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THE P.E.A.C.E.© MODEL OF CONFLICT MANAGEMENT

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A few years ago, a focus group of hiring and human resource managers identified communication, listening, diversity, and emotional intelligence as skills most valued by their organizations. One of the participants (a Human Resource manager at a fortune 100 company) stated that she estimated that managers spend approximately 45% of their time facilitating conflicts between people or groups, and therefore, conflict management skills were absolutely necessary for all leaders. Another participant, who is the Human Resource director at a regional financial institution, said that in today's market, people will find it very difficult to succeed in a management position without good listening and communication skills.

Additionally, another member of the focus group said people must be able to get along well with others. Teamwork and collaborative problem-solving skills are essential in today's changing work environment. He said, "At one time, we were looking for that shining star. Now, we shun the stars. We are looking for people who can play well together". When asked to choose one skill that they believe would benefit managers and help them develop and work with teams, they unanimously answered "conflict management skills". Additionally, they emphasized that in addition to facilitating conflicts, managers need to learn collaborative problem-solving skills that will help them in all types of situations, ranging from disagreements between coworkers to negotiating with labor unions to resolving conflicts with clients and vendors.

Introduction to the P.E.A.C.E.© Model

Workplace conflict can create stress, destroy morale, decrease motivation, and reduce job satisfaction if it is mismanaged or unmanaged. Given the negative consequences of conflict, I believe that most people do not choose to exacerbate these behaviors. They act or react because they do not have the skills to deal with conflict in the workplace. When people learn more productive ways to interact, they can communicate differently, and workplace relationships can improve. The framework of this skills-development conflict management program is built on the precepts of conflict resolution and transformation, including perception clarification, empathetic listening, appreciation of diversity, collaborative problem-solving, and emotional intelligence (P.E.A.C.E. ©).

For interventions to be effective, they must address the root causes and antecedents of the conflict. Communication and perceptions are at the root of almost every conflict, so these are fundamental components of any conflict management workshop. Additionally, self-awareness, empathy, and emotional intelligence have a positive effect on conflict situations. Self-awareness helps people become attuned to their emotions so they understand the motivations behind their actions and communications. Likewise, empathy allows people to understand other people's feelings and view the world through their lenses. Finally, when people understand the role emotions play in their responses, they are less likely to react to negative situations in a destructive manner.

Although presented separately, the precepts of P.E.A.C.E.© are not linear. In fact, they overlap and build upon one another. For example, perceptions are clarified by empathetically listening, appreciating diversity, and employing emotional intelligence. Each of these will support collaborative problem solving, which is more respectful, satisfying, and empowering.

Perceptions

Conflict, like death and taxes, is inevitable, and the workplace is a breeding ground for unproductive conflict. Consider that organizational culture consists of shared values, beliefs, assumptions, perceptions, and norms. Add to that the fact that organizations are complex coalitions of individuals, departments, and divisions—each competing for perceived scarce resources, such as funding, access to those in power, and time. Stir in a little power imbalance and organizational political posturing, and you have a recipe for unproductive conflict. Then, remember that today’s managers are faced with diversity and cultural issues ranging from race and gender to individual heritage, values, and beliefs. Shake all that together and you have a workplace that is bubbling over with conflicted people and situations.

Although 30-40% of a manager's daily activities are devoted to dealing with conflicts, many people are ill-equipped to manage these issues. The good news is everyone can learn skills that will improve communications, transform relationships, and enhance quality of life at work. The basis of this transformation is perception clarification. Since we construct our reality based on experiences, we have different perceptions about how conflicts happen, why they occur, and what it takes to resolve them. On the path to perception clarification, ask

- What is the lens through which we view the situation?
- What are our individual and shared needs?
- What role did each of us play in the conflict?
- Have we listened well and asked illuminating questions?

Clarifying perceptions is the first step in transforming conflict situations from stressful to successful. Meanings, perceptions, and responses to conflict are constructed based on an individual’s social realities, experiences, and cultures. Interventions that help employees clarify the perceptions of the intent of a co-worker’s behavior, as well as the effect their own behavior may have on others, can reduce negative conflict. Clarifying perceptions may halt the escalation of interpersonal conflicts.

When dealing with workplace conflicts, many people employ antisocial interpersonal actions against their coworkers because they perceive incompatible goals, scarce resources, or interference with individual aspirations. Including perception clarification in the intervention can help employees understand the differences between appropriate and inappropriate behavior, the impact their individual behavior has on others, and the interdependence of employees’ interests. This may help to alleviate unproductive workplace conflict. In fact, when perceptions are clarified, opportunities for positive change and growth are likely.

Empathetic Listening

One of the most powerful tools we have in our conflict management toolbox is empathetic listening. Humans have a compelling need to be understood and respected, and being an empathetic listener is a clear sign that we understand and respect the speaker's perceptions, ideas, and feelings. Empathy allows us to understand what that person feels and experiences. Empathetic listening requires us to listen to understand, rather than listen to respond. When we suspend our own ideas and agendas and empathetically listen, we will hear the underlying meaning of the message, rather than merely the spoken words. Not only will empathetic listening enhance interpersonal communication and transform relationships, but it will also help us uncover and address root causes of problems that exacerbate conflicts.

Since many conflicts are rooted in assumptions based on personal history, background, or biases, messages are often filtered through those assumptions. If people learn to empathetically listen to others, relationships can be transformed. Although listening to the other person's perspective does not eliminate the conflict, not listening will intensify it. Moreover, when people learn to actively and empathetically listen, they can uncover and address emotions that influence perceptions of the conflict.

To improve your empathetic listening skills practice giving your full attention to the speaker, engage your total body by facing the speaker and maintaining eye contact, watch the speaker's body language, acknowledge and address emotions, and ask questions or make comments that draw out the speaker's ideas and feelings.

When we listen empathetically, we engage our hearts, not our minds and ears. When we are able to accomplish this, we will identify and address emotions that influence perceptions of the conflict, uncover the true meaning of the communication, and enjoy more productive outcomes.

Appreciating Diversity

Within organizations, diversity is the mosaic of genders, ethnicities, ages, personalities, communication styles, and educational levels. Diverse work groups not only design more innovative products, processes, and services that address the multiplicity of needs from their diverse and global customers, but they also present a wealth of ideas and insights that can lead to creative problem-solving and decision-making. From a human resource perspective, organizations with a reputation for appreciating diversity are likely to attract and retain qualified and motivated employees.

