adequately resolved or that they still have the potential to escalate.

2. This table also illustrates that many conflicts, over a third, are amicably resolved. This is contrary to the literature, which often assumed conflict was negative. This table shows that many conflicts (1006 out of 3571 identified conflicts) can be resolved amicably for a potentially positive outcome (the remaining conflicts were either neutral, unknown, or negative).

3. Another essence that this table summarizes is that many conflicts might not escalate, some fade away. As soon as a person enters into a conflict, it does not necessarily mean that the conflict will escalate. The researcher identified conflicts that fade away as those in which parties were able to successfully use good communication or a neutral to prevent it from escalating.

4. This is based upon clarification provided in the interviews. The final essence of conflict resolution consequence is that collaboration is important. Collaboration, or productive communication, was the most common element (11%) in conflicts that had a positive consequence.

The main differences appeared in how conflicts were resolved. Small businesses with a mediator reported that of all of their conflicts, 13% faded away without being dealt with and 44% were amicably resolved. Those businesses without a mediator reported that 24% faded away without being dealt with, and only 20% were amicably resolved.

The themes described above for the first, second, and third variables represent the phenomenological essence of the data. The common essences that were derived from

studying all three variables were the importance of communication: Bad Communication starts conflicts, but good communication can end them. Also, good communication can help the conflict be a positive experience. Finally, managers reported that their employees wanted to be pushed into communicating with each other in order to resolve conflicts.

## Chapter 5: Conclusion and Recommendations

### Overview

This study was conducted to gather data regarding workplace conflict in order to understand effective conflict resolution practices. Promoting effective practices may help small businesses to stabilize and develop. The study used a phenomenological approach to conduct a workplace conflict survey that examined the variables of conflict types, conflict resolution processes, and conflict consequences. The study also looked at the presence of systemic conflicts, meaning that a business is considered one intact system. Investigating conflict in small businesses is important in order to better understand why they are experiencing conflict and make recommendations for better business practices.

The researcher has identified three unique points in a conflict: (a) the Entrance, (b) the Escalation, and (c) the Exit.

- The Entrance to a conflict is the trigger, or what owners attribute to starting a conflict. The Entrance Data come from Survey Item 4.
- The Escalation is what the conflict is actually about, the deeper issue that causes the Entrance to turn into a conflict. The Escalation Data come from Survey Item 6.
- The Exit to a conflict is the process by which the conflict was resolved. The Exit Data come from Survey Items 7 and 8.

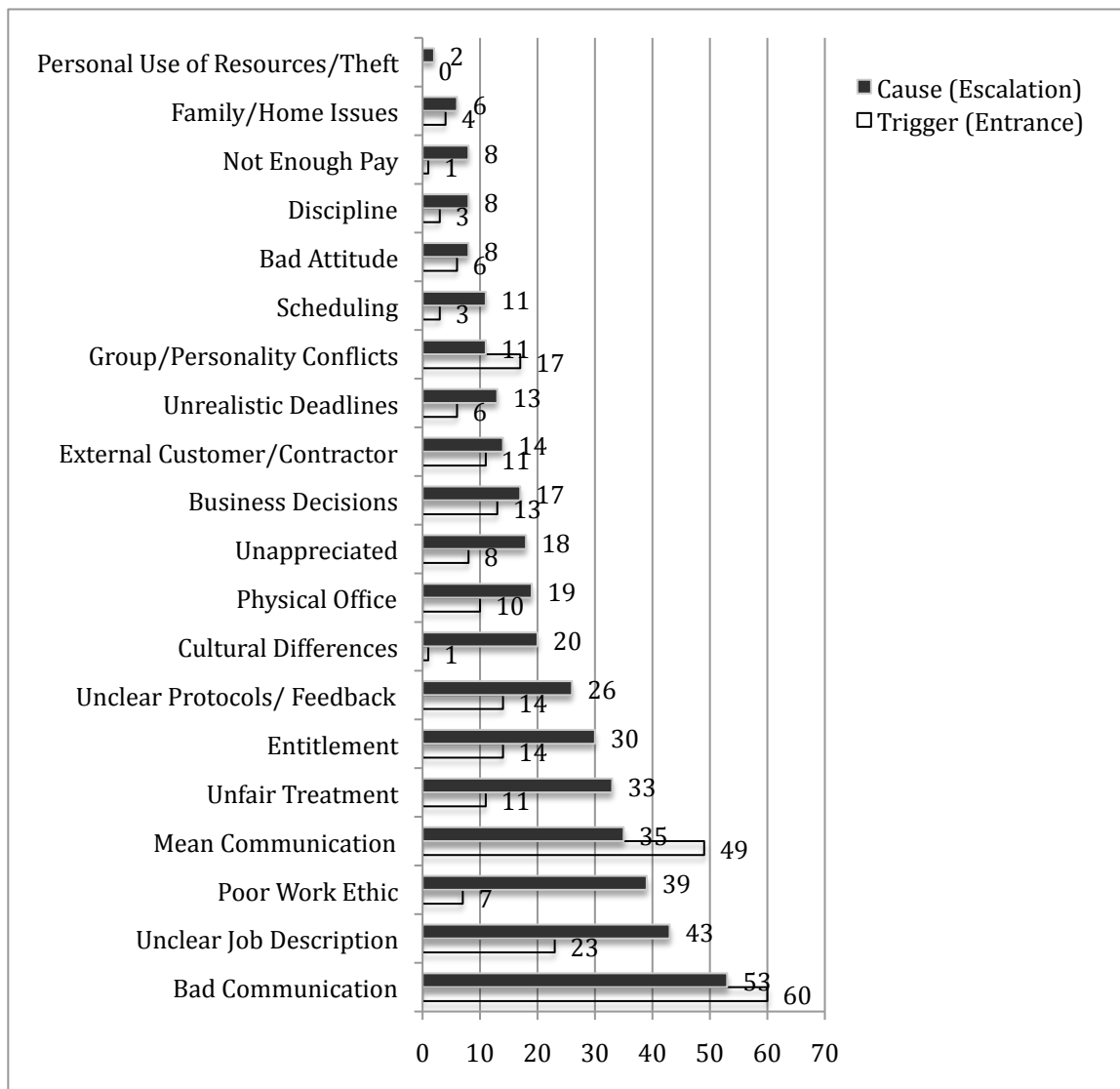
As indicated in Figure 13, owners sometimes identified different themes for the Entrance to a conflict than its Escalation. Figure 13 shows a comparison of Conflict



Entrances (Item 4) and Conflict Escalations (Item 6). This figure shows the number of times small business owners reported these Entrances and Escalations. The Entrance was identified as what started the conflict from Survey Item 4. The Escalation was identified as what actually caused the conflict from Survey Item 6. In other words, an owner might indicate that an insult was the Entrance to the conflict. What Escalated the conflict might actually be jealousy of a coworker. The importance of this finding is that owners might incorrectly assume a conflict is caused by a difficult coworker, when there is actually a much different or deeper cause underneath. In order to better interpret the data, all outliers were removed (for this comparison). Outliers were defined as any results with a response rate fewer than 5%. The data presented here are in aggregate for the group of respondents. Thus, since each individual's perceived Entrance is not paired with that conflict or that individual's Escalation, it is not possible to say whether overall trends are consistent on a case by case basis. These data only report on an aggregate summary.

The data show that there were some common Entrances (many of which were not what escalated the conflict).

- Bad Communication started 27% of the conflicts. Bad Communication only escalated 16% of the conflicts (Bad Communication includes an unintentional offense or miscommunication).
- Mean Communication started 22% of the conflicts (intentional offense, disrespect, bullying), but only 11% of the conflicts were escalated by Mean Communication.



