

Case Story: "A Constructive Solution to an Inflammatory Employee Relations Problem in a Small Manufacturing Company"

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Context

A high-end furniture manufacturer, with approximately one hundred employees, credits its success to its reputation for quality custom manufacturing processes, use of the finest materials and strong customer relations

The Challenge

A prolonged conflict between two long term employees, the Director of Quality & Facilities and the Quality Auditor, threatened to disrupt operations and was affecting morale across the organization. When the auditor walked off the job after a particularly heated and unpleasant encounter between them, the HR Director began to be concerned that this could actually end in a lawsuit and do damage to the company's reputation. She decided to call The Delphi Group.

What We Did

After meeting with the HR Director to get further background, we met individually with the Director and the Auditor. We learned the following information:

- The most recent disagreement was how to decide which damaged and imperfect pieces to salvage and which to scrap. The auditor believed all the pieces should be salvaged and the director had lost patience with the number of unsellable pieces taking up space in back lots.
- The Auditor had reported to the Director until their inability to get along led to a different arrangement that made less sense in terms of functional responsibilities
- The Director, in his late 50's, had a gruff and impatient style, though he was seen as a very valuable employee and was respected by most
- The Auditor, in his early 40's, was perceived to be very smart and capable though overly sensitive and emotional
- Both men had worked there for many years; both took great pride in the products the company made

We brought the Director and Auditor together for a discussion that was very deliberately structured and facilitated, as follows:

- Reframed the issue to be resolved as "How can you resolve this difference in a way that is best for the company, takes into consideration both of your concerns, and leads to your ability to work together in the future?"
- Established ground rules for how we would all work together to get a positive outcome
- Reviewed basic information about the numbers and costs of inventory involved, then invited each to discuss his concerns and preferences while the other listened
- Asked them to generate criteria for what the solution had to do, then asked them to brainstorm solutions and select the best
- Agreed on solutions and how they would implement them
- Discussed how they could work together more effectively in the future

Results

- The Director and Auditor developed and agreed to implement a variety of solutions, including:
 - Creating a 'museum' in the display room for some of the best examples of the company workmanship
 - Creating a protocol for deciding which pieces to salvage in the future
 - Donating some of the damaged but functioning pieces to non-profits identified by employees.
- Their ability to resolve their differences constructively proved to be a powerful example for the rest of the workforce. Morale and productivity returned to their previous positive levels
- Everyone, including the HR Director, learned an effective model for dealing with workplace conflict