

# THE CONSENSUS BUILDING HANDBOOK

A Comprehensive Guide to Reaching Agreement

Editors  
Lawrence Susskind  
Sarah McKearnan  
Jennifer Thomas-Larmer

The Consensus Building Institute



**SAGE Publications**

*International Educational and Professional Publisher*  
Thousand Oaks London New Delhi

Copyright © 1999 by Sage Publications, Inc.

All rights reserved. No part of this book may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without permission in writing from the publisher.

---

*For information:*



SAGE Publications, Inc.  
2455 Teller Road  
Thousand Oaks, California 91320  
E-mail: [order@sagepub.com](mailto:order@sagepub.com)

SAGE Publications Ltd.  
6 Bonhill Street  
London EC2A 4PU  
United Kingdom

SAGE Publications India Pvt. Ltd.  
M-32 Market  
Greater Kailash I  
New Delhi 110 048 India

Printed in the United States of America

*Library of Congress Cataloging-in-Publication Data*

Main entry under title:

The consensus building handbook: A comprehensive guide to reaching agreement / edited by Lawrence Susskind, Sarah McKernan, and Jennifer Thomas-Larmer.

p. cm.

Includes bibliographical references and index.

ISBN 0-7619-0844-7 (cloth: acid-free paper)

1. Group decision-making—Handbook, manuals, etc. 2. Consensus (Social sciences) Handbooks, manuals, etc. 3. Consensus (Social sciences) Case studies. 4. Conflict management handbooks, manuals, etc. I. Susskind, Lawrence. II. McKernan, Sarah. III. Thomas-Larmer, Jennifer.

HM746.C66 1999

302.3—dc22

99-6318

99 00 01 02 03 10 9 8 7 6 5 4 3 2 1

---

<i>Acquiring Editor:</i>	Marquita Flemming
<i>Editorial Assistant:</i>	MaryAnn Vail
<i>Production Editor:</i>	Diana E. Axelsen
<i>Editorial Assistant:</i>	Karen Wiley
<i>Typesetter/Designer:</i>	Janelle LeMaster
<i>Indexer:</i>	Virgil Diodato
<i>Cover Designer:</i>	Ravi Balasuriya

CHAPTER

# 16

## COLLABORATIVE PROBLEM SOLVING WITHIN ORGANIZATIONS

---

- *Christopher W. Moore*
- *Peter J. Woodrow*

Every day, corporate executives, government agency officials, and leaders of nonprofit organizations must make difficult decisions and resolve disputes. The case of Kate Morgan, the director of a small nonprofit group called People for People, represents a typical example of the challenges leaders face.<sup>1</sup> People for People coordinates volunteer services for elderly people, single mothers, and people with disabilities in a large urban area. Recently, the board of directors determined that the organization lacked clear and comprehensive personnel policies. They directed Morgan to develop such policies within three months, in the form of a written manual for board approval.

Two years ago, People for People employed just 10 people. Morgan now has a staff of 45, who supervise close to 450 volunteers. As the organization has grown, staff members have increasingly asked for more involvement in setting the organization's direction and policies. Morgan knows that if she asks employees for their input on the personnel manual, she will hear widely differing opinions. Some staffers regret the loss of the family feeling in the organization and rail against "bureaucracy,"

while others celebrate the coming of age of a serious community institution. Morgan suspects that these two tendencies will be difficult to reconcile in developing the new policies. Morgan's dilemma is that she has a short time to develop the manual and a staff that insists on having a say in decisions that will affect them.

How should Kate Morgan proceed? Should she issue personnel policies of her own design? Should she seek input from others first, but still write the policies herself? Perhaps she could appoint a task force to develop draft policies for her consideration. Maybe the recommendations of a task force should be submitted to staff and volunteers for comment. Would organizational unity be served by seeking widespread approval for the draft policies before taking them to the board? Would that take more than three months? If Kate does not involve staff and volunteers, will she face a serious revolt?

Morgan does not want to see this issue escalate into a full-blown conflict. She has observed too many disputes, and the difficulty of handling them, in her own and other organizations. Now, if she could just figure out what to do. . . .

This chapter seeks to help leaders such as Kate Morgan determine when and how to apply consensus-based techniques to decision making and conflict resolution *within* an organization, such as a business, government agency, or nonprofit group. (Many of the other chapters in this book focus mostly on building consensus *among* organizations.) The principles of consensus building remain the same, whether they are applied within one organization or among many. However, the relationships among parties in the two types of processes may differ somewhat. Parties involved in an internal consensus building process may have considerable influence over each other, for example, since they are entirely dependent on each other to achieve organizational goals. The power dynamics, therefore, may be intense and pronounced. While power is always an aspect of interorganizational processes as well, the parties in those cases remain independent actors who can always withdraw from a negotiation. For most practical purposes, withdrawal is not an option in an intraorganizational situation, unless organizations split up or individuals quit. This chapter will explore the uses and challenges of consensus building in these intraorganizational circumstances.

The first section of the chapter discusses the use of consensus building approaches in decision making. During the past decade,

CEOs, managers, human resource professionals, and organizational development specialists have turned away from top-down, unilateral decision-making methods and developed innovative, consensus-based approaches. Through the use of these new methods, leaders and managers gain the active participation of people at all levels of their organizations and, ultimately, secure broad endorsement for important policies, procedures, and strategic directions. The guidelines in this section apply to situations in which issues are contentious, and may involve parties who hold divergent views, but the situation is framed as a decision-making problem, not a dispute.

The second section explains how leaders such as Morgan can use consensus building techniques to better handle disputes that arise in organizations. Such disputes may be interpersonal in nature, arising over issues such as performance, discipline, remuneration and benefits, discrimination, sexual harassment, and other such items. Or they may involve problems of cooperation, coordination, and competition among different programs or departments, or relationships with external entities such as customers, neighbors, or regulatory agencies. The section focuses primarily on the process of designing dispute resolution systems: procedures that can be used to handle conflicts or disputes. In this context, consensus building has two applications. First, the process of designing and approving a proposed dispute resolution system typically involves building consensus among potential users of the system. Second, in recent years, dispute resolution systems themselves have come to include consensus-based approaches—such as negotiation, facilitation, and mediation—for handling conflict. This section will review both of these applications.

The third section considers the role of managers and other leaders in intraorganizational consensus building, and it addresses some of the concerns managers and employees typically have about consensus processes. It discusses problems leaders may encounter as they promote collaborative decision making and dispute resolution and describes how to overcome those problems.

In the public, private, and nonprofit sectors, we find organizations large and small, new and mature, complex and simple, traditional and innovative. Each organization has a unique style of decision making and conflict resolution, and this chapter

cannot possibly address all the myriad permutations. However, the need to make decisions and resolve disputes is common to people in all kinds of organizations. And consensus building, by its very nature, is flexible and dynamic. We invite readers to explore how and when consensus-based procedures will work best for them and their organizations.

### ■ *Consensus-Based Decision Making in Organizations*

---

In the past, many managers used “command and control” approaches to make decisions. They defined a problem themselves, collected and analyzed information, and then decided how the problem should be addressed. While this approach has worked and will continue to work effectively in some instances, it is not efficient or well suited for problems in which

- employees have strong expectations regarding participation in decision making,
- ownership of a solution by several parties is critical for successful implementation,
- logical and acceptable answers are not immediately clear,
- accurate data are nonexistent or contradictory,
- rules and regulations have produced enormous complexity (e.g., legal requirements regarding sexual harassment or environmental compliance),
- multiple parties with diverse views are contending for acceptance of their solution(s), and
- similar (but not identical) problems surface repeatedly in an organization.

“Involve people from diverse levels and departments within an organization in forging consensus.”

If leaders or managers attempt to take unilateral action in situations such as these, they are likely to encounter strong resistance to their decisions or, lacking crucial information from those involved, make bad decisions. The most effective alternative to command decision making is to involve people from diverse levels and departments within an organization in forging consensus. Such involvement provides a greater chance for gathering all relevant information, draws on the creativity of many people, and reduces internal resistance.

Before discussing approaches used to build consensus, we will examine a case of intraorganizational consensus building involving a U.S.-Mexican joint venture.<sup>2</sup>

*Case Example: Building a Partnership at Alianza*

The experience of "Alianza," the fictional name of a real U.S.-Mexican joint venture in the telecommunications field, shows how consensus building can be helpful in developing long-term business partnerships, coordinating interdependent parts of organizations, and addressing and reconciling corporate and national cultural differences.