**Figure 13. Comparison of conflict entrances and conflict escalations.**

Conversely, there were some themes that were not common Entrances, but were common conflict Escalators. Poor work ethic was only attributed to starting 3% of the conflicts, yet 12% of the conflicts were really about the staff's poor work ethic. Poor work ethic includes sloppy work, mistakes, or unprofessional staff behavior. Cultural differences were not attributed to starting any conflicts, yet they were found to escalate 6% of the conflicts. Cultural differences may include ethnicity, age, gender, and racial differences.

The data supported certain elements of the Literature Review. Specifically, the Hawthorne Effect, Business Size, Mediator, Conflict Type, and Vocational Theory were supported by the findings from this study.

As discussed in the Hawthorne Effect, when management pays attention to employees, the morale and productivity of the employees tend to increase (Roethlisberger & Dickson, 1939). This dissertation studied the influence that attention had on employees. The researcher assumed this attention was neutral or positive; negative attention was not tested in this section. This phenomenon is known as the Hawthorne Effect (McCarney et al., 2007). Small business owners reported that listening to employees who were in conflict and giving them ample time to air their grievances resulted in overall increased morale.

The literature reviewed (Bowers, 2010; Taleb, 2012) suggests that larger businesses become stale, less resilient, or less responsive. This environment would seem likely to create more conflict. The researcher examined both the number of conflicts reported, and the number of continuing issues with which small business owners had to concern themselves. Large business owners reported having on average 5.48 consistent issues to deal with, while small business owners report 3.34 issues. Large business owners reported dealing with 88 total conflicts per company. Small business owners reported 22 issues. This data might indicate that Bowers and Taleb were correct in assuming that larger businesses were more conflict-prone.

The presence of a mediator has been reported as improving a company's experience with conflict (Stitt, 1998). Stitt (1998) states that mediation can decrease the amount of time and money spent on conflict, and might help employees learn how to

prevent conflicts. The data confirm that when a mediator was present, 25% more of the conflicts had a positive outcome. Of the conflicts that were positive, 49% of them had access to a mediator. Of the conflicts that were negative, 24% had access to a mediator.

The conflict types suggested in the literature review were confirmed by the survey data. Lewin (2001) asserts that Relational conflict is most common (44%), followed by Process conflict (28%), and finally Task conflict (13%). The researcher determined that Task conflicts in this study involved negotiating the use of business resources, client care, external vendor contracts, and drafting a company mission statement. The next most common conflict was Process conflict. The reported Process conflicts concerned how an assignment was completed, inappropriate communication methods, unclear process for advancement, undefined job responsibilities, and general confusion sparking from employees trying to figure out how to do their jobs. The most common conflict type was Relational. This most often occurred when one felt misunderstood and the other wrongly took offense. This type of Bad Communication could occur as a joke that was not considered funny, not responding to an email, forgetting to say good morning to other employees, different personality types, and misunderstood non-verbal signals.

The data are also consistent with the literature by Ayoko et al. (2003) and Lewin (2001), who state that Task conflicts are the least common and least likely to escalate. This is likely because Task conflicts are not as tied into an employee's personal values and thus easier to stop before it escalates (Pruitt & Kim, 2004). External conflicts, which did not fall into the description of Task, Process, or Relational, occurred 15% of the time.

The literature is also confirmed by the survey's findings on employee involvement. Jansen et al. (2003) discussed what factors diminished conflict and conflict

stress. Their findings showed that decision latitude and coworker and manager support protected employees from workplace conflict. This is consistent with the data that showed that employees wanted to be more involved in decision-making, 3 of the 8 interview respondents (38%) stated that being more involved made their conflict a positive experience.

The findings of the survey were also consistent with Lipsky et al.'s (2003) findings. Their study suggested that internal conflict resolution systems gave employees more investment in the outcome; this investment led to higher employee satisfaction. More conflicts were solved, however, with the availability of an outside neutral, such as a mediator. The present study suggests that employees wanted to be involved in the outcome and that conflicts were more likely to be positive with the presence of a mediator.

The data regarding employee training, and the preference for pre-conflict training as opposed to post-conflict training, supports Dijkstra et al.'s (2011) study. They suggest that giving an employee the skills to resolve conflict within the employee's own control helps to reduce the conflict from stress. 38% of the interview respondents (3 out of 8) stated that an element in positive conflict was pre-conflict training.

The theory of Vocational Preference and Self Direction states that people with similar personalities are drawn to the same type of work, resulting in clashes between those with similar personalities and a desire for similar resources (Holland, 1997). The data indicate that while some conflicts were consistent regardless of office type, many of the conflict types grouped around office type. This was indicated by the similarity in conflict types by business types. This was displayed in Chapter 4 in Table 9. This Table

compared Item 3 (Type of Business) with Item 6 (Conflict Type) and displayed slight differences between office types.

These differences were reinforced with surprising vehemence by the interview responses. Interview Item 5 asked employees about specific suggestions for resolving conflicts, and 6 of the interviewees (75%) had to clarify their response based on their office type. For instance, one respondent indicated that in his present office people worked there because they enjoyed the healing profession. Thus, an effective conflict resolution method may need to appeal to their value of healing. At a different office, the respondent described the primary value of the company was to make money. The people who worked there were very competitive and the fights would often revolve around who had earned the company more money. But the respondent also said that money was what would end a conflict: namely, when the manager would step-in and remind the employees how much they were losing per minute by fighting instead of selling. This suggests that there are certain types of conflict that are common to specific offices. This could be due to the business structure of those offices, or it could also be caused by certain types of personalities being drawn to those types of vocations, as Holland (1997) suggests.

### **Unexpected Findings: Causes and Consequences**

This section addresses results from the data that were inconsistent or unaddressed in the literature review. The researcher anticipated certain findings based upon suggestions from previous literature. Some of these assumptions were challenged by the unexpected findings described below.

The literature reviewed suggested there are three main ways in which conflict starts: Task, Process, and Relational (Ayoko et al., 2003; Myers & Larson, 2005; Stitt,

1998). The researcher assumed that all of the conflicts would fall into one of these three categories (Task, Process, or Relational). However, 15% of the reported conflicts started because of external issues, such as stress from home life, family concerns, and pre-existing issues. The researcher believes that this may be because of the family culture discussed earlier that is often present in small businesses. This family culture might make it easier for an employee to bring their family issues into the workplace. This might be less frequent in a larger office that would view this practice unprofessional.

When the researcher initially began preparing the literature review, the workplace conflicts that were discussed most often were time, money, sexual harassment, racism, and bullying as these topics were most often discussed in discussion forums such as Mediate.com and online news sites. Even Stitt (1998) listed money and time as two of the common causes of workplace conflict. Yet these types of conflict were surprisingly scarce in this study. Table 17 shows the Conflict Escalations that the researcher expected to be the most common, based upon their prevalence in the current workplace conflict literature. The data reveal, however, that not one of these Escalations accounted for more than 5% of the total reported conflicts.

**Table 17**  
***Condensed List of Conflict Escalations***

<b>Conflict Escalations</b>	<b>Expected Prevalence</b>
Cultural Differences	5% (20)
Scheduling / Time	3% (11)
Not Enough Pay	2% (8)
Family/Home Issues	1% (6)
<b>Expected Conflicts</b>	<b>45</b>

While issues such as bullying, harassment, racism, and glass ceilings are interesting to discuss, they are not representative of the conflicts that are most common in

the workplace. The conflicts that are most often affecting offices are communication, lack of clarity, and worth ethic, as shown in Table 18.

