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## ***Negotiating Within the Matrixed Organization***

Virtual Seminar

**Thursday, November 15, 2007**

1:00 PM - 2:30 PM Eastern  
12:00 PM - 1:30 PM Central  
11:00 AM - 12:30 PM Mountain  
10:00 AM - 11:30 AM Pacific

**Presented By:**

**Stuart Kliman**

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## Session Purposes

- Provide participants with:
  - A picture of some of the key challenges of effectively working in matrix structures
  - The beginnings of a common vocabulary for naming and dealing with those challenges
  - Some organizing and behavioral frameworks and tools for overcoming those challenges
  - An opportunity to reflect and begin considering if and how to embed the vocabulary, frameworks and tools in day to day workings



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## Agenda

- The managing in a matrix challenge
  - Dealing with unnecessary and dysfunctional, vs. inevitable and/or healthy, conflict
- Decision-making
  - The rights and responsibilities challenge
- Problem-solving
  - Less than and more useful approaches
- Multiple perspectives
  - Particularly challenging in a matrix
- Putting it all together



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## Illustrative Challenges to Making a Matrix Work

- Differences in conclusions, risk preferences, and business priorities, as well as assumptions about the markets/scientific efficacy, etc., need to be robustly and fully engaged to create joint learning and common understanding of data and reasoning paths.
- Pocket veto's and/or unwillingness among decision-making process participants to share concerns must be eliminated. Alignment among decision-makers and key constituents must be achieved.
- Decisions must be made in the face of uncertainty, ambiguity, and inherently non-specifically defined criteria (e.g., need to have a "business case" to proceed).
- Different views on who makes decision, and how such decisions are made, need to be addressed
  - specifics might vary by context
- A need to balance what can often feel like an untenable trade-off or balance between consensus and hierarchical based decision-making processes



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## Polling #1: What are your top two challenges?

- Please Vote



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## Two Kinds of Conflict In a Matrix

Type of Conflict	Unnecessary and Dysfunctional	Inevitable and/or Healthy
Illustrative Causes	<ul style="list-style-type: none"> <li>• Misaligned incentives that penalize people for taking a "what's best for the overall venture" perspective</li> <li>• Inadequate coordination and communication across groups</li> <li>• Roles and responsibilities that overlap (or underlap) significantly; and/or that are poorly defined and understood</li> </ul>	<ul style="list-style-type: none"> <li>• Different goals and priorities among groups with different missions</li> <li>• Access to different information, and different mental models for interpreting information</li> <li>• Different processes and operating procedures among groups with different missions</li> </ul>
How to Address	<ul style="list-style-type: none"> <li>• Eliminate the causes of such conflict (where cost effective)</li> </ul>	<ul style="list-style-type: none"> <li>• Build capability to manage conflict efficiently and effectively</li> </ul>



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## Decision-Making

## Decision-Making In a Matrix

### Some Challenges:

- Inefficient decision-making that is over-inclusive, under-inclusive or both
- Decisions not implemented
- Poor follow-through on decisions
- Inefficient, uncoordinated escalation of conflict leads to sub-optimal decisions and damaged working relationships

### To Manage:

- Clarify decision-making rights & responsibilities using D-I-C-N



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## D-I-C-N Decision-Making

### ■ I-C-N: Inform, Consult, Negotiate

- List the issues (and sub-issues) on which people have differing interests, expertise, and/or responsibilities
- For each issue, clarify role expectations before discussing substance

Issue	Decision Driver	Inform	Consult	Negotiate
Issue 1				
Issue 2				
Issue 3				



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## Decision-Making Exercise

- Identify one current or up-coming issue you are facing
- Identify the following roles/responsibilities:
  - Driver
  - Inform
  - Consult
  - Negotiate



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## Questions For Participants

- Are there people on your D-I-C-N list that you had not previously included in the decision-making process?
- What challenges did you identify?
- What insights do you have based on the exercise?



