

CHAPTER 17 Managing Conflict and Stress

BEFORE YOU READ take an *Overview* of the subject matter by *Assessing Your Prior Knowledge*. AS YOU READ apply the new *Reading Technique*, learn the *Vocabulary*, and complete a *Language Activity*. AFTER YOU READ check your understanding through *Fact and Idea Review*, *Critical Thinking Question*, *Guided Discussion*, *Authentic Assessment*, and *Mini-Quiz*.

Ford: The High Cost of Harassment

Despite a \$17.5 million settlement, a judge opens the way for a potentially more damaging class action

by Joann Muller in Detroit

In early September, Ford Motor Co. reached a \$17.5 million deal with the feds to settle ugly sexual harassment allegations at two Chicago-area factories. Civil rights leaders hailed the accord as a model for Corporate America. The carmaker agreed to set aside \$7.5 million to compensate victims of harassment and \$10 million more to train managers and male workers to stop what women alleged to be a years-long pattern.

Ford also agreed to triple the number of female supervisors in the plants, where women comprise just 14% of the workforce. And Ford will withhold raises and promotions from managers at any Ford plant who fail to stop harassment from occurring. Such terms are unprecedented, say officials at the U.S. Equal Employment Opportunity Commission, the nation's top civil rights agency. Better yet, says EEOC chief Ida L. Castro, Ford agreed to resolve the case without engaging the agency in a costly legal battle.

But Ford's eagerness to quietly settle the charges has blown up in its face. On Oct. 15, U.S. District Judge Elaine E. Bucklo cleared the way for a **class action** against the auto maker, which could leave the company open to millions more in damages. Her decision is a major setback for Ford, which had hoped the EEOC-brokered deal would persuade Bucklo to deny an attempt by 14 women to convert their federal lawsuits into a single class action.

Instead, Bucklo sharply criticized the settlement, saying it let Ford off the hook without admitting liability and lacked the teeth to ensure its compliance. Ford will still carry out the deal, which allows the 850 female employees at the two plants to make monetary claims. Or they can seek damages by joining the class action Bucklo okayed. The suit also asks for a permanent injunction to force Ford to clean up its act.

BAD PUBLICITY. The case could deal a sharp blow to the public image of a company that has long cultivated friendly relations with employees and unions. By negotiating a voluntary settlement, Ford hoped to avoid the kind of negative publicity that engulfed Mitsubishi Motor Manufacturing of America Inc. in 1996, after the EEOC sued the Japanese auto maker on behalf of 300 women after some complained of similar behavior. Mitsubishi vigorously fought the allegations at first but eventually agreed to a \$34 million settlement in 1998.

Ford now may suffer a similar black eye. The women's lawyers include a firm that extracted a record \$176 million payout from Texaco Inc. in 1996 to settle racial discrimination charges. Ford has appealed Bucklo's ruling and insists the deal was the most expedient way to handle the women's grievances and resolve any outstanding behavioral issues in the plants. "We want to make it very clear to everybody that what was formerly passable with a wink is now intolerable," says Jim Padilla, Ford's top manufacturing executive. The EEOC also defends the deal, which it says would provide more immediate relief to female factory workers than a drawn-out class action. Says John P. Rowe, director of the EEOC's Chicago office: "We believe those women will all have an infinitely better working environment because we acted now."

But the plaintiffs aren't convinced. "They're cockier than ever," says 31-year-old Victoria Williams, who returned to her assembly job on Sept. 5 after a two-month medical leave to deal with the stress she says was caused by sexual harassment at work. She returned two days before the conciliation agreement and says, if anything, the environment is worse. "The way they prance around, and the looks they give you, it's as if they're saying, 'We can do what we want,'" she says. Some women who brought charges of harassment say they have been disciplined for speaking out, says Williams. And while the pornography that had been prevalent in the plant is now out of sight, Williams says, inappropriate sexual behavior continues. Padilla says Ford has received no complaints of retaliation since the EEOC deal was announced, and if there are any, "we will terminate" the managers responsible.

Allegations of tawdry behavior at the two Chicago-area factories have generated at least 30 formal complaints to the EEOC since 1994. The first wave started that year, when some female workers at Ford's parts-stamping plant in Chicago Heights came forward with tales of crude language and sexually explicit name-calling, plus unwanted groping, by male co-workers and supervisors. An EEOC investigation concluded in early 1996 that women at the plant, as a class, were indeed subjected to a sexually hostile work environment. Ford reached a private settlement with the 11 women in February, 1998, for nearly \$2 million, says the EEOC's Rowe.