**Table 18**  
***Most Common Reported Escalations of Conflict***

<b>Conflict Escalations</b>	<b>Actual Prevalence</b>
Bad Communication	12.80% (53)
Unclear Job Description	10.39% (43)
Poor Work Ethic	9.42% (39)
Mean Communication	8.45% (35)
<b>Reported Common Conflicts</b>	<b>170</b>

The most surprising results concerned the positive and negative consequences of conflict. While participants spoke quite negatively about what sparked the conflict, the type of conflict, and what they had to do to get the conflict resolved, they spoke very positively about the consequences of these conflicts. Specifically, the number of conflicts that were identified as having a positive consequence to conflict (n=293) was over double that of those conflicts with a negative response (n=130). A few of the positive responses that were mentioned in Survey Items 8 and 11 include:

- A better understanding of the group;
- More effective communication method;
- Renegotiated a more beneficial contract; and
- A stronger leadership.

One interviewee mentioned that these conflicts are an inspiration to learn communication skills that made them feel more confident as a leader.

### **Unexpected Findings: Small Business Culture**

The literature reviewed provided a description of conflict in small businesses. This description provided an overview of the culture of small businesses, as well as their approach to conflict resolution. The data from the survey greatly expanded the



researcher's understanding of small business culture. Specifically, there were five identifiable new concepts that emerged in the data, but that did not appear in the literature review: (a) busy owners, (b) family atmosphere, (c) flat business structure, (d) casual environment, and (e) invested employees. These concepts are explained below.

**Overwhelmed culture (owners are too busy).** Previous literature regarding business, such as Clifford (2006) and Bowers (2010), suggested that small business owners need to be (a) quickly able to react, (b) flexible, and (c) nimble, helping them to quickly address problems that crop up. The first unexpected concept was the description of owners as being too busy with actions that required drastically different skills and approaches, and they often did not want to take on something else that would require yet a different skill. These data came primarily from Interview Item 5. One owner mentioned in her interview that every day she acted as the Advertising department, Billing department, and Research and Development department; she reported that the last thing she wanted was to add to this list was "mediation office." This may mean that small business owners see themselves as too busy to help their employees resolve conflicts, too busy to deal with the consequences of those conflicts, and too busy to take any formalized training in conflict resolution. Three of the 8 interviewees reported trying to ignore conflicts as long as possible. When they saw that the conflict had reached the point that they were forced to deal with it, they did so as quickly as possible. These owners asked the employees to deal with it themselves, let the matter go, or continue to ignore it.

**Family culture.** Bolman and Deal (2003) describe businesses as hierarchal structures with a clear delineation between management and workers. This created an expectation that employees followed certain methods of communication that addressed

their managers with respect and a slight distance. The second new theme that emerged was in owners' consistent description of their business in terms of a marriage or a family. This may create a culture and an expectation of communication that is different from a larger organization. During their interviews, small business owners consistently referred to their staff in familial terms. These owners reported having such an intimate knowledge of their employees that any conflict resolution process was not driven by a company policy but instead by the personalities of the employees involved.

**Flat culture.** The third theme that emerged was that smaller businesses often operate more flatly than larger organizations, meaning there was a less distinct hierarchy. As previously discussed, the organization structure described by Bolman and Deal (2003) and Argyris (1957) was a clearly defined structure with a hierarchy quite separated from middle management and lower employees. Many employees in the office have to wear a variety of "hats," however, and they might be the leader of a certain project while following another's lead on a different project. Such employees have had to operate as both leader and follower, depending on the situation. As a result they have learned how to fill roles that might not come naturally to them. It also meant that in some situations there was not a clear leader. Some employees in a conflict reported that they felt that they did not know whom to turn to. These employees wished that there were a clear leader who could take charge and tell them what to do.

This reinforces two theories: the Uncertainty Reduction Theory which states that people desire to reduce uncertainty (Solomon, 2008); and Situational Leadership Theory (Hersey & Blanchard, 1977) which states that leaders have to change in different situations. This data seems to reinforce that employees desire a Coaching style of

leadership, where leaders tell followers what to do and why. Nothing in the data indicated that employees desired this style of leadership in any situation other than when in conflict.

**Job security.** The fourth new concept to emerge was that of employees feeling more job security as a result of a more informal environment. The previous management theories (Scientific Management and Idealized Bureaucracy) and the structure described by Hillstrom and Hillstrom (2002) suggested that employers are driven by money and efficiency, thus any inefficient employee could easily be replaced. The data shows, however, that in small businesses employees felt a substantial amount of job security. This was described in greatest detail in response to interview Items 1 and 3. The job security made employees feel more casual in their conversations and seemingly more likely to neglect professional communication skills. One owner stated in his interview that as soon as things got stressful, his employees forgot that they really were all excellent listeners. Instead, they felt complete freedom to behave “like children” and “bicker in a loud voice in the middle of the office over petty subjects.” In such casual environments, employees seemed to say what they want, without repercussion. They would voice their opinion often and with familial intimacy. In a larger organization where employees have more fear of being terminated, they might withhold some of their comments. When the owner was stating this, she swiftly followed it up with “we bicker like a family, but I wouldn’t have it any other way.”

**Invested culture.** The fifth new concept to emerge from the study concerns employees’ level of investment in the business, business decisions, and the business’ products and services. Early literature such as Roethlisberger and Dickson (1939) and,

more recently, Lewin (2001), suggests that employees desire to be invested and integrated into the company, but they never stated that employees have achieved this. The owners in this study felt that their employees felt freedom to be a part of business decisions. Many of the owners (6, 75%) stated during their interview that while this might have slowed the process down, it often resulted in a higher quality of product or service.

In responding to Survey Item 6, the owner of a small medical business reported that her employees were consistently questioning her interpretations of insurance policy. She stated that while it was frustrating to have to discuss the different policies, it resulted in the entire staff (including herself) having a more accurate understanding of the policies. An employee in another company belittled the content of their website with the owner. In a larger organization she might have just accepted that it was not her decision and would have dropped the issue. In their smaller organization, however, the employee knew that her opinions were valued, and that she would not get in trouble for expressing her views bluntly. In the end, she caused a stir, rallied people behind her to listen to her idea, and the small business owner changed the content of the website. The owner of the company reported that while he did not like the process the employee used to make her ideas heard, he was glad that she felt comfortable enough to share her concerns because it resulted in a better website. He specifically stated that this was the reason he ran a small business, so that everyone's opinion could be considered to make better business decisions.

## **Resolution Data**

The literature review indicates that the formal processes for resolving disputes includes arbitration and litigation (Stitt, 1998). According to the literature, when small business owners have difficult problems that cannot be handled internally, they turn to the courts for resolution. This study's findings, however, revealed that a more common trend for small business owners was initially to hope that the problem went away. Some even called the police to resolve their problems once it escalated. Such action did not typically resolve the problem fully; it only delayed it. Specifically, in these instances the police issued a warning to the most vocal and escalated employees, and then left. Employees were still left with their problems.

What was more surprising was that not once in the survey did a small business owner report using arbitration or litigation to resolve a dispute. Three interview respondents (38%) did indicate, when they were responding in more depth than in the survey, that they had seen arbitration used to resolve a dispute, but only rarely. This has possible implications for the use of this study's findings. Initially, it was thought that this study would be used to show small business owners that ADR methods would be a cheaper method for resolving disputes. If the majority of owners are not using more expensive methods such as litigation, then even having a less expensive method for resolving disputes might not be as appealing. On the other hand, if small business owners were using expensive methods to resolve conflict, then a less expensive alternative would be more appealing. Instead it appears that ADR methods may be more appealing as a time and morale saver. This is one recommended area for future study.