Even though diversity can have numerous organizational benefits, divergent views may result in interpersonal conflicts. However, part of a manager's job is to help the contrasting pieces of the mosaic work harmoniously together and to make the best use of each employee's unique talents and abilities. In part, conflicts may be moderated and harmony may increase when managers model appreciating diversity. This starts with respecting themselves, others, and the differences that create the mosaic. It is also important to become self-aware and not allow one's hot buttons to be pushed. In addition, diversity dialogues provide opportunities for education, exploring differences, and sharing experiences. These diversity dialogues increase mutual understanding, clarify misinformation, and stifle the spread of bias. Finally, maintain a sense of humor because

when that disappears, it can take our humanity with it. When diversity is appreciated, it can be a source of harmony and organizational growth. Managers who model their appreciation of diversity help to create a vision, build awareness, inspire others, and facilitate positive organizational change.

Collaborative Problem-Solving

Given the challenging economic times many organizations are facing, organizational leaders are forced to review and change policies, procedures, and strategies. Change, while not always welcome, is inevitable if organizations are to survive and thrive. Paradoxically, change is both an antecedent and a consequence of conflict. It leads to exciting opportunities to transform relationships or revolutionize practices, and when the change is properly managed, the workplace is more collaborative and harmonious. Unfortunately, when changes, and the resultant conflicts, are mismanaged, the well-oiled organizational machine can sputter and stall on the side of the road. Disputes, sabotage, inefficiency, and low morale are all warning signs that unproductive conflict is about to halt a firm's progress.

In times of change, hierarchical management styles are less effective. Teamwork is the norm, and in downsized firms fewer people are asked to do more with fewer resources. As a result, companies are looking for better ways to accomplish their vision and goals. One of these approaches is collaborative problem-solving.

When implementing collaborative problem-solving strategies, consider these suggestions by Roger Fisher and William Ury of the Harvard Project on Negotiation:

- Separate the people from the problem
- Focus on the interest, not the positions
- Generate a variety of options before deciding what to do
- Insist that the solution be based on objective criteria that is linked to the organization's vision and mission

Adopting a collaborative approach to conflict identification, containment, and management can provide a spark that ignites creativity, innovation, and improvements in dynamic organizations.

Emotional Intelligence

Emotions are a part of life, and employees do not check them at the door when they enter the workplace. Unfortunately, in many organizational cultures it is taboo to express or acknowledge emotions, and as a result, these unacknowledged feelings can create tension and exacerbate conflict. Rather than ignore the inevitable, recognizing emotions of anger, fear, shame, and sadness can help organizational leaders effectively deal with them. By becoming aware of and sensitive to the underlying feelings of their co-workers, leaders can make more appropriate responses to potential conflict situations. Incorporating emotional intelligence skills into training programs may help individuals become compassionate. Emotional intelligence is defined as the intelligent use of

emotions, and emotionally intelligent individuals are able to recognize their own emotional reactions, as well as decode others' emotions. When emotions are properly managed, constructive communication improves trust, loyalty, and commitment increase, and job satisfaction and motivation are enhanced.

Emotional intelligence encompasses a myriad of skills and traits, including flexibility, empathy, optimism, and self-actualization. Leaders who are flexible are resilient and adapt to the inevitable, unpredictable, and fluid circumstances of life. Often people are inflexible because they fear failure. Let go of fear and embrace the wonders of transformation.

Empathy is another emotional intelligence skill, and it is often quite misunderstood. Refrain from saying "I know exactly how you feel", because that is impossible. However, being aware of and sensitive to the feelings and experiences of others creates openings for better communication and more collaborative problem-solving. The key is to be mindful of others and view the world through their lenses.

Emotionally intelligent people are optimistic, seeing the half-full glass. Defeat is merely a temporary setback, and the focus is on the possibilities, rather than the problem. Be grateful and view obstacles as lessons to be learned and opportunities for transformation.

A final trait associated with emotional intelligence is self-actualization. Shakespeare had the right idea....."to thine own self be true"! Find ways to grow and actualize your talents and abilities.

Most importantly, remember that these are skills, so they can be learned and honed with practice. Becoming emotionally intelligent is a journey, not a destination, and the first step of the journey is the desire to improve.

Conclusion

Employees who understand their own reactions and learn how to respond to workplace conflict may experience higher levels of job satisfaction, improved self-confidence, less stress, and increased motivation. You cannot change others; you only have the power to change yourself. Therefore, the focus of the intervention is on changing one's own behaviors and reactions to workplace conflict. The P.E.A.C.E.© Model of Conflict Management has been presented at multiple workshops with anecdotal success. The next step is a research project to determine how and why it can help individuals and organizations manage inevitable conflicts.

Does Crime Pay Enough? Diamond Prices, Lootability and Ethnic War

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Abstract

Natural resources are thought to be at the root of many civil conflicts, but no consensus has emerged on the mechanisms at play in the resources-conflict relationship, and some question whether such a relationship exists. This paper compares the state prize variant of the greed theory with the lootability approach. We employ a time-series cross-sectional design to analyze how secondary diamond production, primary diamond production, and diamond price influence the onset of ethnic wars in 48 Sub-Saharan African countries between 1960 and 2010. Our results suggest that purely additive models are unlikely to reveal the relationship between diamonds and ethnic conflict. We find some support for the lootability mechanism, but our findings better support the hypothesis that natural resources increase the value of the state and therefore encourage rebels to try to capture state power. Our findings also point to resources' potential to bolster government capacity.

Introduction

A major conundrum in comparative politics is why abundant natural resources, which one would normally expect to confer wealth upon a country, appear to be associated with negative outcomes such as authoritarianism, poor economic performance and civil conflict. This phenomenon is often referred to as “the resource curse.” According to Ross (2015), “The resource curse might be defined as the adverse effects of a country’s natural resource wealth on its economic, social, or political well-being” (p. 240). Natural resources are thought to be at the root of many of the civil conflicts in different regions of the world, and a multitude of studies has been conducted on the resources-conflict connection. Indeed, many studies claim to show that it is greed fueled by a desire to capture natural resource rents that leads people to rebel, and until recently the idea that it is greed not grievance that drives civil wars dominated the literature. Scholars have identified many mechanisms thought to underlie the relationship between natural resources and conflict, and research has turned toward empirically testing these mechanisms (e.g., Bazzi & Blattman, 2014; Humphreys, 2005; Ross, 2006) and examining the factors thought to mediate this relationship (e.g., Elbadawi & Soto, 2015; Janus & Riera-Crichton, 2015). No consensus has emerged on the mechanisms at play in the resources-conflict relationship, and some question whether such a relationship even exists (Ross, 2015).

This paper contributes to the literature on the mechanisms underlying the relationship between resources and ethnic civil wars. In particular, we measure and test one of the key mechanisms identified in this literature, a resource's level of lootability. "Lootability" refers to the ease with which resources can be acquired and converted into wealth or exchanged for other valued items and is thought to shape the incentives and strategies of both the government and rebels in a number of ways (Basedau & Wegenast, 2009; Le Billon, 2008; Snyder & Bhavnani, 2005). We compare the lootability approach to another variant of the perspective, the "state prize" approach, according to which abundant natural resources make the state a desirable prize in the eyes of potential rebels (Fearon, 2005). We employ a time-series cross-sectional design to analyze how secondary diamond production, primary diamond production, and diamond price influence the onset of ethnic civil wars in 48 Sub-Saharan African countries for the 51 years between 1960 and 2010. We find some support for the lootability mechanism with regard to the onset of ethnic civil wars.

