



Hayward Healthcare Systems, Inc.

TEACHING NOTE

Purpose of Case Study

1. To introduce students to the principles of conflict resolution.
2. To help students recognize the importance of strong communication skills in resolving workplace conflicts.
3. To help students recognize the benefits of dealing with workplace conflict.

This case study lends itself best to classroom discussion and is useful for highlighting the issues involved in dealing with workplace conflict. Suggested writing assignments are outlined at the end of this teaching note.

Identify the Business Problem

The distribution center of Hayward Healthcare Systems, Inc. has some serious problems. At this point, management has no control over the workplace behavior of the division's employees. Conflicts arise continually, with several leading to physical altercations among employees. Poor management has directly contributed to poor performance; with defect rates high and an unacceptable rate of errors in orders taken from client hospitals, the workplace conflict has the potential to seriously damage this company's reputation in the marketplace and, thus, its bottom line.

This teaching note was prepared by Cynthia Maciejczyk under the direction of James O'Rourke, Concurrent Associate Professor of Management, as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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Forecast the Most Desirable Outcome

The most desirable outcome in this situation is for Bob Jackson to take control and to successfully introduce policies that will positively affect workplace morale and behavior. He must determine the source of the low employee morale, implement a strategy for dealing with bad employee attitudes, and put some workplace standards of behavior in place to rectify this situation. Bob also must develop the management skills of the supervisors who report to him.

Identify the Critical Issues

These are the main issues involved in this case:

- Effect of poor management on employee morale, productivity, and behavior.
- Effect of poor employee morale, productivity, and behavior on the business.
- Previous management's conflict resolution style.
- The challenge of improving performance in a relatively short period of time.
- Dealing with the immediate issue of the fight between the two loaders.

Stakeholder perspectives include:

- Bob Jackson
- Distribution center supervisors
- Distribution center employees
- Hayward Healthcare, Inc.
- Customers
- Competitors

Identify and Discuss Possible Solutions to the Problem

Bob Jackson must tackle this problem in two steps:

1. First, he must deal with the immediate situation of the two loaders. Several options are open to him:

- He can choose to pull the workers aside and talk to them together in a private area where no other workers are present. This may help diffuse the emotion in the situation. Bob could attempt to resolve the conflict between the two men, but the probability is low that he can without a set of policies in place that would govern such workplace disputes.
- He could send the two loaders home without pay for the rest of the day, telling them that any such behavior in the future will result in the same consequence. Ultimately, they would lose their jobs if the behavior continued.
- He could arbitrarily shut the music off and announce that there would be no more music in the workplace, period.

Bob then must address the conditions that allow these types of disputes to occur again and again.

There seems to be a lack of policies regarding acceptable workplace behavior. Bob should immediately address this issue by developing a code of conduct for employees and managers alike, and then stick to it. One strategy would be to put together an ad hoc committee composed of pickers, drivers, and loaders, and members of management to draft a code of employee behavior.

Since conflict is a part of any organization, Bob should draft a set of guidelines for formal conflict resolution in the division.

- Bob needs to develop the management, communication, and conflict resolution skills of his supervisors. Since these people have daily contact with their workers, it is essential that Bob help them become better managers. They will not succeed as managers if they cannot gain the respect of their employees.
- Bob needs to establish a strategy for regularly communicating with employees. In order for Bob to gain the respect of the division's employees, he must get to know them and they him. One way for him to do this is to communicate on a direct and regular basis.

Teaching the Case

At the beginning of class

Because this case does not involve complex facts or events, you can distribute the case at the beginning of the class period in which it will be discussed. Give the students 10 minutes to read the case and ask them to think about the following issues:

- How did poor management lead to the problems in the workplace?

- What can Bob Jackson do to deal with the immediate conflict?
- What conflict resolution styles might work best in this situation?
- How can Bob Jackson improve the working atmosphere in the division?

For the remainder of the class

For the first 10 minutes, review the facts of the case. Then, have the students discuss the issues listed above. The discussion questions that are included in the case offer an excellent starting point for students' thoughts about this case.

Ask students to identify the stakeholders in this case and their separate interests and concerns:

Bob Jackson. As a new division manager, Bob must deal with the residual negative feelings of the employees for his predecessor. Bob is interested in gaining control over the division and improving performance. He must deal with the issues affecting employee morale, productivity, and behavior rather than avoiding these issues, as his predecessor did. In other words, Bob must take the lead in dealing with all employee problems until he better trains his supervisory staff.

Distribution center supervisors. This group is ill equipped to manage the division's employees because they were not chosen for their experience but for their connection to the old boss. They will certainly want to keep their jobs, however, so they will need to learn better management and conflict resolution skills.

Distribution center employees. It can be assumed that these employees want to keep their jobs. It's likely that they also want the conditions in their workplace to improve. Most people want to go to work everyday, work in a pleasant environment free of conflicts, and do quality work.

Hayward Healthcare, Inc. The company cannot afford for the problems in the distribution center to continue much longer. Customers will put up with these errors for only so long before they seek out alternative suppliers.

Customers. Customers want their products delivered on time, in the correct amount, with no defects. If Hayward Healthcare can't deliver, customers will go elsewhere.

Competitors. Competitors are always ready to take advantage of another company's weakness.

Last 5 minutes of class

Conclude the discussion.

The key to this case, as with nearly all other management communication cases, is to let the students speak freely, but guide their comments toward the situation facing Bob Jackson and the communication issues the case presents.

Writing Assignments

Here are a few suggested writing assignments for this case:

1. Have students assume Bob Jackson's role. Ask them to draft a memo to Hayward Healthcare Systems, Inc. upper management describing the employee situation in the division and outlining a strategy to deal with it.
2. Have students compose an "all-hands" memo that outlines an employee code of conduct for the workplace (the memo should include why a set of standards governing behavior is needed, how employees will benefit, how the company will benefit, and what those standards should be).
3. Have students compose an "all-hands" memo that outlines a conflict resolution policy that all employees must use to resolve disputes.