## **Recommendations for Workplace Conflict Resolution Processes**

This study examined conflict resolution processes that were manager-driven, employee-driven, and system-driven. These are important to examine since the literature review indicated that the most effective ADR processes are those that involve access to a variety of choices. Lewin (2001) states that a key to effectively resolving conflict is to give employees a variety of resolution processes from which to choose. Some researchers believe that workplace conflict is the fault of the employee (Clifford, 2006); some believe it is the employer's fault (Bowles, 2007; Marks, 2005). Given this, to design the most effective dispute resolution system, it seems logical to involve processes that are both employee-driven and management-driven.

The researcher examined the common elements among respondents who indicated that they had experienced a positive conflict. Forty-nine percent of positive conflicts had a mediator that was endorsed by management present. Forty-three percent of the positive conflicts involved collaboration—this appeared to be employee-driven. Furthermore, positive conflicts did not allow inappropriate communication (insults, sexual remarks, competition, etc.) to escalate. Not allowing such communication is the responsibility of both the management and the employees (Clifford, 2006). Employees also stated that they did not want to just choose the process, they also wanted control over the outcome.

In summary, for companies to have a positive conflict experience, they should prevent conflicts with mean communication from escalating, and have employees resolve conflicts with the assistance of a mediator or through collaboration. After the researcher determined which conflicts ended positively, she also made a list of which processes were used that might have increased the likelihood of a positive result.

Thus, to resolve conflicts positively, it appears that these processes should be a part of the ADR process. The negative list should be avoided. Specifically, leadership needs to strongly encourage parties to resolve the conflict early and directly using good communication skills.

Combining the suggestions above from the surveys and the workplace with the literature, the researcher developed a prospective process (TEACH) for conflict resolution within small businesses:

1. T: Train employees early in communication. Employees and managers develop office communication and conflict protocols—and stick to them.
2. E: Engage employees and build relationships. Have regular staff/team-building meetings.
3. A: Address conflict early and often. When a conflict arises, managers must urge employees to take steps to address the conflict immediately and directly.
4. C: Choosing the process helps employees to be invested, and to select the appropriate process and outcome. All employees involved need to have a conversation about the conflict, using effective communication techniques. Employees should be involved in choosing the process and designing the outcome.
5. H: Ask for help if the other steps do not resolve the conflict. Bring in a neutral, then a staff mediator, then an external mediator if needed, to assist parties in resolving the conflict.

Instituting these five steps would require substantial investments from small business owners. Money would have to be invested in hiring a coach, time invested in developing

and implementing the training, and energy invested in changing workplace conflict resolution policies and procedures. It remains to be seen if such investments of time and money stand to yield dividends in the future. The researcher believes that such a study would produce data about more benefits than just time or money, but emotional and social benefits as well.

### **Recommendations for Workplace Policies**

This study is based on formally adopted procedures to help minimize a negative effect from conflicts. A need seems to exist for a person on staff with training and time to help employees. Half of the interviewed small business owners (4, 50%) reported that they were too busy to deal with conflicts. In addition, they tended not to have the proper training or adequate time. When they did step in to deal with a conflict, it was often to suggest an outcome instead of leading people to a process where they could adopt an outcome. This is the opposite of the action that managers reported hearing as a desired action from their employees in Survey Item 4: a manager who steps into the conflict early and directs them to a conflict resolution process, and then lets them figure out the outcome on their own (8% of the suggestions requested that management be stronger about pushing into a conflict resolution process and 3% of the suggestions were for employees to design the process and outcome).

In interview Item 8, three owners (38%) stated that they respond to conflict resolution based upon the individuals involved. They also reported dissatisfaction with this arrangement. Instead, it would be preferable in their opinion to have a more consistent method where the manager stepped in early and then directed the employees to a series of options. In such an arrangement, they believed, the employees would be free to



determine their own outcome based upon their own personalities, but the owner would not have to invent a new conflict resolution policy every time a new employee got into a conflict.

While internal issues caused the majority (85%) of conflicts reported in this study, an unexpected amount (15%) was caused by external issues. These were commonly identified as stress from home life, a domestic quarrel, or prejudices from home values that were brought into the office. The researcher's recommendation is that if a small business owner were to develop an effective way for employees to leave their external issues outside, then perhaps some portion of these external 15% of their conflicts might be prevented. One means for this might be to retain a staff counselor, or to allow paid personal days for employees to resolve their issues without them turning into work conflicts.

### **Recommendations for Future Study**

This study was limited by the size of the participant pool. It was difficult to subdivide the categories to compare data given the low response rate across few geographic locations. The first recommendation, then, is to enlarge the data pool both in number and geography. To have a substantially larger sample might require a stronger incentive and marketing methods to attract potential participants. It would also be useful to have a similar study that primarily reported quantitative data, perhaps confirming or disconfirming some of the conclusions reported in this study. A qualitative analysis of interviews that further explored how to implement some of these recommendations may also be a worthwhile study.

Future studies should examine if the 5-step conflict resolution method proposed by the researcher (Full Proposed 5-steps also available in Appendix M) is viable. One viable study might be an initial survey of small business owners to determine if they would accept such a method. The next recommended step would be to convene a focus group to discuss the plausibility of such a method and solicit practical suggestions for implementing this method. The final phase of such a study would involve a small business that would agree to be a test case. Monitoring the acceptance, time, money, and effectiveness of this method would help to understand if this method would be effective for additional small businesses.

Another useful future study would be to seek to understand why the small businesses in this study did not report using the courts to resolve disputes, even though the police were used multiple times. Possible explanations could be that the owners felt that using the police would be easier and faster than the courts. In this study, the police came to the office instead of the owners having to go to the courts. The courts may have been perceived as embarrassing to the company, or could result in an expensive lawsuit. This would be interesting to explore because the motivations that led owners to summon the police might instead lead them to a mediator.

Many of the processes that small business owners reported appear in both positive and negative conflicts. Nevertheless, there were some processes that were more apparent in negative than in positive conflicts. The most common process in negative conflicts was Post-Conflict Training (13% of all negative conflicts were resolved with post-conflict training, and only 4% of positive conflicts). While the reasons for this are unclear, it is possible that using training to resolve a conflict does not allow those involved to fully

vent or understand the other person's point of view. This is a possible area for future study.

### **Concluding Remarks**

This phenomenological study examined what conflicts small business owners encounter. It examined the type of conflicts, the process used to resolve these conflicts, and the consequences of these conflicts. Three stages of conflict emerged: (a) the Entrance, (b) the Escalation, and (c) the Exit. The survey and interview results were then summarized to develop recommendations for resolving workplace conflict effectively. While future studies will be necessary to explore these recommendations, it is hoped that these recommendations will provide small business owners with guidelines for resolving workplace conflict effectively.

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## Appendix List

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## APPENDIX A: The Consequences of Litigation and the Advantages of ADR

### Processes

Compiled by ConflictAtWork.com

Retrieved May 13, 2011, from [www.conflictatwork.com](http://www.conflictatwork.com).

#### About Workplace Conflict

##### The Cost of Conflict

Conflict is defined as a difference of wants, needs, or expectations. The workplace is filled with people who have differences of wants, needs, and expectations. So, of course, conflicts will occur. These conflicts can be an asset to the organization. They may be opportunities for creativity, collaboration, and improvement.

But conflict can also be costly to an organization. The trouble isn't necessarily the fact that conflict exists. It's how we deal with those conflicts or what happens when they aren't resolved. The impact of conflict in the workplace can be devastating - to the parties involved, to colleagues and teams, to clients, and to the business as a whole. Some of the results of unresolved conflict in the workplace include:

5. Stress, frustration, and anxiety
6. Loss of sleep
7. Strained relationships
8. Grievances and litigation
9. Presenteeism
10. Employee turnover
11. Loss of productivity
12. Increased client complaints
13. Absenteeism
14. Sabotage
15. Injury and accidents
16. Disability claims
17. Sick leave

##### Mental Health / Stress

"Unresolved conflict represents the largest reducible cost in many businesses, yet it remains largely unrecognized." (Dana, Daniel (1999). *Measuring the Financial Cost of Organizational Conflict*. MTI Publications and Slaikeu, K. and Hasson, R. (1998). *Controlling the Cost of Conflict*. Jossey-Bass)

"Employees in high pressure/low control situations or high effort/low reward situations have much greater risks to their physical and mental well being. (Tangri, Ravi, *Stress Costs - Stress Cures: How to recover productivity lost to stress*, 2003.)