However, secondary diamond production and primary diamond production influence the likelihood of ethnic war onset in a similar manner. Thus, our findings better support the variant of the greed perspective, which posits that economic factors drive civil wars (Collier & Hoeffler, 1998; 2004), contending that natural resources increase the value of the state and therefore encourage rebels to try to capture state power. We borrow the language of Bazzi and Blattman (2014) and refer to this argument as the "state prize" approach. Our results also suggest that purely additive models are unlikely to reveal the relationship between diamonds and ethnic conflict. The successful exploitation of both primary diamonds and secondary diamonds would generally seem to bolster a government's ability to quell rebellions, supporting the state capacity perspective, according to which abundant natural resources strengthen a government and make it less vulnerable to insurrections (Snyder & Bhavnani, 2005). It is the combination of diamond production and rising prices that appears to heighten the risk of ethnic civil war.

Africa is the ideal context to examine the link between lootability and conflict. Africa has seen more civil conflict over the past decade than any other region of the world and also comprises some of the world's most resource-rich countries. Given the concentration of natural resources and conflict in Africa, relatively few quantitative studies on this topic have focused on Africa (Basedau & Wegenast, 2009). Solving the intellectual puzzle of why copious natural resources are often a detriment in the African context has important implications in the real world.

Many of the resource-rich countries, such as Chad, Nigeria, Sierra Leone, Angola and the Democratic Republic of the Congo, fare very poorly on the Human Development index and have experienced devastating civil wars. Is resource abundance really at the heart of the conflict that has characterized some African countries? If resources are behind this conflict, it is important to know why that is the case. This paper focuses on the relationship between resources and ethnic civil war. If the wealth generated from natural resources could be channeled into infrastructure and public goods instead of conflict, such wealth could significantly improve the quality of life for people in these countries. Gaining an understanding of the forces behind the link between conflict and resources is critical if there is to be any hope for natural resources to constitute a blessing not a curse in these countries.

We focus on ethnic civil wars for a couple of reasons. Lujala, Gleditsch, and Gilmore (2005) find that secondary diamonds are linked to the onset of only ethnic civil conflicts, not

other forms of conflict. Moreover, most conflicts in Africa are connected to ethnicity (Osaghae, 1999).

Natural Resources and Conflict

How are natural resources thought to promote civil conflict? A number of mechanisms are thought to explain the resources-conflict relationship. Natural resources are thought to influence the behavior of the two key belligerents in civil wars, the government and the rebels. The greed perspective has held sway in the literature. The looting of natural resources allows rebels to finance their rebellion. The greed perspective is probably most strongly associated with the work of Collier and Hoeffler (1998, 2004) who argue that civil war is grounded in economic factors. They find a robust positive relationship between natural resource exports and civil war, which they interpret as supporting the greed mechanism. As Humphreys (2005) points out, however, this finding could support a number of other different mechanisms linking civil war and natural resource exports. Moreover, many have criticized Collier and Hoeffler's operationalization of natural resources exports and the fact that it includes both renewable resources, such as agricultural products, and non-renewable resources, such as oil (e.g., Fearon, 2005; Ross, 2006).

Renewable resources are thought to be related to conflict in a different way than non-renewable resources. Indeed, Welsch (2008) finds that agricultural abundance has a strong negative association with conflict, while non-renewable resources have a positive association with conflict. Welsch (2008, p. 504) embraces the “opportunity cost perspective, focusing on the relative rather than the absolute payoffs to be gained from production and resource appropriation.” Participating in a rebellion will lead one to forgo less income when the price for agricultural products falls. The factor determining the effects of commodities prices on conflict is the amount of labor required to produce the respective commodity (Dube & Vargas, 2013). As we discuss in detail below, lootable resources are easy to extract and have “high value-to-weight ratios” (Ross, 2003b, p. 34). Agricultural products are not easily extracted as their extraction requires significant amounts of time and effort. Moreover, their value-to-weight ratios are generally low. Thus, many renewable resources, such as agricultural products, are clearly not very lootable. The opportunity cost perspective is consistent with the greed perspective in that both contend that material interests determine whether people will join the rebels.

A related argument that is encompassed by the greed perspective is that the desire to capture natural resource rents is a strong motivation for rebels to attempt to take over the state; that is, natural resources render the state an attractive “target” or “prize” (e.g., Fearon, 2005). Although a number of other mechanisms connecting resources and conflict have been proposed, the findings of recent studies offer some support for this variant of the greed explanation. For example, Dube and Vargas (2013) examine the effect of commodity price shocks on civil conflict in the municipalities of Columbia. Dube and Vargas’s results support the idea that the price shocks of different commodities do not have the same effects on conflict. Increases in the international price for oil elevate the likelihood of conflict while increases in the price of coffee tend to decrease it. Price shocks of coal and gold, like those of oil, have a positive relationship with conflict. On the other hand, price shocks for other agricultural products, such as sugar, banana, palm, and tobacco, like those of coffee, have a negative effect on conflict; that is, increases in the prices for these agricultural products decrease the likelihood of conflict in the municipalities that produce these products (2013).

They interpret the finding that increases in the prices of oil, gold and coal are positively associated with conflict in the municipalities that produce these products as supporting the “rapacity effect”: price rises increase the incentive to fight over resources. On the other hand, the negative relationship between increases in the price of agricultural products and conflict reflects the opportunity cost effect. In addition, Ross (2006) finds that both onshore and offshore oil rents as well as primary diamonds are all positively associated with civil war onset. He notes that these findings provide some limited support for the “state-as-target hypothesis” (2006, p. 288). Bazzi and Blattman (2014, p. 3), however, do not find support for “the state prize logic” in their study of the relationship between export price shocks and conflict.

Natural resources are thought to encourage potential rebels to engage in conflict with the state for a number of other reasons. First, the inequitable distribution of natural resources rents is likely to give rise to strong grievances, which become the driving force behind insurgencies. Second, when resources are concentrated in a particular region populated by a distinct ethno-cultural group, they are likely to stimulate secessionist projects in that region (Le Billon, 2008). The results of Sorens' (2011) study support this argument. He finds that “local mineral abundance” (i.e., mineral wealth concentrated in a region dominated by an ethnic minority) has a positive relationship with secessionist conflict and a negative relationship with governmental conflict. Of course, Sorens' (2011) results are consistent with the greed perspective. Third, nonstate actors may attempt to promote conflict and chaos as such a state of affairs allows them to more easily loot natural resources. The same could apply to governmental actors. In other words, for some, war pays (de Soysa & Neumayer, 2007).