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## Two Ways to Use D-I-C-N

- **Embed into the structure of your organization**
  - Design D-I-C-N into your processes
  - Add clarifying D-I-C-N as an initial step in your work plans
  - Build it into role descriptions
- **Use it on-the-spot**
  - Share your assumptions about decision making rights as you are discussing projects
  - Ask about the other's assumptions regarding decision-making rights
  - Clarify people's roles as you talk to them about the project



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## Questions For Participants

- How might you use this in your organization?
- What are the barriers or challenges to using this in your organization?



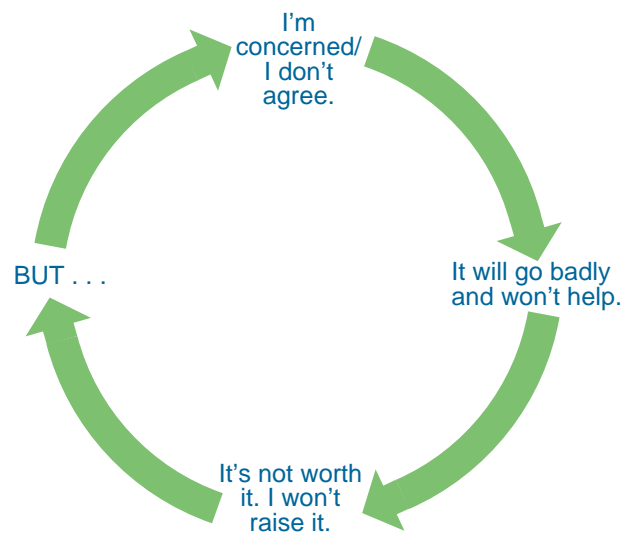
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## A Quick Note re: Individual Capability

## Why Issues Are Not Raised



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## Problem-Solving

## Problem-Solving In a Matrix

### Challenges:

- Lowest common denominator solutions arrived at through concessions-based problem-solving
- Over reliance on escalation to management as a way to resolve conflicts
- Folks not satisfied with the result or the process used to get there, leaving them likely to not implement (“pocket veto”) or sub-optimally implement

### To Manage:

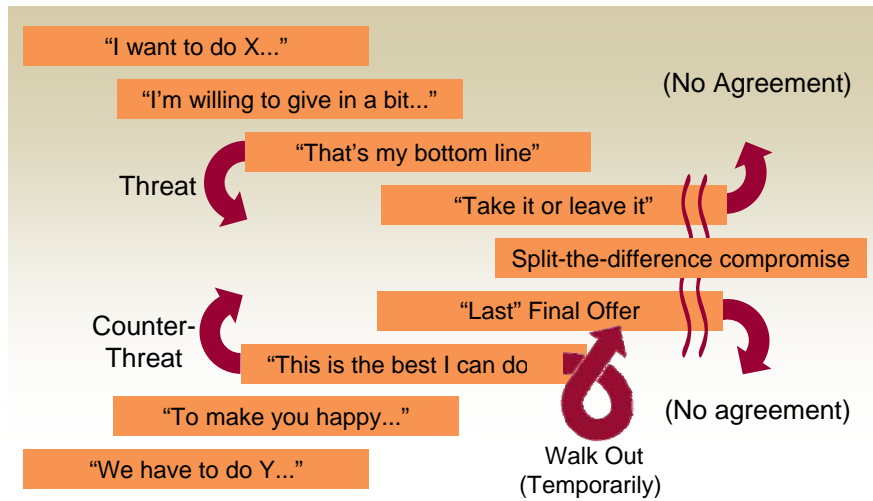
- Shift from positional bargaining to joint problem-solving using the Circle of Value