"The number of employees seeking help for work-related conflict has increased from 23 percent in 1999 to close to 30 percent in 2001." (WarrenShepel, *Workplace Trends Linked to Mental Health Crisis in Canada*, 2002)

A 2005 UK survey by Roffey Park found that "78% of managers are suffering from work-related stress, 52% have experienced harassment, 46% have seen an increase in conflict at work." (Roffey Park [online], *Failure to manage change heightens stress, harassment and conflict at work, survey reveals*, Jan. 05)

"The total value of lost work time due to stress is estimated to be \$1.7 billion. (WarrenShepel [online], *Health & Wellness Research Database*, 2005)

"Employees who rate their managers as "sensitive" miss an estimated 3.7 days of work, whereas employees whose managers are rates as "non-sensitive" miss approximately 6.2 days of work. (MacBriade-King, J.L., and Bachmann, K. *Solutions for the stressed-out worker*. The Conference Board of Canada, 1999)

An estimated 16% of employees feel that poor interpersonal relations are a source of stress at work. (WarrenShepel [online], *Health & Wellness Research Database*, 2005)

### **Grievances/Litigation**

"The number of employees seeking help for harassment has almost tripled from 1999 to 2001." (WarrenShepel [online], *Health & Wellness Research Database*, 2005)

"The math isn't complicated. A complaint that escalates to a lawsuit can easily cost \$50 000 to \$100 000 and take three to five years to settle. It doesn't stop there. (Taylor, Robin, *Workplace tiffs boosting demand for mediators*. National Post Mar. 17/03)

"In the case of harassment, the number of employees seeking help almost tripled between 1999 and 2001. Add absenteeism, employee theft, sabotage, not to mention the cost of employee turnover (estimated to be as much as 75% to 150% of base salary) and it is understandable why companies are paying attention."(Taylor, Robin, *Workplace tiffs boosting demand for mediators*. National Post Mar. 17/03)

A 2005 UK survey of managers by Roffey Park found that "52% have experienced harassment." (Roffey Park [online], *Failure to manage change heightens stress, harassment and conflict at work, survey reveals*, Jan. 05)

"Sexual harassment is associated with more conflict in work teams, less cohesion and less success in meeting financial goals, " (Kleiman, Carol, *Harassment bad for bottom line, study finds*. The Ottawa Citizen: Wednesday Sept. 7/05)

"According to a nationwide study, the average jury verdict in wrongful termination cases is over \$600 00 and companies lose 64% of the cases." (Bureau of National Affairs, *Without Just Cause: An Employer's Practical Guide on Wrongful Discharge*, 1998)

In the United States an average of 2 years are required for the Equal Employment Opportunity Commission to investigate most claims. (Busch, R II, *The Conundrum: Conflict - The Solution: Designing Effective Conflict Management Systems*, 16 Preventative L. Rep. 1997)

"Corporations that have developed collaborative conflict management systems report significant litigation cost savings: Brown and Root reported and 80% reduction in outside litigation costs, Motorola reported a 75% reduction over a period of six years, NCR reported a 50% reduction and a drop of pending lawsuits from 263 in 1984 to 28 in 1993" (Ford, John, *Workplace Conflict: Facts and Figures*, [online] Mediate.com website, July 2000)

### **Presenteeism**

"Another set of problems may occur when employees with high intent to turnover do not leave the organization. Such employees tend to have lower commitment, be more dissatisfied with their jobs and reduce morale in the area in which they work. Many such employees 'retire on the job' (i.e. Do not do their share of the work), which causes workload problems for others in their area." (Duxbury & Higgins, *Work-Life Conflict in Canada in the New Millennium: A status Report*, 2003]

"The rate of 'presenteeism' is estimated to be as much as three time higher than absenteeism." (WarrenShepel [online], *Health & Wellness Research Database*, 2005)

### **Employee loss / turnover**

"Chronic unresolved conflict acts as a decisive factor in at least 50% of departures. Conflict accounts for up to 90% of involuntary departures, with the possible exception of staff reductions due to downsizing and restructuring." (Dana, Dan, [online] *The Dana Measure of Financial Cost of Organizational Conflict*, 2001)

"No matter what the cause, turnover has a number of undesirable implications for organizations, including the costs of losing an experienced worker, recruiting and retraining a successor (retraining is estimated to cost 1.5 times the employee's annual salary), the lower productivity of a new worker, and secondary morale effects on managers, peers and subordinates." (Duxbury & Higgins, *Work-Life Conflict in Canada in the New Millennium: A status Report*, 2003)

The turnover costs for an employee is anywhere between 75% and 150% of the annual salary. (Phillips, D.T. *The Price Tag of Turnover*. Personnel Journal, Dec. 1990, at p 58, 1990)



"A team-member's commitment to the team and the team mission can decrease if intra-team conflict remains unresolved. ...If unhealthy conflict goes unresolved for too long, team members are likely to leave the company or use valuable time to search for alternatives." (Barnes-Slater, Synthia and Ford, John, [online] MGH Consulting, *Measuring Conflict: Both The Hidden Costs and the Benefits of Conflict Management Interventions*, LawMemo.com, 2005)

### **Loss of Productivity/Wasted Time**

"Tension and stress reduce motivation and disturb concentration. A loss of simple productivity of 25% (doing things other than work related activities, such as discussing the dispute, playing computer games, finding reasons to get out of the area) reduces an average work week to fewer than 20 hours..." (Cram, James A. and MacWilliams, Richard K. [online] *The Cost of Conflict in the Workplace*, Cramby River Consultants, date unknown)

42% of a Manager's Time is spent addressing conflict in the workplace. (Watson, C & Hoffman, R, *Managers as Negotiators*, *Leadership Quarterly* 7(1), 1996)

"I've had CEOs and senior vice presidents tell me they can spend up to 70% of their time on conflict..." (Taylor, Robin, *Workplace tiffs boosting demand for mediators*. National Post Mar. 17/03)

"Fortune 500 Senior Executives spend 20% of their time in litigation related activities." (Levine, Stewart, *The Many Costs of Conflict*, Mediate.com website, 1998)

"Over 65% of performance problems result from strained relationships between employees, not from deficits in individual employee's skill or motivation." (Dana, Dan, [online] *The Dana Measure of Financial Cost of Organizational Conflict*, 2001)

Up to 30% of a typical managers time is spent dealing with conflict. (Thomas, K and Schmidt, W. *A survey of managerial interests with respect to conflict*. *Academy of Management Journal*, June 1976.)

A 1996 study demonstrated that 42% of a manager's time is spent on conflict related negotiations. (Watson, C and Hoffman, R, *Managers as Negotiators*, *Leadership Quarterly* 7 (1) 1996.)