Another stream of the literature emphasizes the effects of abundant non-renewable natural resources on government (Basedau & Lay, 2009; Humphreys, 2005). Natural resources are thought to influence the incentives and behavior of those in government in ways that ultimately encourage conflict. As Le Billon (2001, 2008) notes, resource wealth is thought to contribute to government vulnerability. This vulnerability is related to the “rentier effects” of non-renewable natural resource wealth. Natural resource wealth diminishes a government's motivation to create an environment in which prosperity can emerge. Because the government does not need to tax the citizens, the relationship between the citizens and the government may be attenuated. Moreover, resource rents undermine institutional strength. The existence of natural rents encourages corruption among those with access to such rents (see Le Billon, 2001, 2008; Fearon, 2005; Ross, 2001).

The relationship between natural resource rents and corruption has empirical support. For example, based on their study of 30 countries that export oil, Arezki and Brückner (2011) find that increases in corruption accompany increases in oil rents. In their study of Sub-Saharan Africa, Arezki and Brückner (2011) find that rises in resource rents result in rises of corruption, especially in less democratic countries. Corruption has negative effects on a government's capacity, economic performance and legitimacy (Anderson & Tverdova, 2003 *inter alia*; Rose–Ackerman, 2008; Seligson, 2002). Low government capacity influences the calculus of potential rebels as low capacity undermines a government's ability to suppress threats and rebellions. In addition, government control of natural resource rents is likely to result in adverse selection. Those most interested in self-enrichment as opposed to public service will be attracted to government. As other scholars have observed, members of

government are also likely to compete for greater shares of the rents, further undermining state capacity.

Thus, abundant natural resources result in both government vulnerability and a reason for rebels to want to capture the power of the state. Government vulnerability increases the likelihood that rebels will meet with success when challenging the state, and the greater the natural resource rents to be had, the greater the reward for taking control of government. Hence, abundant non-renewable resources are likely to stimulate conflict both because of their influence on the behavior of those in government and would-be insurgents (Le Billon, 2001).

Of course, there is another version of the resource story when it comes to resources and government capacity. According to this version, natural resources can strengthen a government, rendering it less vulnerable to insurrection (e.g., Snyder & Bhavnani, 2005). The rents from natural resources can be used by the government to finance clientelistic networks and achieve elite accommodation. Moreover, the government may channel some of these rents into creating and maintaining security forces that can suppress rebellions. Natural resource rents can also be used to placate potential insurgents. In addition, the government could invest some of the rents in public goods, which would boost government legitimacy (Basedau & Lay, 2009). (These mechanisms are described in detail in Ross' (2001) examination of the relationship between authoritarianism and oil in the Middle East.) Arezki and Gylfason (2013) find support for this argument. Their results show that increases in resource rents are associated with an increase in government spending. Moreover, they find that in Sub-Saharan Africa, higher resource rents are associated with a lower probability of civil conflict, not a greater one. The results of Bazzi and Blattman's (2014) study of the relationship between commodity prices and conflict also support the state capacity mechanism. They find no relationship between commodity prices and the onset of civil war but they find that increases in the price for oil and minerals are linked to shorter wars with fewer fatalities (2014).

Lootability and Conflict

Another important consideration that is mentioned frequently in the literature is lootability. Lootable resources are thought to be especially likely to promote conflict. "Lootability" refers to the ease with which resources can be acquired and converted into wealth or exchanged for other valued items. Snyder and Bhavnani (2005, p. 565) succinctly define lootable resources as "high-value goods with low economic barriers to entry". A resource's degree of lootability is thought to influence the likelihood of conflict as well as the type of conflict which occurs (Basedau & Wegenast, 2009; Le Billon, 2008; Snyder & Bhavnani, 2005). Lootable resources are easily extracted by rebels and used to fund their insurgency. In the words of de Soysa and Neumayer (2007, p. 203), "Lootable natural resources, therefore, supply the motive (private gain) and the opportunity (finance of large enough force) for organizing violence." Thus, the lootability thesis could be considered a variant of the greed perspective since greed is clearly posited to be one of the motivators for perpetrating violence.

The lootability theory has found mixed support in the literature. Ross (2006) notes that lootable resources are connected to violence at the country level and cites Weinstein's (2006) study which finds that rebels are less disciplined and more violent when lootable resources abound. (Sorens (2011) provides some nuance to this claim noting that rebels with the goal of

secession do not loot in their home regions.) Moreover, government soldiers are less likely to be disciplined and may be tempted to pursue resources rather than provide security or suppress insurgencies. In contrast, those resources that require industrial infrastructure to exploit and that are concentrated in one area, often referred to as point resources (Le Billon, 2008), are difficult for non-governmental forces to capture. Indeed, it is probably the government that is best able to produce such resources. Thus, point resources might serve to strengthen the government for the reasons discussed above. On the other hand, as noted, the existence of such resources could provide the motivation for rebels to try to take over the state.

Indeed, some non-renewable resources which have a low level of lootability have been found to be positively associated with conflict. For example, a number of studies find a positive association between oil and conflict (e.g., de Soysa & Neumayer, 2007; Fearon & Laitin, 2003; Fjelde, 2009; Humphreys, 2005). Rebels can disrupt the operations surrounding point resources and demand payment to cease doing so, which renders some of these point resources, such as oil, lootable. Thus, sabotage and extortion can be viable strategies for rebels (Ross, 2003a cited in Le Billon (2008), 2006). The results of Ross' (2006) study indicate that both onshore and offshore oil rents have a positive relationship with the onset of civil war. As noted in the literature, offshore oil is perhaps one of the least lootable resources as sabotage is not even a strategy available to rebels.

Diamonds have also received a great deal of attention in the literature. Alluvial or secondary diamonds are considered one of the most lootable resources in the world. Kimberlite or primary diamonds, on the other hand, have a low level of lootability. Lujala et al.'s (2005) study provides perhaps the strongest support for the lootability theory. They find that secondary diamonds are positively associated with the onset of ethnic wars as well as the incidence of civil war while primary diamonds render these phenomena less likely (2005). In contrast, Ross (2006) finds that primary diamonds have a robust positive relationship with the onset of civil war while the link between secondary diamonds and civil war is much more tenuous --results that clearly contradict the lootability thesis. Despite the mixed support for the lootability theory, lootability is cited as a factor that has a major influence on the likelihood of conflict in most works on the resource-conflict link. Clearly, the lootability theory requires closer examination.

We propose a twofold approach to measuring lootability. First, we follow much of the existing literature by designating a particular resource to be more lootable than others (e.g., Sorens, 2011). In our paper we examine both primary and secondary diamonds. Of those two types of diamonds, we contend that primary diamonds require greater infrastructure to extract. Primary diamonds depend on deep shaft mining techniques that require heavy equipment, supplies, engineering expertise and organization. As such, we consider that they are less lootable. Secondary diamonds in contrast can be extracted by relatively unskilled workers collecting diamonds from the surface. Engineering expertise and heavy equipment are not required. This process makes it easier for loosely organized groups to set up diamond extraction and start getting diamonds to market to finance conflict.