The telecommunications industry around the world is highly dynamic and competitive. To respond to this ever-changing market, business leaders feel compelled to develop, produce, and market new products continually; seek new markets aggressively; and coordinate the work of their various departments and teams better.

In the early 1990s, after the telecommunications industry in Mexico was deregulated, a large financial institution in Mexico and a major U.S. telecommunications company developed a partnership to market products and services in the new environment. Staff from both organizations formed joint teams to bring new products on line. Developing effective work teams is a challenge even within a single organization. The task is far more complicated when team members speak different languages, maintain divergent assumptions about decision making and work styles, and come from multiple organizational and national cultures. Managers at Alianza attempted to address these differences, but found themselves unable to establish a single set of behavioral and performance guidelines that satisfied everyone.

In an effort to take a fresh approach to these problems, Alianza secured the services of CDR Associates (the authors' organization of some 20 staff people).<sup>3</sup> Our job was to help the company design a consensus building process for crafting organizational agreements that would enable employees to work more effectively together. Alianza managers also hoped to develop ongoing procedures for addressing issues that might arise in the future. In a multiday retreat, approximately 30 managers and employees from several work teams met to formulate agreements on how to handle certain organizational issues. The first part of

the retreat focused on identifying specific problems and building awareness and understanding of the contrasting work cultures of Mexico and the United States. The two groups uncovered conflicting work patterns and communication styles that were seriously hindering their interactions. The U.S. company had a hard-driving, high-intensity style characterized by extremely blunt communication, work hours lasting from early morning until late at night, and a linear approach to completing tasks. The Mexican corporation, in contrast, valued diplomatic and indirect communications. Mexican work hours started later in the morning and lasted until early evening, including a long lunch break. The Mexican group also tended to approach tasks in a less linear fashion, often working on several tasks at once.

The Mexicans perceived their U.S. colleagues as rude, demanding, and often burnt out from overwork. The U.S. group found it difficult to get a clear answer out of their Mexican counterparts, were critical of their more leisurely pace of work, and viewed their work patterns as chaotic.

The efforts of participants at the retreat to understand these dynamics established a basis for addressing specific problems. For example, the group established norms, expectations, and procedures regarding internal communications that people from both cultures could live with. These included norms regarding the timing and manner of communication, as well as mechanisms for providing feedback to each other on an individual and team basis. The joint group also developed accountability mechanisms that would inform everyone about progress toward deadlines on specific projects, so that employees would focus on outcomes rather than on work styles. The group also recognized that they could not address all possible problems during the retreat, but needed ongoing consultation and problem-solving procedures. By the end of the retreat, participants reached agreement on many of the issues they had identified and developed procedures for handling future differences.

### *Consensus Building in the Context of Organizational Decision Making*

The Alianza case shows how consensus-based decision making can be applied within an organization, and it depicts conditions that are well suited for a consensus approach to organiza-

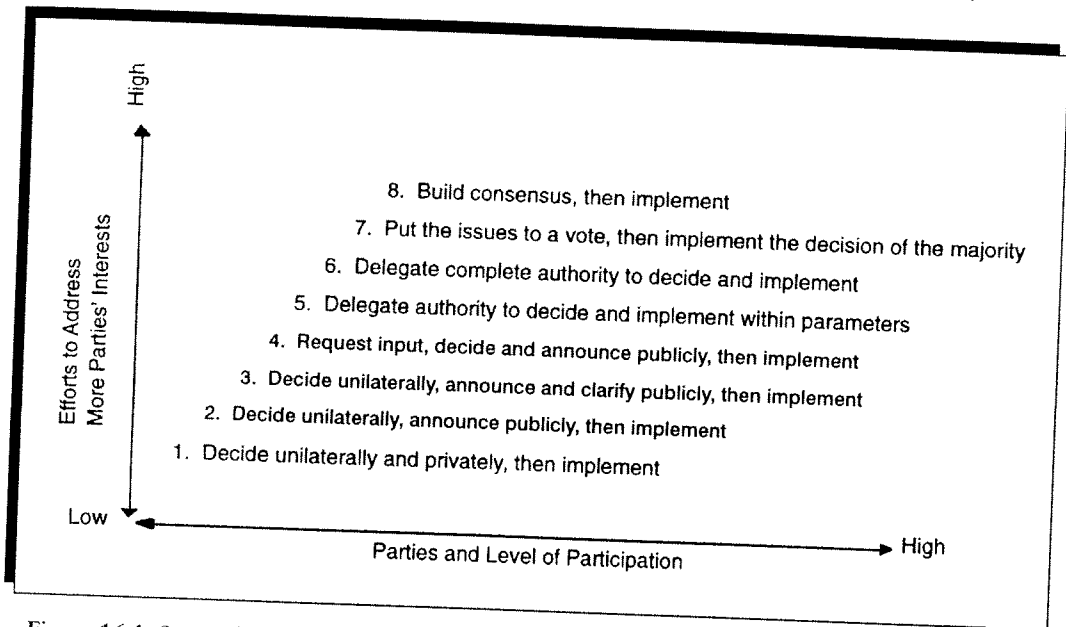


Figure 16.1 Stepped Sequence of Decision-Making Processes  
SOURCE: Adapted from Doyle and Straus (1982).

tional problem solving. For another description of consensus-based decision making in an organization, see the God's Fellowship Community Church case in this volume (Case 16). In that example, a congregation worked together to determine how to regroup and move on after its pastor was forced to resign.

Organizations use a range of decision-making processes to address organizational problems. Figure 16.1 shows these processes in a stepped sequence that indicates the number of parties involved in decision making, the level and type of involvement, and the degree to which multiple interests are addressed.

### *Steps 1-3: Unilateral Decision Making*

The first three procedures in Figure 16.1 are used by leaders or managers who act unilaterally, that is, without seeking input or approval from others. In all three cases, the person in charge makes the decision. But at each successive step, the person provides affected parties with increasingly more information about the issues and decision rationale, thereby enhancing the probability that the decision will be well received. Unilateral

decision making is effective only when a decision maker has widely recognized or formally mandated authority to decide, a decision does not require significant input or support from affected parties, necessary information is available to make an informed decision, and those affected by a decision will readily comply with it. When these factors are missing, unilateral decision making may lead to new problems or conflicts.

#### *Step 4: Request Input*

A decision maker may choose to request information or advice before making a decision. Many mechanisms are available for seeking input, including informal meetings, focus groups, questionnaires, interviews, or simple requests for ideas. With more information from more sources, a decision maker can consider the perspectives of multiple parties, which increases the level of ownership those parties may feel about a final decision. Thus, this process is effective when a decision maker wants to maintain final authority, but feels that additional information will improve the quality and acceptability of the outcome. This process is dangerous if leaders are not truly interested in other people's ideas and suggestions. If a leader seeks input and then ignores it, those who offered their thoughts will feel disappointed or even betrayed. The process is also not ideal if there are widely diverging opinions in an organization that cannot be reconciled by a command decision. When leaders invite the expression of strongly held views and then must issue a "ruling," they risk alienating the "losers."

#### *Steps 5-6: Delegated Authority*

When a decision maker delegates his or her authority, the number of people involved in decision making expands. For example, a CEO might create a task force made up of managers and employees to develop a new health insurance plan. The CEO might limit the authority of the task force to negotiating a new policy with an existing provider, or the CEO could permit the task force to consider other providers, solicit information about employee opinions and needs, and make a decision regarding the provider and plan. Delegated authority allows more interests to

be taken into consideration and increases stakeholders' sense of ownership of a decision. It also enables an organization to complete more tasks than can be handled by a single decision maker. Groups working under delegated authority run into trouble when their authority to decide is not clear (i.e., the parameters are not well-defined), their decision-making processes are inefficient, or those who granted them authority decide to take it away. Such groups can also encounter the same difficulty as a person making a decision with input, particularly if they solicit input, receive contradictory viewpoints, and then must make a decision they know will not meet everyone's interests.