### **Absenteeism**

In a study of 50 000 Canadian employees nationwide Health Canada found that "the greater the number of sources of stress reported in the social environment at work, the greater the likelihood of reporting more than 10 days off as a result of ill health." (Health Canada, *Workplace Health System*, no.3, 1998)

"Employees who report the following sources of stress are more likely than others to be absent for six or more days...interpersonal relations; job control; and management

practices" (Health Canada, *Canadian Fitness and Lifestyle Research Institute*. Workplace Health System, no.3.1998)

The cost of employee absence alone [in Canada] is approximately \$8.6 billion. (The Health Communication Unit [online], *The Case for Comprehensive Workplace health Promotion: Making "Cents" of a Good Idea*, date unknown)

Other consequences of increased conflict-related stresses include greater incidence of substance abuse, heart problems, back problems, cancers, mental health problems, greater incidence of workplace injury and much higher incidence of interpersonal conflict. (Health Canada, *Best Advice on Stress Risk Management in the Workplace*, 2000).

"Bullied employees take, on average, seven days per year more sick leave than others." (Knight, Julian, *Bullied workers suffer 'battle stress'*. BBC News Online, Tuesday Aug. 04)

### **Sabotage**

"Studies reveal a direct correlation between prevalence of employee conflict and the amount of damage and theft of inventory and equipment. And, covert sabotage of work processes and of management's efforts usually occurs when employees are angry at their employer." (Dana, Dan, [online] *The Dana Measure of Financial Cost of Organizational Conflict*, 2001)

### **Physical Injury / Accidents**

"There is increasing evidence that psychosocial factors relating to the job and work environment play a role in the development of work-related musculoskeletal disorder of the upper extremity and back." (*Musculoskeletal Disorders and Workplace Factors: A Critical Review of Epidemiologic Evidence for Work-Related musculoskeletal Disorders of the Neck, Upper Extremity, and Low Back*, National Institute of Occupational Safety and Health, July 1992)

"It is accepted and proven that errors lead to accidents and that stress can lead to errors. It follows logically, therefore, that stress must also contribute to accident causation." (Nguyen, Lieu, Bibbings, Roger, *Exploring the links between stress and accidents in the workplace: a literature review*. Journal of the Institution of Occupational Safety and Health, Vol. 6(2) December 2002 p.9-20)

### **Disability Costs**

"...Depression and high stress were found to have the greatest impact on worker health care costs, increasing these costs more than obesity, smoking or high blood pressure. In fact, these cost were 46% higher for workers who felt they were under a lot of stress." (The Health Communication Unit [online], *The Case for Comprehensive Workplace health Promotion: Making "Cents" of a Good Idea*, date unknown.)

"Workplace stress and work-related conflict are among the top eight reasons why employees request counseling assistance." (WarrenShepel, *Workplace Trends Linked to Mental Health Crisis in Canada*, 2002)

"Job stress is a key driver of health care costs. According to the Journal of Occupational Environmental Medicine, health care expenditures are nearly 50 percent greater for workers reporting high levels of stress."(Corbitt Clark, Mary, [online], *The Cost of Job Stress*, mediate.com)

### **Workplace Violence / Bullying**

"There is a drastic increase in the severity of work-related issues with workplace violence and work-related conflict contributing the greatest increases." (WarrenShepel, *Workplace Trends Linked to Mental Health Crisis in Canada*, 2002)

"Dr. Tehrani conducted a study of 165 professionals in the caring sector such as nurses and social workers. Dr. Tehrani found that 36% of the men and 42% of the women reported having experienced bullying."(Knight, Julian, *Bullied workers suffer 'battle stress'*. BBC News Online, Tuesday Aug. 04)

### **Community/Family Harm**

"Conflict is a good example of how harm can be produced in the workplace and of how this harm "spills over" into families and communities." Such harm includes both inner-directed harm (suicidal behavior, recklessness, agitated depression and abuse of alcohol, drugs) and outer-directed expressions (threatening behavior, emotional and/or verbal abuse, bullying, harassment, assault, domestic violence, road rage). (Health Canada, *Best Advice on Stress Risk Management in the Workplace*, 2000, pp 15-16.)

## APPENDIX B: Berger's Axioms and Theorems

Berger proposes a series of axioms to explain the connection between uncertainty and eight key variables. This information was from a faculty slide at Pepperdine University, Retrieved May 14, 2012

[faculty.pepperdine.edu/rreynold/Classes/.../CHAPTER%2010.doc](http://faculty.pepperdine.edu/rreynold/Classes/.../CHAPTER%2010.doc)

A. Axiom 1, verbal communication: as the amount of verbal communication between strangers increases, the level of uncertainty decreases, and, as a result, verbal communication increases.

B. Axiom 2, nonverbal warmth: as nonverbal affiliative expressiveness increases, uncertainty levels will decrease. Decreases in uncertainty level will cause increases in nonverbal affiliative expressiveness.

C. Axiom 3, information seeking: high levels of uncertainty cause increases in information-seeking behavior. As uncertainty levels decline, information-seeking behavior decreases.

D. Axiom 4, self-disclosure: high levels of uncertainty in a relationship cause decreases in the intimacy level of communication content. Low levels of uncertainty produce high levels of intimacy.

E. Axiom 5, reciprocity: high levels of uncertainty produce high rates of reciprocity. Low levels of uncertainty produce low levels of reciprocity.

F. Axiom 6, similarity: similarities between persons reduce uncertainty, while dissimilarities produce increases in uncertainty.

G. Axiom 7, liking: increases in uncertainty level produce decreases in liking; decreases in uncertainty produce increases in liking.

H. Axiom 8, shared networks: shared communication networks reduce uncertainty, while a lack of shared networks increases uncertainty.

## APPENDIX C: Definition of Bullying Behaviors

### General and Racial/ Ethnic Bullying Behaviors

~ Indicators that you may be experiencing bullying in the workplace (Fox, 2006).

#### General bullying behavior

1. Made aggressive or intimidating eye contact or physical gestures (e.g., finger pointing, slamming objects, obscene gestures). Gave you the silent treatment.
  2. Limited your ability to express an opinion.
  3. Situated your workspace in a physically isolated location.
  4. Verbal abuse (e.g., yelling, cursing, angry outbursts).
  5. Demeaned you in front of co-workers or clients.
  6. Gave excessively harsh criticism of your performance.
  7. Spread false rumors about your personal life.
  8. Spread false rumors about your work performance.
  9. Repeated things to others that you had confided.
  10. Made unreasonable work demands.
  11. Intentionally withheld necessary information from you.
  12. Took credit for your work.
  13. Blamed you for errors for which you were not responsible.
  14. Applied rules and punishments inconsistently.
  15. Threatened you with job loss or demotion.
  16. Insulted you or put you down.
  17. Interrupted you while you were speaking.
  18. Flaunted his/her status over you in a condescending manner.
  19. Intentionally left the area when you entered.
  20. Failed to return your phone calls, e-mails, etc.
  21. Left you out of meetings or failed to show up for your meetings for no legitimate reason.
  - Attacked or failed to defend your plans to others.
  - Intentionally destroyed, stole, or sabotaged your work materials.
- #### Racial/ethnic bullying: Based on Race or Ethnicity
22. Made derogatory comments about your racial or ethnic group.
  23. Told jokes about your racial or ethnic group.
  24. Used racial or ethnic slurs to describe you.
  25. Excluded you from social interactions during or after work because of your race or ethnicity.
  26. Failed to give you information you needed to do your job because of your race or ethnicity.
  27. Made racist comments (for example, said people of your ethnicity aren't very smart or can't do the job).
  28. Made you feel as if you have to give up your racial or ethnic identity to get along at work.

## APPENDIX D: Survey Questions

The three research variables are Conflict Type, Conflict Resolution Process, and Conflict Consequence. All of the questions below have been designed to elicit data for these variables. Some of the questions will have multiple-choice answers; some will be open-ended.

### Survey Questions

(Participants were also asked what their position was in the company to verify that they were in an ownership or management position within the company. This question is not counted below as an item).

Item 1. How many locations do you have?

Item 2. How many total employees do you have?