Second, we will examine the price of the resources. Past scholars have suggested that lootability is partly a function of the value of a resource (de Soysa & Neumayer, 2007; Le Billon, 2008). De Soysa and Neumayer (2007, p. 216) make the explicit argument that, "...the lootability of a resource should be a function of the value of the resource on the world market." The logic is that holding value equal, a small item is a better candidate for financing

a rebellion than a large item. For example, one can transport hundreds of thousands of dollars' worth of diamonds in a 100kg crate small enough to be flown out of a small airstrip in a plane or packed out on the back of a mule. However, a similar dollar value of timber would require large trucks and passable and secure roads to drive them on. Similarly, holding weight equal, increasing the price of a resource should increase its lootability. Thus, the difference in value relative to weight has important implications for the ability of rebel groups to exploit the resources.

Including price has three advantages. First, it will allow us to directly measure the causal effect of the theorized mechanism underlying the lootability approach. Previous analyses of lootability have relied on subjective assessments of particular resources. These assessments bury the actual theorized mechanism in the judgement of the researcher, undermining their validity. There are two ways to replicate such studies. One approach would depend on accepting the original researcher's assessment of lootability of a resource and testing that resource's effect on conflict in other contexts. Alternatively, one could try to reevaluate the judgement of a particular resource's lootability in the same context. Both of these approaches have limits. By including price, we expose the theorized mechanism (the high value of the resource) to objective analysis. In doing so, we are engaged in hypothesis testing that can more easily be replicated.

The second advantage of focusing on price is that it allows us to examine the within resource effects of changes in price (e.g., high prices for diamonds versus low prices for diamonds). The typical approach to testing lootability is to assert that this resource is more lootable than that one and see if there is a statistically significant and positive effect of the amount of the lootable resource and conflict. We can test the relationship between changes in price and conflict within different resources one at a time. That is, if the lootability theory is valid, we should expect resources to increase their deleterious influence on conflict as they become more valuable. In other words, holding a particular resource constant, its bad effects should increase as its price increases.

Finally, by including the price of diamonds in our analysis we can compare the lootability argument to the "state prize" argument. The "state prize" approach postulates increasing conflict in response to increasing value of resources, regardless of lootability. The lootability argument expects that conflict will increase only when lootable resources' prices increase. We discuss these competing expectations in more detail below.

The basic lootability argument is that resources that tend to be easy to extract and are valuable will be more likely to be used as financing for intrastate conflict (e.g., Snyder & Bhavnani, 2005). The most common way to test this argument is to hypothesize that diamonds, for example, are more lootable than oil.

- H1: The presence of diamond production in a country will be associated with increased probability of the onset of a war in that country.

We are interested in the effect of the lootability logic within resources. To determine if a lootable resource becomes more pernicious as its price increases, we examine the interaction between production and price in both primary diamonds and secondary diamonds. Primary or kimberlite diamonds, must be mined in deep shaft mines. In contrast, secondary or alluvial diamonds, which have been washed into stream beds, can be more easily extracted. The infrastructure requirements of these two different types of diamonds have implications for the

ease with which rebel groups can exploit the diamonds to finance violent conflict (Le Billon, 2008; Lujala et al., 2005; Snyder & Bhavnani, 2005). When a rebel group is faced with the need to control a kimberlite mine, they must control the mine itself, the expert personnel needed to operate the mine, and road access to the mine to keep it supplied with equipment. Alluvial diamonds can be panned for in streams or dug from deposits much closer to the surface. Given the value of the diamonds, neither type of diamonds needs much transportation infrastructure to ship the diamonds to market. But kimberlite diamonds require a much greater control over population and territory than do alluvial diamonds.

For these reasons, we believe that the presence of primary diamonds will not be associated with the increased likelihood of the onset of war in a country but that secondary diamonds will be. We also test the logic of lootability within each of these resources. That logic suggests that as the price of diamonds increases, the conflict encouraging effect of the presence of diamonds should be enhanced. Because primary diamonds require a great deal of infrastructure to extract, we contend that a significant increase in conflict inducing effects for primary diamonds is most consistent with the “state prize” approach discussed above. Indeed, the “state prize” approach leads to an expectation that price will increase the conflict encouraging effects of both kinds of diamonds.

- H2a: As the price of diamonds increases, the conflict encouraging effects of both primary and secondary diamonds will be exacerbated.

In contrast to the “state prize” approach, the lootability approach leads to expectations that price changes would increase conflict encouraging effects only for easily acquired and transported resources. In our analysis this applies to secondary diamonds but not primary diamonds. This leads to a related hypothesis for lootability.

- H2b: As the price of diamonds increases, the conflict encouraging effects of secondary diamonds only will be exacerbated.

Lootability is also a function of the difficulty of getting a resource to market. Thus, contextual characteristics are likely to influence the ease and desirability associated with looting natural resources. To examine this aspect of the lootability argument, we examine the road density of a country and the cost of exporting goods from a country. There are two ways to look at the potential relationship between the costs associated with getting the natural resources to the market and civil war. On the one hand, when a country has a more complete road system, it is easier for everyone to get their products to market. Thus, a good road system could facilitate rebels' ability to reach the market with their goods, thereby lowering the cost of trade in natural resources and making such economic activities more attractive.

On the other hand, a better road system is likely to be associated with higher government capacity, and governments with high levels of capacity are able to quell rebellions more easily than those with low levels of capacity. In addition, dense road systems augment the ability of government forces to reach the rebels and crush their insurgencies. Thus, following this logic, better road systems would be associated with less civil conflict. This relationship has not been widely tested in the literature, and the findings of those studies that do examine this relationship are not fully consistent. For example, Buhaug and Rød (2006) find that road density has a negative relationship with territorial conflict but is unrelated to governmental

conflicts. In contrast, Raleigh and Hegre (2009, p. 231) find that armed conflict is less likely in areas without well-developed road systems (i.e. areas without “dual lane/divided highways, other primary roads, or road connectors within urban areas.” We believe that higher levels of road density will generally be associated with less civil conflict as being out of the reach of the government renders resources more lootable.

- H3: Countries with more complete road systems will be less likely to have civil conflict than those countries with less complete road systems.

Similarly, low export costs may imply that rebels incur lower costs in getting their goods to market and thus low export costs could heighten rebels' incentives to loot. In contrast, it could be the case that easy access to legitimate routes to trade makes the illicit trade in lootable goods less attractive. That is, when it is not costly to engage in legitimate export activities, people will be more likely to pursue the legal export business as opposed to illicit trade.