The following month, another group of women, this time from a Chicago plant that builds Taurus and Sable sedans, made similar allegations. Ford responded by dispatching Padilla's predecessor to Chicago to lecture workers on appropriate behavior and to announce new steps to enforce its "zero tolerance" harassment policy. Since January, 1998, Ford has fired 10 male employees and disciplined 29 others.

But the crackdown changed little, plaintiffs claim. In August, 1998, a second group of

women at the stamping plant filed a lawsuit. Again, the EEOC investigated and concluded, in September, 1998, that female employees at both plants had been subjected to sexual harassment.

Meanwhile, in August, 1998, Chicago police broke up a late-night party in the assembly plant parking lot. Female workers say male co-workers routinely pass around photos of lewd behavior at employee parties on and off Ford premises. A spokesperson says such displays are "unacceptable."

"MOCKERY." Ford managers and union officials have done little to stop the harassment, the women charge. "The men made a mockery of" prevention efforts, says Williams. The problem won't go away, she says, until Ford faces more than "a slap on the wrist" and insists on a commitment all the way down to the lowest levels of management. Ford insists that it is taking the problem seriously. It has a 1-800-number hotline for reporting harassment, and the \$10 million for training will reach every employee at the two plants. After the EEOC deal, Padilla addressed all employees at the plants and mailed letters to their homes.

Nevertheless, Judge Bucklo said at an Oct. 8 hearing that she was "disappointed in the way this has worked out." The EEOC deal calls for three independent monitors to oversee implementation and distribute damages to women. The judge agreed with the plaintiffs that the three-year deal falls short because it doesn't include a permanent injunction, backed by the threat of contempt of court, to prevent future harassment. It also lets Ford off without admitting liability. "In short," Bucklo later wrote, "the agreement lacks bite."

The EEOC's Rowe insists that his agency has the weapons to ensure Ford's compliance. "The agency doesn't go away after monetary relief has been paid out," he says. Still, the women who say they have been harassed are looking for a bigger bite out of Ford.

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BEFORE YOU READ

Overview

There are many sources of conflict in the workplace. In recent years, the legal spotlight on workplace conflict has been cast on sexual harassment. Whether due to women's liberation movement or just a more independent and self-respecting, female labor force, employees are no longer ashamed to speak up, forcing the nation to pay attention and corporate perpetrators to pay up. Two separate groups of women at Ford's Chicago plants have won hefty settlements and put the car manufacturer in an awkward position—but the fun isn't over yet.

Assessing Prior Knowledge

1. Recall a time when you feel someone was harassing you. Perhaps this person was bothering you and invading your private space and time. What did you do to get this individual to leave you alone? Did you defend yourself, or just ignore the misconduct? Were your actions effective in discouraging such behavior, or did it continue despite your efforts?

2. What is your opinion about the sexual harassment lawsuits that are occurring today within the business world? Do you feel that such legal action is warranted and legitimate, or is there a better way to solve the problem? How much money do you think harassment victims should receive from a company where violations occur?

AS YOU READ

Reading Technique

On a separate piece of paper, examine the extent to which sexual harassment is a problem within American companies. As you read the article, take note of ways in which such behavior contributes negatively to a worker's wellbeing. Pay attention to any suggestions, resources, or potential solutions that can be gleaned from the situation at Ford Motor Co.

Vocabulary

allegation A statement made without proof; the act of making a charge or accusation before a legal tribunal, the charge of which is undertaken to be proved; declaration, assertion, statement, affirmation.

class action A legal action brought on behalf of all persons to whom the case applies; a lawsuit with multiple plaintiffs, all of whom claim to be victims of the same alleged crime.

brokered deal A business arrangement or legal contract for monetary compensation, which was negotiated by third party acting as the middleman.

compliance The act of doing as another wishes, or of yielding to a request or command; consent, submission; a tendency to oblige to others' demands without objection.

injunction A command, order, or behest; a formal order from the court; the act of commanding or authoritatively directing.

expedient Quick in bringing about a desired result; suitable, advantageous, profitable; giving or seeking personal advantage based on self-interest, often without regard to what is just or right.

plaintiff A person who begins or initiates a lawsuit; the party who brings forth a legal complaint or accusation against another party.

conciliation agreement Contractual settlement reached by two parties or groups solving a dispute or disagreement, in which one party attempts to placate, appease, or reconcile with the other.

zero tolerance Total rejection of a particular idea or situation; a complete unwillingness to accept actions, which one does not approve of or agree with; one-hundred percent disapproval of something.

contempt of court Disobedience to or open disrespect for the rules or decisions of the court or a lawmaking body, punishable by a fine or imprisonment; scornful of a judge's conclusion.