Item 3. What type of a business do you have? (for instance, For-profit, LLC, etc.)

Item 4. What usually starts conflicts in your office? Somebody yelled? An insult?

Item 5. Who is usually involved in the conflicts in your office? For instance, are they usually between two employees, an employee and a manager, the entire staff, etc.

Item 6. Please explain what some of these conflicts are about:

Additional Conflict, if any:

Additional Conflict, if any:

Item 7. Conflicts can end a variety of ways. How many conflicts do you remember that:

Simply faded away

Remained quietly under the surface

Resolved amicably

Became very disruptive and/or violent before it was resolved

Other (please specify)

Item 8. Can you think of an action, intervention, or a turning point that usually helped these conflicts end?

Item 9. If you had a suggestion for resolving conflicts in your office (that employees would agree to), what would it be?

Item 10. Would you be available to be contacted for a follow-up/clarification if I have any questions on your answers?

If so, please add your contact information here:

Name

Email

Phone number

Item 11. If you have any additional comments, please indicate them here.



## APPENDIX E: Interview Questions

“Thank you for agreeing to this follow-up interview.

I would like to begin by clarifying your responses on a few questions.

1. Can you tell me more about this positive conflict?
2. What made it positive?
3. Can you tell me more about this negative conflict?
4. What made it negative?

Thank you.

5. Now, let's talk about the process of resolving conflicts. What do you think would help your office to resolve conflicts?
  6. If your employees had someone they could call with a question or a problem, do you think they would? What about if they could email someone? Why/why not?
  7. Do you think they would agree to meet with someone out of the office, say at lunchtime or after work, to seek advice? Do you think both parties would agree to meet with someone in a private place at the office?
  8. Would you like some type of a process like this to be in your employee handbooks and/or contracts? Is this a service that you would pay for?
  9. Do you have any questions or additional comments?
- Thank you again for your time.”

**APPENDIX F: Conflict Entrances**

<b>Categories</b>	<b>All Sum</b>
Bad Communication (Assumptions/Avoidance)	60
Unclear Job Description (Unclear Workload/Roles/Expectations/Vision/Management Withholding Info)	23
Poor Work Ethic (Sloppy Work/Tardy/Unprofessional language or Dress)	7
Mean Communication (Petty/Drama/Disrespectful/Escalating/Bullying)	49
Unfair Treatment (Uneven Workload/ Unfair Advantage)	11
Entitlement (Jealousy/ Politics/ Unappreciative Staff and Coworkers)	14
Protocols (Unclear Protocols/Policies/ No Method for Providing Feedback)	14
Culture (Ethnic/Departmental/Racial Differences)	1
Physical Office (Poor Physical Office Environment/Noisy/Layout/Smoke/ADA Non-Compliance)	10
Unappreciated (Management Not Giving Staff Recognition/Micromanaging)	8
Business Decisions (Content/Task Issues/ Allocating Resources/ Quality Control Disagreements)	13
External Customer/Contractor Issues	11
Unrealistic Deadlines	6
Group/Personality Conflicts	17
Scheduling (Assigning Hours/ Unfair Hours/ Not enough or too many hours)	3
Discipline (Management not Correcting Staff)	3
Not Enough Pay	1
Bad Attitude (General Negativity/Stressed/Snappy)	6
External Family/Home Issues	4
Personal Use of Resources/Theft from Company	0

### APPENDIX G: Conflict Causes

Complete List of all Identified Causes of Conflict

Categories	Totals
ADA Compliance	1
Attitude/General Negativity	4
Bad Communication/Argumentative	37
Behavior reflects Poorly	2
Business Issues	8
Client/Customer Complaints	9
Competition/Politics	15
Contracts/Contract workers/terms of the contract/vendors	5
Cultural/Departmental/racism Differences	20
Entitlement	8
False assumptions	1
Family business brings in family issues	6
Group	11
Hours/Work Schedule	11
Insulting Appearance/Sexual Remarks	5
Jealousy	6
Lack of Discipline/Consequences/unable to correct staff	8
Management Not Giving Praise/Recognition/Not Listening	13
Micromanaging	5
Miscommunication	10
Misusing technology	4
Not Enough Money	8
Not Enough Time	6
Personal Use of Resources	1
Petty/Drama	11
Poor Physical Office Environment/Noisy/Layout/Smoke	18
Poor Work Ethic	26
Resource allocation/not enough resources to help clients	9
Rudeness	19
Stress	4
Tardiness	8
Theft	1
Unappreciative Staff	1
Unclear Expectations/Vision	17

(continued)

<b>Categories</b>	<b>Totals</b>
Unclear/No Method to Provide Feedback	7
Unclear Protocols/Policies	19
Unclear roles/workload	19
Unfair treatment	15
Unfair workload	18
Unprofessional Language/Dress	3
Unrealistic/Missed deadlines	7
Withholding Information	7
<b>Total</b>	<b>413</b>

## APPENDIX H: Uncondensed Comparison of Conflict Entrances to Actual Conflict

### Causes

Categories	Entrance %	Escalation%
Bad Communication (Assumptions/Avoidance)	23%	13%
Unclear Job Description (Unclear Workload/Roles/Expectations/Vision/Management Withholding Info)	9%	10%
Poor Work Ethic (Sloppy Work/Tardy/Unprofessional language or Dress)	3%	9%
Mean Communication (Petty/Drama/Disrespectful/Escalating/Bullying)	19%	8%
Unfair Treatment (Uneven Workload/ Unfair Advantage)	4%	8%
Entitlement (Jealousy/ Politics/ Unappreciative Staff and Coworkers)	5%	7%
Protocols (Unclear Protocols/Policies/ No Method for Providing Feedback)	5%	6%
Culture (Ethnic/Departmental/Racial Differences)	0%	5%
Physical Office (Poor Physical Office Environment/Noisy/Layout/Smoke/ADA Non-Compliance)	4%	5%
Unappreciated (Management Not Giving Staff Recognition/Micromanaging)	3%	4%
Business Decisions (Content/Task Issues/ Allocating Resources/ Quality Control Disagreements)	5%	4%
External Customer/Contractor Issues	4%	3%
Unrealistic Deadlines	2%	3%
Group/Personality Conflicts	7%	3%
Scheduling (Assigning Hours/ Unfair Hours/ Not enough or too many hours)	1%	3%
Discipline (Management not Correcting Staff)	1%	2%
Not Enough Pay	0%	2%
Bad Attitude (General Negativity/Stressed/Snappy)	2%	2%
External Family/Home Issues	2%	1%
Personal Use of Resources/Theft from Company	0%	0%

**APPENDIX I: Condensed Themes of Conflict**

<b>Categories</b>	<b>Entrance %</b>	<b>Escalation %</b>
Bad Communication (Assumptions/Avoidance)	27%	16%
Mean Communication (Petty/Drama/Disrespectful/Escalating/Bullying)	22%	11%
Unclear Job Description (Unclear Workload/Roles/Expectations/Vision/Management Withholding Info)	11%	13%
Group/Personality Conflicts	8%	3%
Entitlement (Jealousy/ Politics/ Unappreciative Staff and Coworkers)	6%	9%
Protocols (Unclear Protocols/Policies/ No Method for Providing Feedback)	6%	8%
Business Decisions (Content/Task Issues/ Allocating Resources/ Quality Control Disagreements)	6%	5%
Unfair Treatment (Uneven Workload/ Unfair Advantage)	5%	10%
Physical Office (Poor Physical Office Environment/Noisy/Layout/Smoke/ADA Non-Compliance)	5%	6%
Poor Work Ethic (Sloppy Work/Tardy/Unprofessional language or Dress)	3%	12%
Culture (Ethnic/Departmental/Racial Differences)	0%	6%