### *Step 7: Voting*

Voting allows even more people concerned about an issue to participate in making a decision. Voting can be either binding or nonbinding. A nonbinding straw vote reveals the preferences of voters, but does not constitute a final decision, even if there is a clear majority in favor of one option. Groups may use a straw vote to find out where participants stand on an issue (and possibly why), so they can develop a more acceptable proposal that integrates more interests and gains wider support. A binding vote commits participants to implement the will of the majority.

Formal voting is a win-lose process in which the will of the majority is imposed on the minority. In a voting process, the majority does not have to address the interests of the minority once they have secured 51 percent of the votes. However, the win-lose impacts of voting can be mitigated by increasing the percentage of votes needed for a decision from a simple majority (51 percent) to two-thirds or higher. This decreases the number of people who must submit to a decision that they did not support. Many groups also minimize the adverse impacts of majority rule by avoiding voting until proposals meet as many participants' concerns as possible.

### *Step 8: Consensus Building*

In consensus building, people who will be affected by a decision work together to develop a solution that meets as many of their individual and collective interests as possible. This may

even require a group to consider the interests of stakeholders who cannot be physically present in the room, such as future generations. In well-managed consensus building processes, participants are often able to craft superior agreements. Rather than imposing the majority's solution on a minority that benefits little from it, these agreements advance elegant solutions that bring gain to all participants. When all participants (or at least an overwhelming majority) accept a package of proposed solutions, they have reached a consensus decision. As discussed in "A Short Guide to Consensus Building" earlier in this volume, consensus does not necessarily mean unanimity—after searching long and hard for ways to make an agreement acceptable to all, a group may decide that the interests of one or a few stakeholders cannot be met without leaving other stakeholders worse off. At this point, the group might decide to accept overwhelming support as its final result.

### *When to Use Consensus Building*

Consensus is not appropriate in all internal organizational decision-making situations. Experience shows that it is particularly effective in certain situations, such as when one or more of the following are true.

- *When no individual or group has the authority to make a unilateral decision, or when a unilateral decision-making process has failed.* At Alianza, powerful decision makers were present, but were unable to make and enforce a unilateral decision. Cultural differences inhibited the ability of employees to work together, and a decision maker could not simply command cooperation.
- *When no individual or group has adequate knowledge or information to make an informed or wise decision.* The Mexican and American employees at Alianza had to share information and assumptions before decisions could be made about how they would work together.
- *When highly divergent views must be reconciled to move forward.* Alianza employees had to discuss their differing views and work habits before they could develop new, mutually acceptable procedures for working together.

- *When unity among individuals in a team or organization is essential, or when a highly unpopular decision might lead to divisiveness.* To achieve the ambitious goals of the joint venture, Alianza needed to forge an effective multicultural team—which they could achieve only through consensus building.
- *When strong cooperation and support will be needed to implement an agreement.* Cooperation was fundamental to the resolution of cross-cultural tensions at Alianza. Implementation of new procedures would have been impossible without cooperation and support from both Mexican and American employees.
- *When decision makers are seeking an integrative and elegant decision.* Some leaders see themselves (or their organizations) as innovative, creative, even risk taking. Some may also perceive that business as usual will not move them forward or remove barriers to greater efficiency, competitiveness, or a more satisfied workforce. Traditional decision making cannot always generate innovative solutions, so other models for decision making and/or dispute resolution are needed—models that draw on the creativity of a wider group. As we will see in a case described later, Levi Strauss & Co. used consensus building to develop an improved conflict management system, in part because it took pride in being on the “cutting edge” when it came to employee satisfaction and productivity.

### *When Consensus Building Should Not Be Used*

“It would be wrong to conclude that consensus building is the best way to make all decisions in an organization.”

It would be wrong to conclude that consensus building is the best way to make all decisions in an organization. Leaders and managers should use a mix of the procedures listed in Figure 16.1, carefully considering when one procedure will be more effective than another. Consensus building procedures are not appropriate for all circumstances and probably should not be tried when one or more of the following situations exist.

- A decision has already been made, so a consensus building effort would be a sham.

- Adequate information is available or more input is not desired.
- Information collection will delay a decision without improving its quality, or additional data will only confuse or obscure a situation.
- It is clear that concerned parties can decide on their own.
- Crucial parties refuse to be involved in decision making, for whatever reason.
- An issue is not important enough to merit the time, energy, or expenditure of resources required to complete a consensus building process.

Consensus decision making requires a good-faith interest in the outcome of the process. If decision makers have already made a decision, going through the motions of consensus building will create discontent. Consensus also assumes that decisions can be improved through wider participation, because additional information or ideas can be incorporated. If the best and most creative ideas are already “on the table” and all of the relevant information is readily available, then little would be gained from a consensus process—unless the process might bridge divergent perspectives and build greater unity.

Consensus decision making also requires the inclusion of all organizational constituencies relevant to a particular decision. Some decisions will require the participation of all horizontal units (departments, divisions, etc.). For others, inclusion of vertical elements within the hierarchy will be more important. Some decisions will require both vertical and horizontal participation. For instance, a company might want to develop new policies regarding flexible schedules, maternity and paternity leave, and telecommuting. Since such policies could potentially affect all employees, a consensus building process would need to involve people from all units and all levels. In a union environment, a union might take the position that such policies involve fundamental conditions of work and might refuse to participate or demand reopening of contract negotiations. In that case, the company would have to determine how best to work with the union and, perhaps, whether and how to proceed without union involvement. In general, consensus building should not be used unless all appropriate constituencies are represented.

Consensus processes take time and effort. In most organizations, consensus building should be reserved for important, non-routine matters that warrant the expenditure of resources. Even organizations that place a high value on consensus decision making have had to learn when to use it and when to apply other decision-making methods.

### ■ *Consensus Building and Dispute Resolution Systems Design*

---

Now that we have seen how consensus building can be used in decision making, we will examine how it can be applied to help resolve disputes in organizations. Organizational leaders regularly face an array of conflicts: disputes between managers and nonmanagement employees; charges of discrimination and sexual harassment; disputes over the allocation of resources; and disputes with customers, neighbors, and regulatory agencies, among others. If poorly handled, these conflicts can generate significant costs for organizations, in terms of frustration, disappointment, poor performance, wasted time, a loss of creativity and productivity, a souring of relationships, and high employee turnover, not to mention the financial costs of attorneys hired to press or defend against lawsuits. Simply put, conflict affects an organization's bottom line.

Shrewd managers of large and small organizations are increasingly attempting to address the knotty problem of organizational conflict using an innovative approach called *dispute resolution systems design*. Dispute resolution systems design is a focused process for developing new or enhanced systems and procedures for dealing with a wide range of conflicts.<sup>4</sup> Consensus building may be used to design and develop broad-based support for new dispute resolution systems. In addition, the resulting systems themselves often incorporate consensus-based, voluntary conflict resolution processes, such as facilitation, mediation, and conciliation.

### *The Dilemmas of Organizational Dispute Resolution*

Some disputes within organizations are resolved well using traditional methods, such as grievances, appeal panels, and arbi-

tration. However, common problems with traditional dispute resolution systems include the following.

- Conflict resolution procedures, such as grievance processes, sometimes take too much time.
- Even the parties who “win” their disputes are often dissatisfied with the outcome.
- Many procedures do not provide any means for bringing parties face-to-face to address the real issues.
- In some cases, relationships among parties are actually worsened due to the dispute resolution process.
- No regular procedures exist for addressing certain kinds of conflict, such as interunit disputes or issues with customers, the public, or government agencies.
- People may refuse to use existing processes, because they consider them unfair, cumbersome, or likely to bring reprisals.
- At times, people overuse processes, overloading a system with grievances and causing a backlog of unresolved cases.
- Organizations lack ways to intervene in problems early and informally to prevent them from becoming difficult and protracted.
- Too many disputes escalate all the way to expensive adjudicatory processes, such as the use of arbitrators or law courts for resolution.

In two cases presented in this section, organizations engaged in dispute resolution systems design to develop new attitudes, skills, procedures, and structures for managing and resolving conflicts.<sup>5</sup>

*Case Example: The Saskatoon  
Correctional Centre*

CDR Associates was hired in 1994 to address a labor-management crisis following a strike at the Saskatoon Correctional Centre in Saskatchewan, Canada. CDR was asked to propose and implement a plan for improving the relationship between union

employees and management staff, about 200 people in total. The aim was for union and management to learn to work together in a more cooperative spirit, decrease tension, reduce the degree to which people felt they were working in a negative or hostile environment, create systems to handle grievances and other conflicts in a proactive and constructive manner, and resolve specific disputes. This effort came in the wake of a confidential report by an independent evaluator hired by the Canadian government to assess conditions at provincial prisons. The report identified a number of serious concerns with the system and focused on the Saskatoon Correctional Centre as exhibiting particularly egregious problems.