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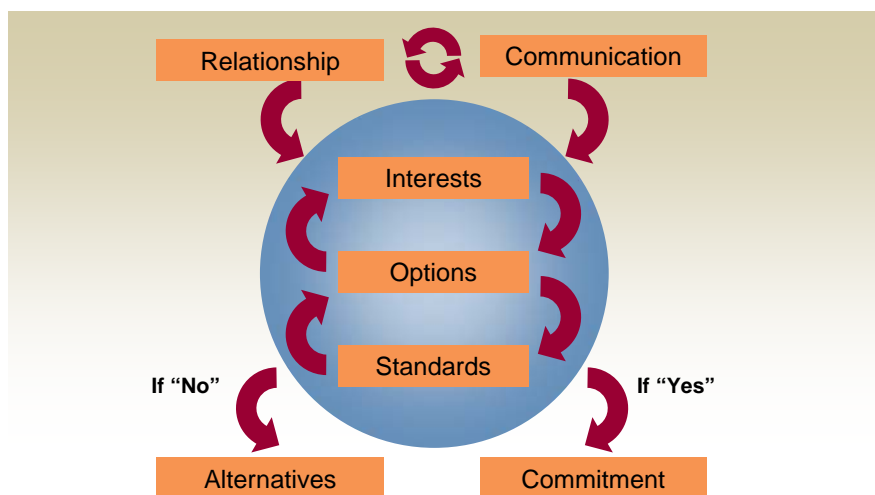
## Positional Problem-Solving: Offers and Concessions



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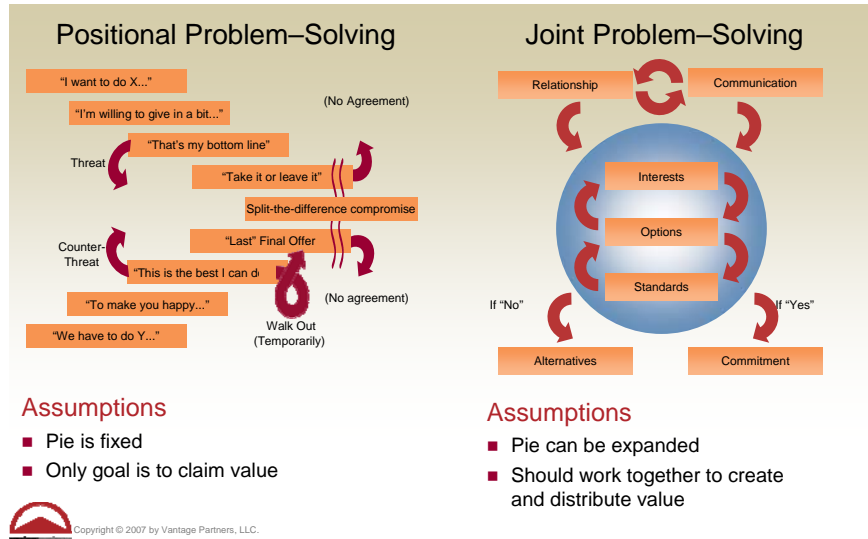
## Joint Problem-Solving In the Face of Different Needs: The Circle of Value Approach



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# Joint Problem-Solving vs. Positional Problem-Solving



## Participant Polling #2: Which Model?

- Please Vote

## Questions For Participants: Implementing Joint Problem-Solving

- How can you build joint problem-solving into the day-to-day processes of your organization?
- What challenges do you see to doing joint problem-solving in your organization?
- What is it about the structure, culture or skills in your organization that have enabled joint problem-solving?
- How might you begin to move from positional bargaining to joint problem-solving?



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Multiple Perspectives

## Multiple Perspectives In a Matrix

### Challenges:

- Damaged relationships among individuals and groups due to poorly managed differences
- Recurring systematic conflicts remain undiagnosed and unaddressed