**APPENDIX J: Chart of Answers of Positive and Negative Conflict Experiences**

<b>What Made the Positive Conflict Positive</b>		<b>What Made the Negative Conflict Negative</b>	
Discussion	4	Business issues	6
Address Early	3	Competing	5
Arbitration	3	Power Struggle	5
Comprising	3	Client Issues	4
Conciliation	3	Personal Issues	4
Leadership Skills	3	Slander/ Gossip	4
Negotiation	3	Waited too long	4
Taking Time	3	Address Early	3
Vary Agreement by Personality	3	Avoiding	3
Accommodating	2	Accommodating	2
Avoiding	2	POV Myopia	2
Business Issues	2	Shame	2
Mediation	2	Violence	2
POV Myopia	2	Conciliation	1
Client Issues	1	Facilitation	1
Facilitation	1	Insecure Manager	1
Heal From Past Negativity	1	Mediation	1
Competing	0	Negotiation	1
Insecure Management	0	Selfish	1
Personal Issues	0	System Fosters Competition	1
Power Struggle	0	Arbitration	0
Selfish	0	Comprising	0
Shame	0	Discussion	0
Slander/ Gossip	0	Heal From Past Negativity	0
System Fosters Competition	0	Leadership Skills	0
Violence	0	Taking Time	0
Waited too long	0	Vary Agreement by Personality	0

### APPENDIX K: Uncondensed Survey Results for Conflict Resolution Suggestions

<b>Suggestion</b>	<b>Suggestion Frequency</b>
Conversation (10%)	10.40%
Direct, in-person, and honest (9%)	8.91%
Stronger management, refer to process (8%)	7.92%
Address Early (7%)	7.43%
Staff Neutral (7%)	7.43%
Outside neutral (7%)	6.93%
Pre-Conflict Training (6%)	5.94%
Clearer policies (5%)	5.45%
Employee EI Intelligence (5%)	4.95%
Continued communication training (4%)	4.46%
Staff Meetings (4%)	3.96%
Have employees design ADR system (3%)	3.47%
Listen (3%)	3.47%
Management Feedback (3%)	2.97%
Employees Design Outcome (3%)	2.97%
Team-building exercises (2%)	2.48%
Review Workloads (2%)	1.98%
Managers keep doors open (2%)	1.98%
Direct Resolution as Condition of Employment (1%)	1.49%
Mediation as Condition of Employment (1%)	1.49%
Emotional Intelligence survey (1%)	1.49%
Equal pay, hours, workload, consequence (1%)	1.49%
Let people go that are difficult (1%)	0.99%



## APPENDIX L: Interview Results for Conflict Resolution Suggestions

*\*Note: This is a summary of interview response suggestions for resolving conflict from Interview Item 5. The second section is quotes from Interview Item 9. Any issue or names that could identify the participants were removed.*

### Item 5:

1. Train everyone in understanding conflict. Give them language for hot buttons and triggers. When conf arises, address it directly not indirectly. Don't take the manager route where one person goes into the manager's office with a closed-door. Encourage people to solve their own problems instead of telling them how to solve their own problem. We use transformative. People want to fix their own problem. The easy fast approach is to tell them what to do. This ends up with huge risks. This ends up taking more time and money. If the answer was that easy than people would have thought of it already. Even a half-day training, there are plenty of businesses that are willing to do a half for employees, and the other half a day just for managers. They learn about themselves in conflict emotional intelligence. Skills emotional regulation if everyone I on the same page with that then it helps. The change happens faster. Trying to convince them to send manager to give them a mediator skill an internal mediator. But also contracting out in advance for when an internal mediator is not equipped or neutral to handle the issue.

2. Address immediately; don't avoid the topic. Realize that neither person is listening. They only want to talk. Address early. Wasn't avoided or left unspoken or made uncomfortable. We both only stated our needs and our expectations. "When we are working together this is what I expect to do and what I expect from you". We stated ground-rules ahead of time, and then it was easier to get back on track when we didn't adhere to those. Both agreeing to be honest. If things aren't going right, don't become passive aggressive, bring it up and talk it out. We preach healthy behaviors, so we make it important to practice them. We collaborate on a lot of things, so something left unspoken will blow up later. Give people space during the day. Also make the environment as safe as possible. Be careful how you approach someone. When you are in leadership, you must try to set-an example for everybody to follow.

3. Small businesses are very tight and operate more like a family. When new people are hired, they often feel like an outsider. This should be discussed ahead of time with the new hire and the staff. People know how to be good and communicate well; sometimes they just need an outsider to remind them. They can be better; they just forget. Another characteristic of a small business is that we are much closer--almost too close. We lose some of the professional etiquette that you would find in a bigger company. We know that we won't get fired, so we say things without fear of repercussion. This makes us very close and it means that we discuss everything

<p>immediately, but maybe too much. Own up, apologize quickly, don't hold grudges, and move on. The boss starts it by admitting that they make mistakes. A final thing is that because of the small office, we don't have a distinct hierarchy. People are all managers.</p>
<p>4. Get to know employees, meet with them regularly, esp. companies w younger employees--they won't confide in or take advice from someone they don't know. As a manager, I wish I would have had someone that I could turn to just for advice, to know if I was handling the situation correctly. I have also learned that humor, taking people away from the conflict, helps to get them out of their cycle. Managers need to manage the process, but then step out. I keep the communication flowing, keep things light, and then let employees discuss an agreement.</p>
<p>5. I asked a question. I asked people to begin thinking. To stop the back and forth. This was the point where I gave everyone some time away, some time to reflect. The problem in conflict is that people don't have time to think. He said "Don't tell me no or yes." Go take 5, 10 minutes, an hour" really weigh the pros and cons. Reflect on whether or not this would end up being a positive experience, and then come back and tell me why. And be able to convince me that is who you really are. Giving people that chance to think about what they want frees people to be the best they can be. This transition was in them having that opportunity to reflect upon and think critically and analyze what they want. This was a big decision. Made a plan/ground rules and stick to it.</p>
<p>6. We try to resolve conflicts using a Biblical aspect. Our pastor is very involved. We have the same value set. We need to deal with things up front and early. We try to do things now that will help our relationship in the future.</p>
<p>7. Direct, honest communication. Find managers/supervisors who are secure in their job. Be willing to have multiple conversations. Be respectful to everyone. Make sure everyone listens to everyone else, no matter what his or her position is.</p>
<p>8. Agree to common language and ground rules</p>
<p><b>Item 9:</b></p>
<p>9. "Acknowledge people for what they do." Participant 71581.</p>
<p>10. "The goal should not be to find who is right or wrong, but to reach a solution everybody can live with," Participant 71581.</p>
<p>11. "Get all of the ideas on the table first. Sometimes the rationale for the conflict makes sense on both sides of the debate," Participant 75129</p>
<p>12. "Suggestions for resolving conflict? Smile more," Participant 76442</p>
<p>13. "To have a person in the office who can facilitate mediation and note that sometimes in the office a disagreement over business issues is a constructive thing," Participant 76596</p>
<p>14. "What one person might perceive as conflict might not be perceived by the other as conflict," Participant 76775</p>

**APPENDIX M: Suggested Conflict Resolution TEACH Method for Small  
Businesses**

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1. T. **Train** employees early in communication. Employees and managers develop office communication and conflict protocols—and stick to them.
2. E. **Engage** with staff/team-building meetings.
3. A. When a conflict arises, managers must force employees to stake steps to **address** the conflict immediately and directly.
4. C. All employees involved need to have a conversation about the conflict, using effective communication techniques. Employees should be involved in **choosing** the process and designing the outcome.
5. H. Bring in a neutral, then a staff mediator, then an external mediator if needed to **help** parties in resolving the conflict.