CDR staff made five trips to Saskatoon over a six-month period to work with the Centre's staff and management on dispute systems design, mediation of specific conflicts, and conflict management training. On the initial visit, the CDR team talked with union and management leadership and other staff to get a full picture of the issues that needed to be addressed. They also held "office hours," during which any staff member could unofficially and even anonymously talk with the CDR team. The issues identified through this process included the following.<sup>6</sup>

- A fundamental lack of trust between management and the union at all levels, but particularly at the leadership level
- A backlog of close to 200 grievances
- A lack of appropriate settings for regular communication between the union and management, as well as unclear decision-making processes
- A lack of skills and informal processes for basic conflict resolution, resulting in unnecessary escalation of conflicts into formal processes (such as grievances)
- A history of highly contentious interpersonal animosities, some escalating into physical violence
- A recent bitter strike

Also during this visit, CDR helped to establish a steering committee for the project. It was composed of four members appointed by management and four by the union's Stewards Council. All members took their task—to look after the health of

the entire institution, rather than to focus on their personal issues—very seriously and struggled to allot the time necessary to do the job well. Ultimately, the steering committee approved an intervention plan (developed with the CDR team), designed training programs and a new dispute system, negotiated the resolution of several key issues, provided frequent feedback to the CDR team, monitored the project's progress, and oversaw the implementation of recommendations that emerged.

The CDR team also worked closely with the highest-ranking union leader (the chief shop steward) and the prison's director, both individually and jointly, to improve their working relationship. The team helped them establish regular meetings, coached their communications, helped them clear up old tensions, and encouraged them to make agreements and follow through on them. As the relationships between their union and management constituencies improved, these two individuals found greater latitude for working together without being seen as betraying their group's interests.

A crucial element of the CDR intervention was working both to reduce the backlog of grievances and to redesign the overall system for resolving disputes within the prison. The team worked with representatives of union and management to review the backlogged cases one by one. They discovered that many involved overlapping and repeating issues regarding overtime, part-time staff, and seniority policies. In some cases, the labor and management representatives were able to come up with principles to guide decisions for a whole class of disputes (such as overtime) and then apply the principles to each appropriate case. CDR also directly mediated several difficult, long-standing cases that had become symbolic of the poor relationship between union and management. Although these cases involved only a few individuals directly, bringing the cases to closure provided a sense of hope that other problems could be addressed successfully.

To improve the overall working relationship between the union and management, CDR also facilitated a series of dialogues. They first worked separately on issues within the management team and within the Stewards Council. Subsequently, they facilitated joint meetings between the two groups. Over the six months, the participants in these meetings articulated a posi-

tive vision of the relationship both groups desired and worked together to solve problems.

The CDR team and the steering committee also worked on the system for resolving disputes. Essentially, the institution had only one mechanism for dealing with conflict: the formal grievance system defined by the union contract. This system was time-consuming, cumbersome, bureaucratic, and tended to escalate rapidly to arbitration. There were no regular means for union and management to address issues of interpretation of the contract or policy issues that fell outside the contract. Steering committee members identified aspects of the existing dispute resolution system that were working well and those that were not, and they generated ideas for improvement. Over several months, the group put together a proposal for a new conflict resolution system that encouraged people to resolve disputes quickly and at the lowest appropriate level.

The proposed system included an informal and voluntary mediation option, using mediators from the community, as well as a process for initiating an investigation or fact-finding procedure, again using outside neutrals. If parties chose to enter mediation, they did not lose their right to pursue a formal grievance at a later time. The steering committee was to oversee implementation of the new components, monitor the effectiveness of the system, and make recommendations for improvements over time.

The steering committee recognized that even with better systems, prison personnel lacked the skills for dealing with conflicts on a day-to-day basis. The first step in the new dispute resolution system called for "do-it-yourself" negotiation. If all employees could learn basic negotiation skills, they might be able to resolve most issues informally, without having to engage the formal conflict resolution system. In response to this perceived need, CDR provided a two-day basic conflict resolution course for all 200 prison employees.

At the end of the project, the steering committee decided that they should continue to work together on a regular basis to monitor relationships among union and management, oversee the new dispute resolution system, and provide a forum in which systemic sources of conflict could be identified and discussed. The

steering committee also agreed to (1) provide information to all staff and management about activities designed to meet the goals of the project and (2) make recommendations for other activities that would promote and maintain constructive working relations at the prison.

### *Case Example: Levi Strauss & Company*<sup>7</sup>

Levi Strauss & Co. has long been recognized as a company that tries to create a positive and productive work environment. As a means for advancing the goals in its business plan related to employee satisfaction and productivity, Levi Strauss initiated a dispute resolution systems design project. Its purpose was to develop new ways to address employee concerns, resolve disputes between peers and between employees and managers, and enhance the productivity of facilities. To develop broad support for the new dispute resolution system, the company engaged in an effort to build consensus among major constituencies within the company on the design of the system.

The first steps in the design process involved conceptualizing the project, identifying the organizational needs it would meet, and building support among senior management for the effort. A senior attorney in the company's legal department initiated these activities, drawing on her understanding of the personnel issues in the company and her experience with voluntary, collaborative methods of dispute resolution.

After senior management gave the go-ahead, coordination of the project shifted to a design team composed of managers and workers from all levels and numerous functional units within the company. The design team initiated a companywide conflict assessment, which identified major personnel issues and disputes within the organization, evaluated existing conflict resolution procedures, analyzed problems with these procedures, and compiled concerns voiced by employees about new procedures. A benchmark study of best practices in dispute resolution implemented by other companies was also conducted.

Upon completion of the assessment, the design team set out to build consensus on a new dispute resolution system. It ultimately developed a system that involved a four-step approach to resolving employee disputes.

- *Level 1:* Encourage direct negotiation or problem solving between the parties.
- *Level 2:* Provide coaching assistance for one or more parties from a Levi Strauss employee trained in conflict resolution strategies and skills, followed by a second round of unassisted negotiations.
- *Level 3:* Offer mediation by a trained, internal Levi Strauss mediator or mediation team, or an external mediator.
- *Level 4:* Provide arbitration by an external neutral who is acceptable to all parties.

To implement the new system, the design team created an implementation team. The implementation team, a diverse, cross-functional group like the design team, identified a set of pilot sites at which the new procedures could be tested. The pilot sites included a clothing design group in the company's headquarters, a sales office in New York, a sewing plant in Texas, and a finishing facility in Texas. Representatives of the pilot groups were brought together in a "pilot council," to ensure consistency between the sites. Coordination teams, composed of both managers and workers, were also established at each pilot site. All of these teams operated by consensus and were facilitated by group members. During this time, approximately 50 employees, from both management and labor, were trained at each site to be conflict management coaches, mediators, or trainers.

External consultants were used at various stages throughout the design and pilot implementation process. They helped the internal groups conduct the conflict assessment and benchmark study, consulted with the design team on the design of the system, developed educational and training materials to promote it, trained personnel in a range of cooperative conflict management procedures and skills during the pilot projects' implementation, developed an in-house training-for-trainers program, and acted as troubleshooters to address difficult problems.

Due to serious economic difficulties, Levi Strauss & Co. has recently reorganized its corporate structure and closed 13 plants, which has hampered full implementation of the dispute resolution system. Nonetheless, the effort has resulted in observable improvements in the way employees handle workplace conflicts and the resolution of a number of individual workplace disputes.

### *The Steps and Stages of Dispute Resolution Systems Design*

“The best way to garner support for a new system is to provide for broad participation in its design.”

For new dispute resolution procedures to succeed, they must enjoy the support of all potential users. The users must consider the new system fair, timely, and efficient. The best way to garner support for a new system is to provide for broad participation in its design—that is, to build consensus. The consensus building processes undertaken at Levi Strauss and the Saskatoon prison ultimately enabled those organizations to, in some degree, transform employees’ relationships from conflictual to collaborative, develop common vision, and construct procedures that could be used to address current and future disputes. We will now examine the seven typical steps in a consensus building process used to design a new dispute resolution system.