- H4: Export costs will be negatively associated with the onset of civil war.

Data and Methods

We employ a time-series cross-sectional design to analyze how the presence of secondary diamond production, primary diamond production, and diamond price influence the onset of ethnic civil wars in 48 Sub-Saharan African countries between 1960 and 2010. We include every Sub-Saharan African country-year for which we have data on all of the independent variables in our study. Our unit of analysis is the country-year. Most variables are available only since the formal independence of the respective countries. Using the Gleditsch and Ward (1999) list of independent states, we see a wave of independence declarations in Sub-Saharan Africa between 1950 and 1980. Thus, the resulting panel is unbalanced with an average of 45.7 year observations per country.

We test our hypotheses against one discrete dichotomous dependent variable: the onset of ethnically driven armed intrastate conflict. The coded data was obtained from the Ethnic Power Relations project (EPR, v.3.01) (Wimmer, Cederman, & Min, 2009) which bases its coding strategy on the PRIO/Uppsala Armed Conflicts Data Set (N. P. Gleditsch, Wallensteen, Eriksson, Sollenberg, & Strand, 2002; Pettersson & Wallensteen, 2015). Because our dependent variable is dichotomous, we use a logit random-effects estimator which groups the observations by countries.

The analysis uses cubic polynomial splines to control for time dependencies because it is reasonable to assume that all time-series exhibit some time dependencies and we know that standard errors might be hugely underestimated as a result (Beck & Katz, 1997). Commonly used techniques tackling time dependencies in models with binary dependent variables and cross-sectional time-series data are year fixed effects, or year dummies, and cubic splines. These techniques were introduced to political science by Beck, Katz, and Tucker (1998). We decided against year fixed effects because this technique is subject to various problems (Beck et al., 1998) in addition to requiring many degrees of freedom and being prone to separation problems (Carter & Signorino, 2010a). Instead, we follow the recommendations by Carter and Signorino and use cubic polynomial splines in order to approximate the time hazard

function, allowing a non-monotonic hazard and avoiding the problems of higher and even polynomials. We chose cubic polynomial splines (Carter & Signorino, 2010a) over natural cubic splines (Beck et al., 1998) because they are easier to implement and shown to perform just as well. We obtained the splines by creating a time counter starting in 1960, adding one for every additional year. In order to decrease the potential instability of the results due to large maximum values of time cubed (e.g. $t_{2011}^3 = 52^3 = 140.608$) (Carter & Signorino, 2010a), we divided the squared spline by ten and the cubed spline by 100.

Since the regressors of the splines are meaningless by themselves, we do not report the estimated coefficients and standard errors for the splines in the result tables. Further, while it is certainly possible to plot and interpret the time, or hazard, function, it is also controversial (Beck, 2010; Carter & Signorino, 2010b). We decided not to interpret the hazard function because we do not see a theoretical reason to do so: Time is not hypothesized to be an independent explaining variable, but controlling for time dependency is necessary to minimize potential bias of the estimated standard errors of our main explanatory variables.

Main Explanatory Variables

The hypotheses require testing the effect of an interaction between diamond production and diamond price on the onset of ethnic civil wars. We proxy diamond production with dummy variables for the presence of both primary and secondary diamond production. This diamond production data is from the Diamond Dataset by Gilmore et al. (2005) and Lujala, Gleditsch, and Gilmore (2005). We use their dummy variables (PDIAP and SDIAP) indicating the presence of production of primary and secondary diamonds respectively.

An advantage of our dataset is the availability of diamond price data which affects the attractiveness and lootability of diamonds. The Mineral Yearbooks of the USGS report annual import data on US imports of rough and uncut natural gem quality diamonds (also including cheap-gem and near-gem qualities). The data lists quantities in carats and worth in nominal US dollars for the imported diamonds by country. Obviously, not all diamonds exported by, for example, Israel were produced in Israel, hence calculating country specific diamond prices to control for differing qualities of diamond mines between countries is problematic. However, assuming that the US is a major importer of rough uncut diamonds, one can expect the US to pay (or even set) the world price which other countries would pay as well. In other words, our assumption follows standard economic theory that arbitrage will level prices among buyers worldwide. Thus, we aggregated the quantities and worth of US diamond imports by year and calculated a yearly world average price for rough and uncut diamonds in US dollars per thousand carats. Using the Penn World Tables' (PWT) output-side real gross domestic product (GDP) price level, we transformed this nominal measure into real 2005 US dollars. The price level of the output-side real GDP is the quotient of purchasing power parities (PPP) and the nominal exchange rate (Feenstra, Inklaar, & Timmer, 2015, pp. 3154–5). The PPP term makes values comparable across time, while the exchange rate term makes them comparable across countries.

As argued above, the lootability of diamonds is also affected by the physical and institutional environment. We use the percentage of roads which are paved as a proxy for how quickly goods can be moved and the costs of exporting in US dollars per container. Both variables were supplied by the World Bank's Africa and World Development Indicators respectively. The cost of exporting refers to all fees in US dollars required to export one 20-

foot container. In order to make this monetary variable comparable to the other ones in our data set, we obtained the nominal export cost and converted it to real 2005 US dollars by dividing the values by the PWT's price level of the output-side real GDP.

The percentage of paved roads and the cost to export measures are fairly new variables and are available only for 10 to 20 years, depending on the country. However, they exhibit few variation across time within countries. Therefore, we used the earliest measure and extended it back in time until the respective country's independence. Since we are interested in generalizable between-country effects without the goal of making predictions for the sample or beyond, and because of its similarity to popular treatments of fractualization measures as constants over time in the peer-reviewed literature, this treatment seems reasonable until better measures are available.

Controls

Aside from the variables linked to lootability, we include three variables that have been found to be related to armed conflict as controls: The gross domestic product (GDP) per capita in million real US dollars, population size in millions, and ethnic diversity. We use natural log transformations of GDP per capita and population after adding one, as is common practice to reduce the positive skewness of the measure. We calculated GDP per capita in order to increase comparability across countries with GDP and population data from the Penn World Tables (v. 8.1) (Feenstra et al., 2015). Ethnic diversity is proxied by the number of politically relevant ethnic groups as provided in the EPR data set.

Further controls include the combined revised Polity IV score, the number of bordering states with societal major episodes of political violence, and the number of peace years. The former two are from the Center for Systemic Peace. We calculated the latter as the number of years elapsed since the last conflict onset as coded in the PRIO/Uppsala Armed Conflicts Data Set. We include this variable to account for the possibility of previous armed conflicts increasing the possibility of further armed conflicts in the future. Similarly, we control for neighboring countries with violent conflicts to account for potential spatial dependencies between neighbors. We include a table with descriptive statistics for all our variables in an appendix at the end of this paper.