Language Activity

Consider the following phrases. Copy them onto a separate sheet of paper, and explain what they have in common. Consider why the author would choose to use these phrases in the article. What is being implied? Do the words send a certain message about the subject matter?

- 1) has blown up in its face
- 2) lacked the teeth
- 3) deal a sharp blow
- 4) may suffer a similar black eye
- 5) a slap on the wrist
- 6) the agreement lacks bite
- 7) looking for a bigger bite out of Ford

AFTER YOU READ

Fact And Idea Review

1. What was the settlement outcome of the Ford Motor Co. sexual harassment lawsuit? In what ways did the company agree to make amends? What agency assisted the female workers in their negotiations?

2. Why did Judge Bucklo clear the way for a class action lawsuit against Ford after a hefty settlement had already been negotiated? Why did she and the 14 women plaintiffs feel it was necessary to convert the federal lawsuits into a single class action?

3. Why is it usually to a company's benefit to negotiate a voluntary, out-of-court settlement before the matter turns into a full-fledged lawsuit and court trial?

4. As of the date of this article, did the lawsuit and conciliation agreement succeed in causing behavioral improvements within the women's working environment?

Critical Thinking

Analyze the effect of unresolved conflicts within an organization or corporation. How do they affect the relationships between the individuals involved? Explain the role of Reinforcement Theory or Operant Conditioning in this situation.

Guided Discussion

Discuss whether or not you believe that morality, sensitivity, maturity, and common decency can be legislated into existence. Are there more effective ways to deal with such issues than the action taken by Ford in this article? Examine each of the measures that Ford has implemented as a result of the lawsuit, and whether or not you think they will be effective. As a class, come up with a list of suggestions to solve such conflicts.

**Authentic Assessment
Work-Conflict Intervention**

Imagine that you are a senior manager working at Ford Motor Co. right before the sexual harassment lawsuits were filed. A particular incident of sexual harassment was brought to your attention by a female employee, and you decided to bring in an outside mediator/counselor to discuss the incident with you and the employees in question. It is your job to inform the mediator of the situation, and to have all parties communicate about the cause of the conflict, the motivation behind the incident, and how it can be prevented in the future.

In groups of three to five students, prepare a 5–7-minute skit portraying the above situation. Have each group present its skit in front of the class. Evaluate the different intervention styles or techniques used by each group.

**Mini-Quiz
Multiple Choice**

Please answer the following questions based on the information included in the article. There may be more than one correct selection for each question.

1. What category of conflict would best describe the sexual harassment experienced by the women plaintiffs?
 - a) Intergroup conflict
 - b) Cross-cultural conflict
 - c) Organizational conflict
 - d) Conflict resolution
 - e) Interpersonal conflict
 - f) None of the above

2. According to the article, which of the following companies had to pay out millions of dollars as a result of previous harassment or racial discrimination lawsuits?
 - a) U.S. Equal Employment Opportunity Commission
 - b) Texaco Inc.
 - c) Proctor & Gamble
 - d) Mitsubishi Motor Manufacturing of America, Inc.
 - e) Dow Chemical
 - f) All of the above
3. Which of the following causes of stress in the workplace can be related to the problem of sexual harassment?
 - a) Job mismatch
 - b) Conflicting expectations
 - c) Role ambiguity and overload
 - d) Unsatisfying and inharmonious working relationships
 - e) Poor working conditions
 - f) None of the above
4. Which of the following could be warning signs of either professional burnout or excessive stress and conflict in the workplace?
 - a) Health problems, such as headaches or high blood pressure
 - b) Alienation, isolation, or excessive absenteeism
 - c) Loss of motivation or lackluster attitude
 - d) Emotional difficulties, such as depression, insomnia, mood swings
 - e) Impaired concentration and distraction
 - f) All of the above
5. Which of the following measures in Ford's conciliation agreement was aimed towards effective eliminate of future sexual harassment conflicts?
 - a) Zero tolerance surveillance systems
 - b) Tripling of the number of female supervisors in the factories
 - c) Employee assistance and training programs
 - d) Withhold raises and promotions from managers who allow sexual harassment to occur
 - e) A toll-free anonymous hotline on which those employees doing the harassing could speak with a counselor or psychologist
 - f) All of the above