It is important to note, however, that not all design or redesign processes follow these steps. In some cases, an organization will simply want to add a dispute resolution method, such as mediation, to a traditional grievance process. Since a major redesign is not required in that case, a brief consultative process may be sufficient. Smaller organizations may also be able to design dispute resolution processes in a less formal manner. For instance, when CDR Associates developed internal dispute resolution procedures, one of the senior staff drafted a new dispute resolution policy, circulated it to all staff for comments, revised it based on the feedback, and took a final draft to the full staff for approval. The more elaborate steps below are appropriate for larger, more complex organizations or institutions in which low levels of trust between managers and employees may require more deliberate and transparent efforts.

#### *Starting the Initiative and Bringing on a Consultant*

Dispute resolution systems design projects start somewhere and with someone. In many organizations, the effort is initiated by the legal department, since attorneys there may be aware of increasing legal costs from the use of arbitration and lawsuits to resolve personnel issues. The human resources department may also be active at this early stage.

At Levi Strauss, a senior lawyer, in consultation with senior management, got the process started. At the Saskatoon Correctional Centre, the initiative came from Saskatchewan province-level organizations above the centre. Key individuals at that level recognized that the prison was in need of external assistance. A provincial official and a provincial union leader jointly approached the prison director and the chief shop steward to explore options, and also solicited a proposal from CDR Associates (whom they knew from previous work in the province).

In the two cases, the parties who first catalyzed the efforts took initiative only after securing at least minimal support from senior management or, in the case of the union, approval from both officers and opinion leaders in the union. All stakeholders do not have to support a dispute resolution systems design initiative, but a critical mass of interested parties is needed for it to succeed. More than one initiative has failed because it was the brainchild of only one senior leader who did not build a constituency for the process. The role of the initiators in the two cases, however, differed tremendously once the process was launched. At Saskatoon, the director and chief shop steward remained integrally involved, both as individuals and as members of the steering committee. At Levi Strauss, the attorney stepped aside and an internal consultant from the organizational development department facilitated the diagnosis and design team meetings, where most of the initial work was accomplished.

#### *Building the Design Team and Making an Intervention Plan*

To manage a dispute resolution systems design initiative, many organizations form a *design team*, *steering committee*, *advisory group*, or *process design committee*. This group generally includes 5 to 10 representative stakeholders from throughout an organization, including all levels and functional units (e.g., departments or divisions). Design team members may be appointed by senior leadership or chosen by a constituency group (as in the Saskatoon case) or may be nominees or volunteers (as in the Levi Strauss case). It is better for a group to manage the process than an individual, because a group has more cumulative knowledge and will ensure that multiple viewpoints are considered. To be effective, design team members should

- enjoy the respect of their peers and constituencies and be articulate about their interests;
- collectively represent all parties who might have an interest in or use the system;
- be comfortable talking with people from different backgrounds, positions, and levels in the organization;
- be willing to strive for consensus decisions that will benefit the whole organization, not solely the interests of a particular group;
- have the authority to make recommendations or decisions; and
- be able to gain the support of their constituencies for agreements reached.

The responsibilities, authority, and reporting relationships of design teams are established in various ways. Sometimes they are defined by senior leaders in an organization, as at Levi Strauss. Other groups jointly negotiate their responsibilities, as in the Saskatchewan case. Some design teams receive a mandate from another group, such as a board of directors. Design teams can play a number of roles. They may act as

- sounding boards, listening to the views of groups and individuals;
- catalysts or door-openers, maintaining contact with key groups within an organization throughout a process, particularly for garnering support;
- situation assessors, collecting and analyzing information about existing systems;
- systems designers, choosing among dispute resolution procedures and organizing them into a comprehensive system;
- strategists, particularly considering how to build organizational consensus; and
- implementers of new systems.

It is important to define the roles and authority of a design team early in a process, so members understand what they are expected to do. At the same time, individuals and groups outside of the team should understand how the process will work, how final

decisions will be made, and how they can provide their ideas and perspectives.

Design team members may change at different stages during a consensus building process. At Levi Strauss, people joined or left the design team during the design and planning stages of the process as the tasks and focus changed. However, enough members served throughout the process to preserve institutional memory and continuity.

The design team needs clarity about its tasks and how it will function internally. Once formed, design team members must define their overall goal and what success will look like; specify how they will make decisions; identify available information about procedures for resolving disputes, additional information needed, and ways to obtain it; perform a facilitative role within various units or constituencies, opening doors and overcoming barriers to completion of the design process; clarify the roles and responsibilities of internal and external consultants; and establish a project time line.

### *Diagnosing the Current Conflict Management System*

A design team must conduct or arrange for an assessment of current dispute-handling processes. The assessment usually consists of two essential activities: information gathering and analysis. The goal of the assessment is to inventory existing systems, procedures, and personnel; evaluate how well systems are working; identify problem areas or conflict types that are not addressed at all; and clarify what changes, corrections, or additions might be desirable to achieve organizational goals. For instance, the assessment might reveal that existing systems handle conflicts between supervisors and employees well, but that there is no forum for addressing disputes between managers.

Design team members may collect information themselves, or they may ask a subgroup or internal consultant to do it. At times, a design team may ask an external consultant to conduct interviews, focus groups, or other types of surveys. At Levi Strauss, assessment tasks were shared among design team members and internal and external consultants. At Saskatoon, the external consultants collected a great deal of data and then brought it to the steering committee for discussion.

The procedures used to collect information vary. Levi Strauss, with its widely dispersed and diverse workforce, used questionnaires and focus groups. At Saskatoon, the CDR team used individual interviews, separate meetings with labor and management groups, joint labor-management discussions, and facilitated discussions within the steering committee. The process used must fit the culture of the organization (i.e., formal/informal, written/oral, personal/impersonal, face-to-face/anonymous), be trusted by employees, and produce accurate data about the current state of the organization.

Once data have been collected, the design team should review them, discuss themes, assess current strengths and weaknesses, identify the kinds of disputes to be addressed, clarify what needs to be changed, and build a consensus within the team concerning next steps. At this point, a group might forward its analysis to senior leadership, or, if they have the authority, proceed to the design stage. At Levi Strauss, the group held multiple consultations with leadership and constituencies outside of the design team, to build support and consensus, before proceeding with process design.

#### *Designing a New System or Revamping an Existing One*

Once a design team has assessed the merits and problems of existing dispute resolution procedures, it is time to revise these procedures or create new ones. At this stage, dispute systems design consultants may prove very helpful, particularly because they can provide information about process options and the experience of other organizations. Both Levi Strauss and the Saskatoon Correctional Centre used the services of external consultants at this stage.

To begin the design process, a group should review the range of procedural options for resolving conflicts. Such procedures may either prevent or mitigate unnecessary or destructive conflicts, or manage and resolve them when they do arise (Moore, 1996a). Some of the conflict intervention procedures that are often considered are identified in Table 16.1 (from Moore, Delli Priscoli, Mayer, Wildau, & Smart, 1996).<sup>8</sup> The consultant should describe the uses of the procedures, outline their merits and

weaknesses, explore potential applications, detail how they have been used by other organizations, and facilitate a discussion on the appropriateness of specific procedures for addressing problems and needs of the organization. Once design team members understand the range of procedures available to them, they must make appropriate choices and combine them in a system—often a sequence of steps.

Increasingly, companies, organizations, and agencies are choosing measures that anticipate the emergence of costly disputes and try to resolve them before they escalate. Procedures on the left side of Table 16.1, for example, include preventive, early, cooperative, and voluntary means for dispute resolution. These procedures aim to handle disputes in a timely and efficient manner and to assist parties in arriving at consensual decisions. (When an organization uses a consensus building process for designing and approving a new dispute resolution system, the result is often an increased use of consensus-based procedures for handling conflicts.)

The four-step approach developed at Levi Strauss emphasizes preventive and early resolution elements, including employee orientation sessions on cooperative conflict resolution expectations and procedures, a handle-it-yourself conflict resolution brochure, and call-in information lines. The system also includes cooperative dispute resolution procedures such as negotiation, employee coaching by peers trained in conflict analysis and resolution, and in-house mediation. Arbitration is provided as a last resort, but the company hopes that fewer than half a percent of all disputes will reach this step.