Results

The results of our empirical analysis support the underlying logic of the state prize approach as opposed to the lootability approach. The main empirical results are presented in table 1 below. We ran five models with various combinations of primary and secondary diamond production and interactions between those variables and the price of diamonds. In all four models in which primary diamonds (PDIAP) are included, we find a negative relationship between their presence and the likelihood of the onset of an ethnic conflict in that country. When not interacted with price, the result is significant at the .10 level. When the price interaction is included, the significance rises to the .01 level. We find significant evidence that the presence of primary diamonds reduces the likelihood of onset for ethnic conflicts. This finding provides support for the argument that natural resources can boost government capacity.

Table 1: The Effect of Diamond Production on the Onset of Ethnic Armed Conflict

	(1)	(2)	(3)	(4)	(5)
	β /SE				
PDIAP	-1.208+	-1.262+		-4.066**	-4.172**
	(0.675)	(0.674)		(1.552)	(1.533)
SDIAP	-0.187	-2.080*	-2.427*	-0.185	
	(0.451)	(0.972)	(0.977)	(0.451)	
Diamond price	0.001	-0.001	-0.001	-0.000	-0.000
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
PDIAP * diamond price (real2005USD)				0.004*	0.004*
				(0.002)	(0.002)
SDIAP * diamond price (real2005USD)		0.003*	0.003*		
		(0.001)	(0.001)		
% roads paved	-0.035	-0.034	-0.027	-0.036	-0.032
	(0.022)	(0.022)	(0.021)	(0.022)	(0.020)
Cost to export	0.000*	0.000*	0.000*	0.000*	0.000*
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
no. ethnopolitically relevant groups	0.154*	0.157*	0.127*	0.152*	0.147*
	(0.067)	(0.068)	(0.064)	(0.068)	(0.066)
Controls suppressed	Yes	Yes	Yes	Yes	Yes
Polyn. Splines effects	Yes	Yes	Yes	Yes	Yes
χ^2	463.521	453.845	470.839	454.180	453.746
BIC	500.177	502.616	499.176	502.627	495.317
N	1772	1772	1772	1772	1772

Dependent variable: new ethnic civil war onset (dummy). All explaining variables are lagged by one year; change variables indicate change since the last year; PDIAP = dummy coded 1 if production of primary diamonds in country-year; SDIAP = dummy coded 1 if production of secondary diamonds in country-year; BIC = Schwartz's information criterion. Estimation technique: logit cross-sectional time-series with standard errors clustered by country in parentheses. Unbalanced panel, 1960-2010.

+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001

In two of the four models in which we included the presence of secondary diamond production, we found a negative relationship between the presence of secondary diamond production and the onset of ethnic conflict. In both models the relationship was significant at the .05 level. As with the result for the primary diamonds, these results argue strongly against our first hypothesis. The sign is the opposite of that expected in H1, that the presence of diamond production in a country will be associated with increased probability of the onset of a war in that country, and the results are consistently significant.

Taken together these two results might also be seen as evidence against the state prize approach and the lootability explanations of civil war. However, the underlying logics of both the state prize approach and the lootability theory depend on the value of the resource. Even a relatively portable resource like diamonds should become more conflict inducing when its value increases. This is the basis of the two variants of hypothesis 2, H2a and H2b.

To test the effect of changing value on the conflict inducing or reducing effects of the presence of diamond production in Sub-Saharan African countries, we interact the presence of primary and secondary diamond production with the price of diamonds. In all the models

in which such interactions were included, we found that increases in price lead to a shift in the effect of both types of diamond production in a conflict inducing direction. In other words, while the presence of diamond production by itself seems to be peace inducing, the peace inducing effect is undermined when diamond prices increase. That this effect is observed with regard to both primary and secondary diamonds indicates support for H2a but not H2b. In short, our results support the “state prize” approach more than the lootability approach.

Our third hypothesis is designed to shed light on the ability of the state to impose its will throughout the state's territory. We expect that a more extensive road network would be negatively associated with the onset of ethnic conflict. Our results show no significant relationship between road network and the onset of ethnic conflict. It is possible that road networks cut both ways. On the one hand, roads enable the state to gain access to and control regions of the country. On the other hand, roads may also enable potential rebels to smuggle lootable goods and resources out of the country to finance their activities.

Our fourth hypothesis also addresses an element of the lootability theory. When the costs to legally export goods increase, it will increase the profitability of and incentives to engage in smuggling. To shed light on this we include the cost to export in all of our models. In each model, our statistical results show that as the costs of export increase and the likelihood of the onset of ethnic conflict also increases. This relationship is significant at the .05 level in all five models. However, the coefficient is extremely small, less than .001, which suggests that we have reason to expect that the cost to export, in its current proxy, has no effect on the onset of ethnic armed conflict.

Discussion

The broad conclusion of our findings is that the “state prize” approach seems to be a better predictor of how ethnic conflict emerges than the lootability approach. We find that diamond production of both primary and secondary diamonds is associated with decreased onset of ethnic wars. This finding would tend to support the state capacity perspective. As noted, some claim that the rents from natural resources can strengthen a government in a number of ways and thus make it is less susceptible to insurgencies. We also believe that this may be because the presence of diamonds provides an incentive for the state to establish a presence in the diamond producing areas. This additional attention may take the form of increased state control (more police, more military, etc.) and/or an increase in public spending on infrastructure in the region. Both of these features may lead to our finding a negative relationship between diamond production and the onset of ethnic wars.

Our finding that the extent of the road system is also negatively associated, albeit not significantly, with the onset of ethnic conflict is consistent with our speculative explanation for the diamond production result. Roads are both a symbol of and a necessary condition for effective government in a region. Roads carry police and the military to potential trouble spots. Roads also carry economic opportunities that may defray the incentives to oppose the state. It may be the case that governments build roads to areas with diamond production in order to establish control over that territory. If that is the case, it would explain both basic results. However, the lack of significance for our roads variable may indicate from roads making it easier for smugglers to get lootable resources to market.

However, when we interact diamond production with the price of diamonds, we find that as price increases the peace inducing influence of diamond production is diminished. That

this finding is present with both types of diamonds is consistent with the “state prize” approach. Our findings suggest that as the price of both primary and secondary diamonds increases, their usefulness as a revenue stream supporting ethnic conflict increases. The two types of diamonds are a good test for comparing the “state prize” approach to the lootability argument because while primary diamonds are infrastructure intensive, secondary diamonds are not. Furthermore, the profitability of both types of diamonds are particularly sensitive to effects of price. They are small and portable and when prices increase, greater amounts of value can be extracted and exchanged for the tools of war with less effort.

Our results build on previous examinations of commodity price shocks, particularly Ross (2006). We make two contributions. First, we examine both primary and secondary diamond production and find that price interacts with both in similar ways. Primary diamond production requires more infrastructure and may therefore be thought to be less lootable. However, secondary diamonds are the classic lootable commodity. That we find that increasing diamond prices have a conflict inducing influence on both types of diamonds supports the lootability approach.