### To Manage:

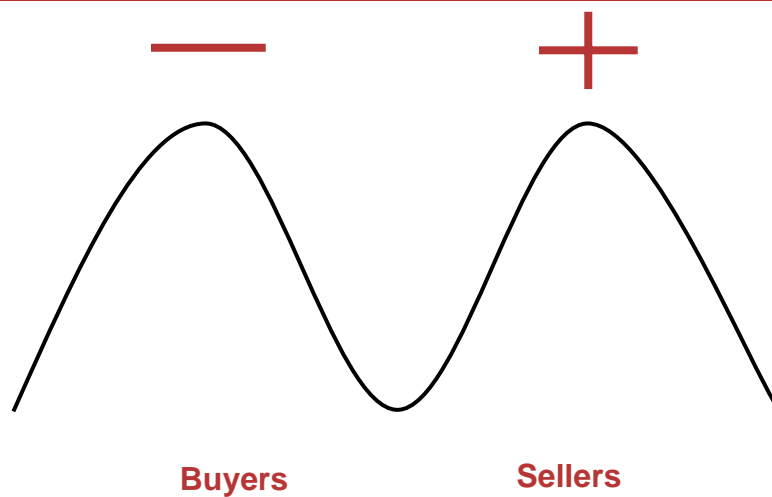
- Harness the value of multiple perspectives by using the Ladder of Inference



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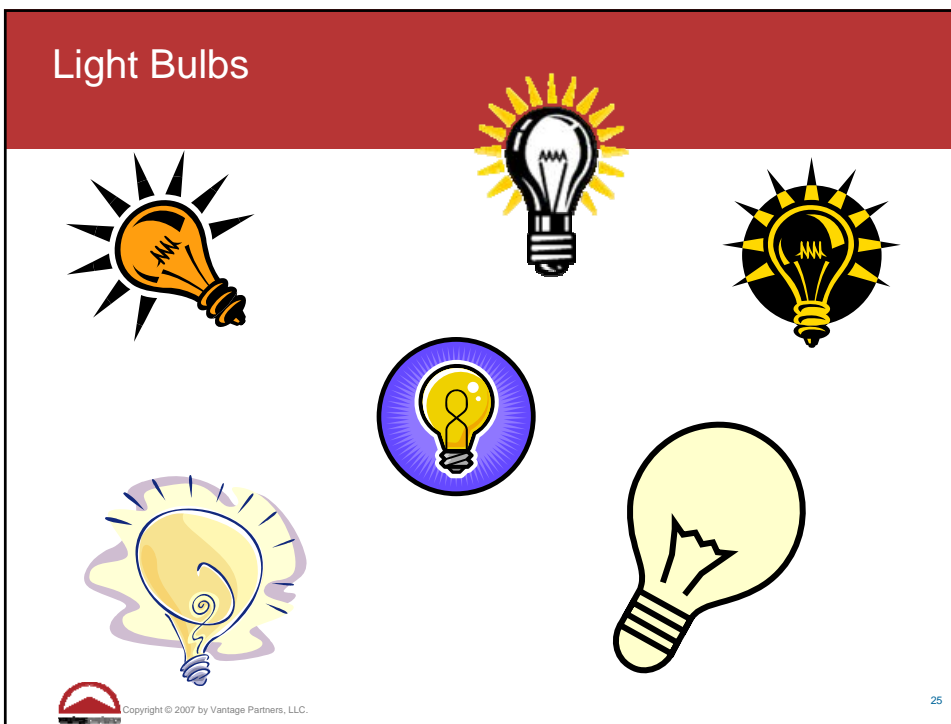
## Buyers and Sellers