At the Saskatoon prison, the new elements were all early, informal, and voluntary procedures: better conflict resolution skills to encourage do-it-yourself negotiation, mediation, and investigation. The steering committee hoped that these measures would help prevent the filing of formal grievances. Although they did not revise the grievance process itself, they did provide a mechanism for reverting to mediation if both parties agreed.

### *Developing Support for the New System*

Once a design team has reached a tentative agreement on new or enhanced procedures, it must take its proposals up to senior

TABLE 16.1 A Continuum of Alternative Dispute Resolution Procedures

<i>Cooperative Decision Making</i>	<i>Neutral-Party Assistance with Negotiations or Cooperative Problem Solving</i>			<i>Neutral-Party Decision Making</i>	
	<i>Relationship-Building Assistance</i>	<i>Procedural Assistance</i>	<i>Substantive Assistance</i>	<i>Advisory Nonbinding Assistance</i>	<i>Binding Assistance</i>
<i>Parties Are Unassisted</i>					
Conciliation	Counseling or therapy	Coaching/process consultation	Early neutral evaluation	Nonbinding arbitration	Binding arbitration
Information exchange meetings	Conciliation	Training	Minitrial	Summary jury trial	Med-arb
Cooperative/collaborative problem solving	Team building	Chairperson	Technical advisory boards/disputes panels	Advisory mediation	Mediation—then arbitration
	Informal social activities	Ombudsperson	Fact-finding	Private courts/judging	
Negotiations		Facilitation	Settlement conference		
		Mediation			

SOURCE: From Moore, Delli Priscoli, Mayer, Wildau, and Smart (1996).

NOTE: See note 8 in the text for explanation of the terms.

leaders, across to peers, and down to subordinates to get their input, additional concerns, suggestions for revisions or improvements, and ultimately, approval. This consensus building process may involve the preparation of memos, pamphlets, and draft concept papers; one-on-one conversations; small discussion groups; formal presentations; or large-scale meetings. The goal is to gain support for the design and build commitment to the proposed changes at all levels.

In Saskatoon, the new dispute system evolved over several months, providing ample opportunity for labor and management members of the steering committee to discuss the proposed changes with their respective constituencies. As a result, the proposal went through several iterations before the group agreed on a plan and implementation process. Levi Strauss built consensus by holding meetings between senior management and the design team, conducting small informal meetings on the plant floor at several facilities, and establishing local implementation teams.

At this point, resistance to change often surfaces. Some individuals or whole departments may feel threatened. For instance, the establishment of an ombuds office reporting directly to the CEO may be threatening to the human resources department. Or the legal department may fear a loss of control as more issues are handled through mediation. Union leadership may feel comfortable with traditional grievance procedures and resist change to less adversarial approaches. A design team must devise strategies for addressing these concerns. In some cases, one-on-one meetings with uneasy individuals will allay fears. In others, the group may need to renegotiate components of the proposed system to build a stronger organizational consensus.

### *Implementing the New System*

The design team must now make detailed plans regarding adequate staffing to implement the program, assignment of responsibilities, and a time line and mileposts for activities to be initiated and completed. Typical tasks include case intake and screening, referral mechanisms, and a method for assigning cases to mediators. Implementation may also involve training people who will operate the new system, potential users, and in-house

service providers. At the Saskatoon prison, the training program for all employees was a key component of implementation. In addition, the steering committee clarified its ongoing oversight role and developed a pool of external mediators.

Because implementation involved different tasks than the design process, Levi Strauss set up a new national-level implementation team and local coordination teams, composed of both managers and employees, at each facility where the project was introduced. These teams briefed all employees about the new procedures, arranged for half-day conflict resolution training programs, identified prospective coaches who could advise employees on constructive resolution strategies, and identified prospective in-house mediators and mediator trainers. Coaches, conflict resolution trainers, and mediators, drawn from both employees and management, participated in a 40-hour mediation and conflict management training program to prepare them to work with fellow employees. Case intake and referral systems, quality control mechanisms, and supervisory systems were also established.

### *Operating the New System*

This stage involves ensuring that a dispute handling system functions smoothly and implementation problems are corrected. It also involves identifying, assessing, and addressing problems and disputes in the organization. At Levi Strauss, operations were managed largely by facility-based, management-employee coordination teams and dispute resolution coordinators. The teams took responsibility for overall policies and oversight of the initiative. The coordinators managed the intake of personnel cases and the assignment of coaches and mediators and generally supervised the mediation process. At one of the early training sessions at a blue jeans finishing facility, employees used the cooperative problem-solving skills they had just learned to resolve a problem in the finishing process that had plagued the company for years.

Dispute resolution systems are an important aspect of organizational life, since they help shape how people communicate with each other and work to handle their differences. For this

reason, dispute resolution systems design processes are prime candidates for the use of consensus building procedures.

### ■ *Roles of Leaders and Managers in Consensus Building*

---

Managers play a powerful role in initiating, supporting, and sustaining consensus building efforts in modern organizations. Since this role is new for many managers, they have often been required to learn new skills so that they can succeed. Since the 1960s, especially in North America, managers have adopted more collaborative styles of leadership that engage people from multiple levels of an organizations in vision building, goal setting, program development, and day-to-day decision making. This new concept of management has been called *facilitative leadership*.<sup>9</sup> This shift preceded, and now runs parallel to, the development of collaborative, consensus-based approaches to management.

In fact, leadership roles at *all* levels of organizations are changing, particularly as consensus-based procedures are implemented for decision making and dispute resolution. Leading is no longer an exclusive function of those above; people also lead from below. “Facilitative leaders” may be found at all levels of an organization. So, while many collaborative decision-making and dispute systems design processes are initiated from above, leadership often then shifts to midlevel managers and other staff lower in an organization. In fact, broad participation and ownership by multiple levels within an organization are critical for success.

The dispute systems design initiative of Levi Strauss illustrates this well. Although the project was initiated by the legal department, the design team included managers and staff from diverse levels and units within the organization. The opinions of floor employees and managers were valued equally—because the ultimate plan had to be acceptable to all potential users.

Facilitative leadership does not arise only from inside of organizations. At Levi Strauss and Saskatoon, one or more external consultants provided systems advice, procedural options, and, when requested, facilitation assistance, as part of the effort to build consensus.

### *Functions of Facilitative Leaders in Consensus Building*

What do facilitative leaders—whether from inside or outside of organizations—do to help groups build consensus? We have identified 11 key roles that facilitative leaders perform in consensus building processes. We will examine each of these briefly.

1. *Process visionary.* Leaders are typically accepted as substantive visionaries who set specific goals for an organization. A less common function is that of a process visionary or *conceptualizer*. The leader as process visionary offers general goals, such as a more cooperative work environment, greater ownership of the way work is done, or increased voluntary settlement of disputes. These leaders then develop a vision of a process that can be used to move people in that direction. In the cases described, key leaders in management, the union, and the legal department suggested procedures for involving a cross section of the organization in consensus building.
2. *Champion.* Champions hold positions of both formal and informal authority and are advocates for new approaches (Kanter, 1983). As respected individuals, they are able to get others involved, marshal resources, and build support for new initiatives. In the Levi Strauss case, various members of the design team played the role of champion to build support for the initiative at different stages.
3. *Convenor.* In the convening role, leaders assess a problem and bring together the right people to address it. Convening is a critical task in a consensus decision-making or dispute systems design process, because the right people must participate or the process will fail to address the concerns and interests of all parties, and implementation will be at risk due to lack of support. The convenor generally holds a formal position of authority. At Alianza, the convenor was the senior manager in charge of marketing.
4. *Educator.* In this function, the leader educates peers, subordinates, and superiors about the task at hand, be it collaborative decision making or dispute systems design. In each of the

cases described, leaders from all levels helped to educate their colleagues about consensus building, the interests of various groups within the organization, and potential procedures that might address these interests. Leaders external to the organization, such as consultants, also play an important role as educators, especially in presenting procedural options for resolving disputes or building agreements.

5. *Facilitator.* Facilitators assist in group problem solving by promoting effective communication among participants, encouraging the exchange of information, and articulating emerging consensus decisions. Leaders may facilitate meetings or may simply participate as group members who offer procedural suggestions concerning how the group can better accomplish its task. Facilitative leaders may also recognize the need for external facilitation assistance, help secure group commitment for it, and recruit and select a facilitator. External facilitators are process experts who do not have a substantive stake in any specific outcome or solution. As an impartial and skilled resource, they can often design and conduct successful problem-solving procedures to address even the thorniest issues. External facilitators were used in each of the cases above. In addition, Levi Strauss used internal facilitators.

6. *Coach and trainer.* The facilitative leader informally coaches group participants to improve their performance or conducts formal training sessions to impart necessary skills and procedures. Most of the cases cited above included a training or coaching component, often conducted by an external consultant with appropriate skills. At Alianza, consultants presented training modules on cross-cultural communication and problem solving. In the Saskatoon and Levi Strauss cases, consultants presented formal training programs on collaborative negotiation procedures, the mediation process, conflict resolution strategies and coaching, and training-for-trainers.

7. *Troubleshooter.* Most consensus building initiatives include at least one major hurdle or glitch that is hard for the consensus building group to overcome without the assistance of a powerful facilitative leader. A leader might have to address such problems as the refusal of key persons in the organization to support a consensus building process, unexpected shifts in per-

sonnel or resources, internal group dissension, or significant changes in the external environment.

8. *Salesperson.* In a role similar to the champion, a salesperson “markets” consensus proposals to others in the organization (such as other senior- and midlevel managers) to gain support for implementation. Facilitative leaders may also oversee the “sales” activities of other group members. This role is important because the success or failure of a consensus building process often hinges on the active support of respected leaders and people in authority. For example, at Levi Strauss, the CEO hosted a special reception for the members of the dispute resolution systems design team, at which he expressed his strong support for the initiative. His visible endorsement of the process helped sell it to others in the organization.

9. *Incentive provider.* People participate most enthusiastically in consensus building when they feel there is something in it for them. Those taking active roles in a design team or guiding a decision-making process need tangible benefits. Important incentives include the satisfaction that a new procedure effectively meets individual or organizational needs, the enjoyment of working successfully with other group members, public recognition, opportunities for advancement, or other more tangible rewards. Facilitative leaders often provide incentives that encourage top-level performance. At Levi Strauss, managers publicly recognized the contribution of individuals and teams at the end of each phase of the project.

10. *Project manager.* In every successful consensus building project, someone, or a small group, acts as project manager: coordinating team activities, making sure everything runs smoothly, and seeing that a group accomplishes its task. A facilitative leader often performs this role.

11. *Decision-making group member or design team member.* At initial meetings, a facilitative leader may help to define the mandate of a group and identify parameters for decision making. After that, a leader often becomes a full and equal participant in a consensus building process, either to represent a specific group of interests or to voice personal concerns. This participation

requires a leader to put his or her decision-making authority aside to allow group consensus building to occur. However, he or she may continue to voice opinions and be an advocate for individual views or interests. In each of the cases described in this chapter, senior managers participated as group members and helped the groups arrive at mutually acceptable decisions that satisfied the interests of stakeholders at all levels in the organization.

### *Problems, Barriers, and Dilemmas in Consensus Building*

People often express concerns about the desirability of undertaking a consensus building initiative. This section provides answers to some of the most common questions and concerns regarding the use of consensus-based methods inside organizations.

#### *Questions and Concerns of Senior- and Midlevel Managers*

*“Isn’t decision making my job?” and “Do I lose my authority if I agree to participate in consensus building processes to make decisions or resolve disputes?”* Final approval of all major decisions usually rests with the chief executive of an organization, or with other managers to whom decision-making authority has been delegated. However, more creative, effective, and acceptable proposals can often be developed by representative groups. These recommendations can then be submitted to senior decision makers for consideration and, potentially, approval and implementation. Consensus building is designed to enhance the quality and acceptability of a decision, not to overturn organizational authority to make final decisions.

*“What happens if I don’t like the outcome of a collaborative problem-solving process? Do I have to accept it and live with it?”* In consensus building, every participant, including leaders and managers, has an opportunity to voice opinions and advocate for interests. For consensus to be reached, all opinions must be considered and all interests satisfied to the greatest extent possible. It is management’s responsibility to articulate its interests clearly to ensure that the outcome will address those interests. If

all key interests are not met (including management's), there will be no consensus for managers to accept or reject.

*“Doesn't consensus building take a lot of time? We can't do consensus building on every issue or we will never make any decisions.”* Consensus building is not appropriate for all decisions—only those that meet the criteria in the section “When to Use Consensus Building” earlier in this chapter. Any comprehensive decision-making process takes time, and consensus building does too. Most decisions have a decision-making phase, a selling or persuading phase (in which support is solicited from those affected by a decision), and an implementation phase. Command decisions may be made quickly, but often take a long time to implement because people affected by the decision, or those who must assist with implementation, must be convinced to support it. Consensus decision making may have a longer decision-making phase, but the selling and implementation phases are frequently shorter, because support is developed during decision making and does not have to be sought later. So, in the long run, consensus building may be more efficient and rapid than command decisions.

*“How can we involve subordinates when they do not understand the big picture and do not have the expertise needed to make an informed decision?”* Managers should involve people in a consensus decision process who have an interest or stake in the outcome—or who are in a position to block implementation. Participants do not have to have specific expertise on the issues in question. Consensus building is a mutual education process in which participants share information; therefore, all parties generally gain a more complete grasp of the issues during the process. Although people lower in organizations may not perceive the big picture in the same way as senior executives, they usually understand one or more components of the problem—often better than their superiors. Securing input from all levels of an organization helps to create a wiser, better, and more acceptable decision than if participation and insights from any significant part of the organization are excluded.

*“Can I initiate a consensus building process without gaining the support of my superiors?”* Ideally, a consensus building process should enjoy at least minimal support from all levels in an organization before proceeding. With this support, all participants are more likely to accept the outcome. Midlevel managers who initiate such a process should clarify the merits of shared decision making with both superiors and subordinates and make efforts to secure the support of champions from all levels before beginning.

“Initiating and supporting a consensus building process is not an abdication of responsibility.”

*“Won’t my superiors see consensus building as an abdication of my responsibilities?”* The responsibility of leaders is to guide good decision making within their organization—whether by making a decision themselves or promoting wise decision making by others. If a manager initiates and supports a consensus building process, this is not an abdication of responsibility. It may, in fact, be the wisest course of action. In addition, a skilled proponent of consensus will not erode his or her power. Rather, others in the organization will come to recognize the leadership and power associated with adept consensus building as a different source of authority—not power *over* others but power *with* others.

*“Should we hire an external consultant to help guide our decision making or dispute systems design process? Will it really be worth the effort or money?”* Expertise in conducting consensus building with large numbers of people, in developing consensus decision-making procedures, and/or in dispute systems design is rare among personnel in most corporations, government agencies, and nonprofit organizations. This is especially true in organizations without a history of shared decision making. Consultants with expertise in consensus building can be of significant assistance to organizations—with resulting time and cost savings—because they are familiar with approaches and procedures that are likely to succeed. External assistance can often speed up a decision-making process and lead to more rapid implementation. After an organization learns new ways of making decisions or successfully implements new systems, external consultants are typically no longer needed.

*Concerns of Employees and Unions*

Reservations about consensus building processes are not the exclusive domain of managers; union members and other non-management employees may also have concerns and questions.

*“If we participate in a consensus building process, aren’t we just doing management’s job without being recognized or paid to do so?”* Union members and other employees participate in consensus building processes to exert influence on the outcome of critical issues in an organization. By participating, employees are not doing management’s job; rather, they are shaping decision making by promoting their concerns and interests directly. Although employees are not usually paid extra to participate in consensus building, they may receive benefits such as public recognition; increased status in an organization, employee association, or union; and/or opportunities for professional enrichment.

*“How can we trust that management will respect our views and ensure that we are not expending a lot of energy for nothing?”* There is no guarantee that management will accept the results of a consensus process. However, if management has given initial approval for a process, a representative group has reached a consensus agreement or recommendation, and the group has considered the interests of managers, it is highly likely that management will accept and implement the decision or recommendations. When management rejects a consensus recommendation, managers jeopardize their credibility as advocates for or participants in future cooperative efforts.