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## Light Bulbs



## How We Construct Our Story



## How We Construct Our Story

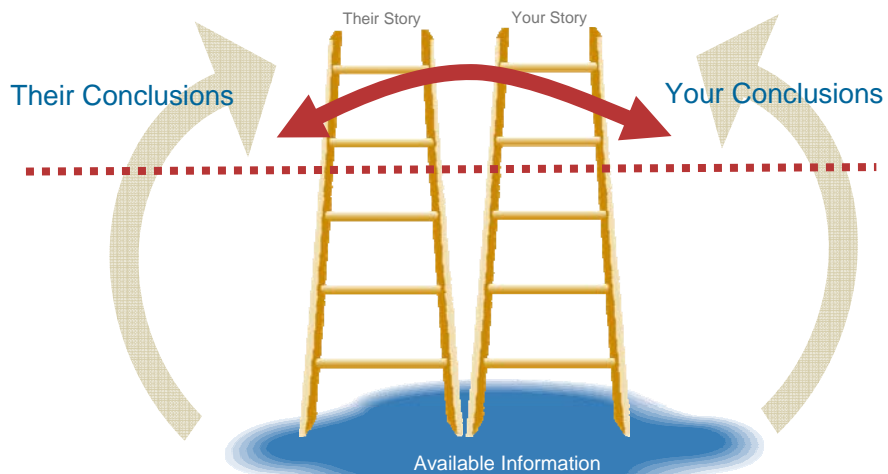


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## The Problem: Arguing At the Top of the Ladder



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## Explore Each Other's Reasoning



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## Explore Each Other's Reasoning

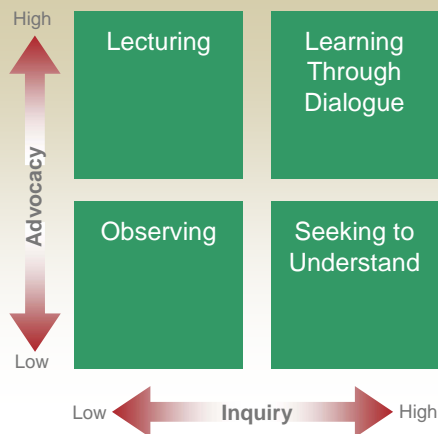


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## Advocacy and Inquiry



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## Contributions to Partisan Perceptions

- We experience and observe different data
- We are interested in different things
- We collect evidence to support prior views
- We ignore/dismiss non-conforming data
- We selectively filter incoming data
- We selectively remember what we want to do
- We selectively recall
- We revise our memories



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## Explore Each Other's Reasoning

Explore Their Story

Their Story

Your Story

Explain Your Story

“How do you see this differently?”

“My perspective is that...”

“What is it that you to that”

**Key enabler — a stance of curiosity, and a goal of learning**

“I’m basing this view on...”

“Can you give me an example?”

“Here’s what I’ve observed ...”

“What am I missing?”

“What am I missing?”

“How do you see it?”

Available Information



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## Questions For Participants: Implementing the Ladder of Inference

- How can you use the Ladder of Inference to clarify decision-making roles & responsibilities?
- How might you build using the Ladder into your joint problem-solving processes?



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## Going Forward

## A Framework For Understanding & Addressing Cross Matrix Conflict



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## Going Forward

- Please take a moment and think about the following:
  - Concepts that you would like to apply in your day to day lives, and specifically in what contexts
  - Ways in which you might continue to build your skills in the ideas of the day



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## Questions For Participants

- Any remaining questions?

*Push \*1 on your telephone key pad  
to comment or ask your question*

**OR**

*e-mail your comment/question by clicking on the “question icon”  
in the lower right corner of your screen. Type your question or  
comment in the window that appears, and then click “send.”*

*Submitted questions will be answered verbally as time allows.*



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## Vantage Partners

A spin-off of the Harvard Negotiation Project, Vantage Partners helps companies achieve breakthrough business results by transforming the way they negotiate with, and manage relationships with, their suppliers, customers, and alliance partners.

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## Negotiating Within the Matrixed Organization

November 15, 2007

If you prefer to submit your evaluation online, please go to: <http://eval.krm.com/eval.asp?id=12564>

	EXCELLENT	VERY GOOD	GOOD	FAIR	POOR
1. Overall rating .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Content .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Audio quality .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ease of registration .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Presenter: Overall Effectiveness**      T

5. Stuart Kliman .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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	YES	NO
6. Would you participate in another virtual seminar? .....	<input type="checkbox"/>	<input type="checkbox"/>
7. Did the web component add to the value of the virtual seminar? .....	<input type="checkbox"/>	<input type="checkbox"/>

What was your overall impression of the event and the virtual seminar format? Any additional comments?

PLEASE KEEP WRITTEN COMMENTS WITHIN BOX

Name (optional): \_\_\_\_\_