*“Won’t the direct involvement of employees in a consensus building process weaken the role of the union as the representative of the employees?”* Employee involvement in consensus building does not necessarily weaken the role of unions. In fact, joint decision making provides opportunities for unions to engage with management in decision making far beyond what is possible in collective bargaining and contract administration meetings. Consensus building in a unionized setting should involve union officials and other informal union leaders, to ensure that all views are heard and that employees approve agreements.

Typically, collective bargaining agreements include provisions regarding the handling of grievances. In unionized settings, therefore, the procedures described previously regarding the design of dispute resolution systems must include strong union participation and buy-in. At times, by joint union-management agreement, new procedures can be defined as supplementary to the contract to avoid opening contract negotiations. If the new procedures are successful, the groups can decide if they want to include them in the next full round of contract talks. Similarly, many labor-management contracts now include provisions for labor-management councils, which take a variety of forms. These councils can serve as consensus building mechanisms, functioning much as the steering committee did in the Saskatoon case.

*“How can we use consensus building in the context of unequal negotiating power or influence?”* Consensus building is a process that attempts to satisfy the interests of *all* involved parties and not just those of the most powerful party. In consensus-based decision making, all parties are encouraged to advocate for their interests, listen to the interests of others, and seek solutions that address and satisfy as many of those interests as possible. Although managers and other employees may command different amounts and sources of power (and consensus building does not change that), the consensus building process provides an opportunity for educating others about everyone’s concerns—an opportunity that would not normally be available to a weaker party. Groups that feel they have little power at the beginning of a consensus process are often pleasantly surprised by both the process and outcome. They find not only that others listen to them but also that their interests are seen as legitimate and are addressed in final agreements or recommendations. Moreover, power is dynamic in consensus building. When seemingly weaker parties prepare well and make good proposals, they can increase their power in a negotiation.

#### *Other Problems and Concerns*

*“How can consensus building be introduced in an organization with a long history of hierarchical and top-down decision making?”* An organization with a history of top-down decision making may find it more difficult to introduce consensus-based

procedures. However, numerous organizations with these traditions have successfully implemented consensus programs. In general, the transition often occurs because management has discovered that top-down decision making (at least on a specific issue in question) has not resulted in desirable outcomes and that a new approach is needed. Hierarchical organizations often try consensus building on a case-by-case basis, with a narrow mandate for a decision-making group. Usually, they attempt the process on less critical problems first, and then expand its use to more important issues once it has proven successful.

*"An existing issue or conflict is so serious that development of new consensus-based procedures is not possible at this time. What should we do?"* Organizations that are embroiled in serious conflict often find it difficult to develop new dispute-handling systems or to institute new decision-making procedures. In such cases, the organization is advised to address the conflict first—possibly using consensus-based processes, such as mediation—and then develop more institution-wide procedures. The Saskatoon case illustrates this well. The union and management leadership, with assistance from the CDR team, worked on their relationship and on outstanding grievances before tackling larger policy issues.

### ■ *Conclusion*

---

The cases cited in this chapter show that consensus building can help to achieve significant organizational change. Consensus-based decision making can result in decisions that are better, more fully supported, and more easily implemented than top-down decisions. The use of consensus processes to design dispute resolution systems results in problem-solving procedures that effectively handle all kinds of disputes, whether they are programmatic, intra- or interdepartmental, labor-management, or personnel related. The systems often emphasize and use consensus-based dispute resolution procedures, such as negotiation, peer coaching, facilitation, and mediation, in contrast to more traditional systems developed through top-down decision making. Successful implementation of a consensus building process can be greatly enhanced by the active involvement of people in leadership positions. Such leadership is not confined to the highest levels;

those who lead from the middle and from below provide crucial energy and creativity for building broad consensus on new approaches and systems that meet the challenges of the modern organization.

### ■ Notes

---

1. The case of Kate Morgan and People for People is hypothetical, although it is loosely based on a composite of real situations.

2. In a joint venture, two or more companies engage in an economic enterprise together, and each provides investment capital, human resources, and/or intellectual capital.

3. Although we have drawn on the experience of CDR Associates in writing this chapter, most (if not all) firms working in dispute resolution could recount similar experiences. Several other consulting firms worked on portions of the consensus building, decision making, and dispute systems design projects in the Saskatchewan and Levi Strauss cases presented in the second section of the chapter.

4. Other excellent sources of information on designing dispute resolution systems within organizations include the 1988 book by Ury, Brett, and Goldberg called *Getting Disputes Resolved* and a 1996 volume by Costantino and Merchant titled *Designing Conflict Management Systems*.

5. All three cases described in this chapter involve fairly large organizations. While the degree of complexity and difficulty may be less in smaller organizations, the same general principles apply.

6. Note that all of these problems concern the staff and management of the prison; issues regarding prisoners were not included.

7. For an expanded discussion of the Levi Strauss experience, see Case 17.

8. Many of the terms in this table are self-explanatory or defined elsewhere in this book. Others may require explanation. *Conciliation*, for example, is a process of building positive social relationships between disputing parties through site visits, casual conversations, facilitated workshops, and so forth. A *minitrial* is an abbreviated, nonbinding trial, often conducted by a retired judge, that provides parties with detailed data about the legal merits of each party's case. The purpose of a minitrial is to better prepare parties to negotiate a settlement. Neutrals on *technical advisory boards* and *nonbinding disputes panels* review conflicting data and information central to a dispute and suggest ways to reconcile the differences. In an *advisory mediation* process, an impartial party first provides process assistance to help parties seek resolution but, if a negotiation reaches impasse, will offer a nonbinding, advisory opinion on how the case should be settled. A *settlement conference* is a pretrial procedure used within the court system in which parties' attorneys, and sometimes the disputants themselves, seek a mutually agreeable solution. A settlement judge or referee presides over the conference. A *summary jury trial* is very similar to a

real trial; it includes a judge, jury, testimony, evidence, and so forth, but the process is abbreviated (typically taking less than a day) and the verdict is nonbinding. The idea is to give parties a realistic assessment of how a jury may decide a case, perhaps encouraging them to settle out of court. *Arbitration* is a private, quasi-judicial process in which disputants present their arguments and evidence to a neutral party who then issues an opinion. Arbitration can be either binding or nonbinding. In “*med-arb*,” parties seek to reach agreement through assisted mediation, but agree to submit to binding arbitration (conducted by the mediator) should they reach impasse. “*Mediation—then arbitration*” is essentially the same process, except that the mediator and arbitrator are different people. *Private courts* or *private judging* are trial-like procedures that are typically overseen by former judges who issue nongovernmental, binding rulings. The process is often quicker and less costly than a public court trial (Moore et al., 1996b).

9. For additional information on facilitative leadership, see Rosabeth Moss Kanter’s *When Giants Learn to Dance* (1989) and Robert Greenleaf’s *Servant Leadership* (1977).

### ■ References

---

- Costantino, C. A., & Merchant, C. S. (1996). *Designing conflict management systems: A guide to creating productive and healthy organizations*. San Francisco: Jossey-Bass.
- Doyle, M., & Straus, D. (1982). *How to make meetings work*. New York: Jove.
- Greenleaf, R. K. (1977). *Servant leadership: A journey into the nature of legitimate power and greatness*. New York: Paulist.
- Kanter, R. M. (1983). *The change masters: Innovations for productivity in the American corporation*. New York: Simon & Schuster.
- Kanter, R. M. (1989). *When giants learn to dance: Mastering the challenges of strategy, management, and careers in the 1990s*. New York: Simon & Schuster.
- Moore, C. (1996a). *Conflict prevention as an element of dispute resolution systems*. Unpublished manuscript. Boulder, CO: Author.
- Moore, C., with Delli Priscoli, J., Wildau, S., Smart, L., & Mayer, B. (1996b). *Dispute resolution systems design: Resource manual*. Boulder, CO: CDR Associates.
- Moore, C., Delli Priscoli, J., Mayer, B., Wildau, S., & Smart, L. (1996). *An executive manual on alternative dispute resolution*. Ft. Belvoir, VA: U.S. Army Corps of Engineers.
- Ury, W. L., Brett, J. M., & Goldberg, S. B. (1988). *Getting disputes resolved: Designing systems to cut the costs of conflict*. San Francisco: Jossey-Bass.