Second, we frame our analysis in the context of comparing the “state prize” approach to the lootability argument. Like past analyses of lootability we distinguish between two resources, primary and secondary diamonds based on our assessment of whether they are lootable or not. By including price, we are able to see variation in the lootability of a commodity over time and directly test an important component of the lootability mechanism. As prices increase, the amount of value that can be transported for a given amount of effort increases. In short, when prices increase, the value of that commodity as loot should also increase. Furthermore we can examine the effects of price in both a lootable and infrastructure intensive resource. Our findings show that the effect of diamonds on the onset of ethnic conflict moves in a conflict inducing direction as the price of diamonds increases. This is consistent with the logic of lootability. However, that this effect occurs in both primary and secondary diamonds is contrary to the expectations of the lootability approach and consistent with the “state prize” approach.

Our findings also point to a series of new research questions regarding the relationship between commodity prices and government authority and effectiveness. For example, further research could examine the costs incurred by the state protecting valuable resources. Our findings that the presence of diamonds are negatively associated with the onset of ethnic conflict interacts with our lack of a significant roads result to encourage further research. Taken together these two results suggest an intriguing relationship between lootable resources, conflict, and institutionalization. A specific examination of institutionalization's effects on conflict is beyond the scope of our current analysis. However, our findings certainly underscore the desirability of further research in that area.

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Appendix

Table 1: Descriptive Statistics

	min	max	mean	SD	N
Ethnic civil war onset dummy	0	1	0.0265	0.161	1772
primary diamond production	0	1	0.226	0.419	1772
secondary diamond production	0	1	0.387	0.487	1772
diamond price (real2005USD)	197.8	1315.6	553.5	200.2	1772
% roads paved	0.800	54.90	16.56	10.15	1772
Cost to export	463	5500	1738.7	995.7	1772
no. ethnopolitically relevant groups	0	13	4.792	3.082	1772
Population (millions, ln)	0.329	5.047	2.045	0.966	1772
PolityIV	-10	9	-2.853	5.693	1772
GDP pc, ln	5.225	9.823	7.251	0.719	1772
GDP pc change	-60.22	139.9	1.297	10.10	1772
no. bordering states with societal MEPV	0	6	1.022	1.174	1772
no. peace years	0	49	12.07	11.72	1772

Change variables indicate change since the last year; pc = per capita; diamond price = yearly average of US import price for rough and uncut diamonds in real 2005 USD; population numbers in million; GDP measures are in million real chained PPP, constant 2005USD, and per capita; societal MEPV = civil or ethnic major episode of political violence.

Table 2: The Effect of Diamond Production on the Onset of Ethnic Armed Conflict

	(1)	(2)	(3)	(4)	(5)
	β /SE				
PDIAP	-1.208+ (0.675)	-1.262+ (0.674)		-4.066** (1.552)	-4.172** (1.533)
SDIAP	-0.187 (0.451)	-2.080* (0.972)	-2.427* (0.977)	-0.185 (0.451)	
Diamond price	0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.000 (0.001)	-0.000 (0.001)
PDIAP * diamond price (real2005USD)				0.004* (0.002)	0.004* (0.002)
SDIAP * diamond price (real2005USD)		0.003* (0.001)	0.003* (0.001)		
% roads paved	-0.035 (0.022)	-0.034 (0.022)	-0.027 (0.021)	-0.036 (0.022)	-0.032 (0.020)
Cost to export	0.000* (0.000)	0.000* (0.000)	0.000* (0.000)	0.000* (0.000)	0.000* (0.000)
no. ethnopolitically relevant groups	0.154* (0.067)	0.157* (0.068)	0.127* (0.064)	0.152* (0.068)	0.147* (0.066)
Population (millions, ln)	0.306 (0.192)	0.322+ (0.193)	0.268 (0.192)	0.323+ (0.193)	0.355* (0.178)
PolityIV	0.042 (0.035)	0.047 (0.035)	0.044 (0.034)	0.046 (0.034)	0.046 (0.034)
GDP pc, ln	-0.665*** (0.130)	-0.588*** (0.135)	-0.581*** (0.135)	-0.620*** (0.133)	-0.641*** (0.123)
GDP pc change	0.025* (0.012)	0.026* (0.012)	0.027* (0.012)	0.024* (0.012)	0.024* (0.012)
no. bordering states with societal MEPV	-0.143 (0.157)	-0.137 (0.159)	-0.169 (0.157)	-0.105 (0.161)	-0.109 (0.160)
*no. peace years	-0.000 (0.015)	-0.000 (0.015)	-0.002 (0.015)	0.001 (0.015)	-0.000 (0.015)
Polyn. Splines effects	Yes	Yes	Yes	Yes	Yes
χ^2	463.521	453.845	470.839	454.180	453.746
BIC	500.177	502.616	499.176	502.627	495.317
N	1772	1772	1772	1772	1772

Dependent variable: new ethnic civil war onset (dummy). All explaining variables are lagged by one year; change variables indicate change since the last year; PDIAP = dummy coded 1 if production of primary diamonds in country-year; SDIAP = dummy coded 1 if production of secondary diamonds in country-year; pc = per capita; ln = variable is transformed with the natural logarithm; population numbers in million; GDP measures are in million real chained PPP, constant 2005USD, and per capita; price variables are in real 2005 USD via transformation using PPPs with US2005=1; societal MEPV = civil or ethnic major episode of political violence; BIC = Schwartz's information criterion. Estimation technique: logit cross-sectional time-series with standard errors clustered by country in parentheses. Unbalanced panel, 1960-2010.

+ p<0.10, * p<0.05, ** p<0.01, *** p<0.001

Shareholder Activism: A Multi-Dimensional View of a Conflict-Ridden Construct

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Abstract

We contend that shareholder activism is a conflict-rich construct given the heterogeneity of actors involved and the divergence of motives and interests of firm managers, shareholder investors, and proxy advisors. Proxy advisors, an exogenous actor that interacts with both shareholders and firms, suffer from rampant conflicts of interest affecting negatively investors and beneficiaries alike. Pointing at goal incompatibility as a tension generator, agency theory provides a context for understanding the inherent friction between key actors at the opposite ends of the table – shareholders and managers, or principals and agents respectively. When conflict abounds, recognizing forces that trigger escalation and de-escalation of conflict is vital. We refer to a framework proposed by Bartos & Wehr (2008) that portrays forces responsible for escalation, and de-escalation of conflict. We identify similar forces within the context of shareholder activism, and assert that key actors should be familiar with those igniters and diffusers of conflict.

Introduction

Shareholder activism is a conflict-ridden construct that reflects ingrained tensions between shareholders and firm managers. Such tensions stem from perceived power imbalance, information asymmetry, and incompatible goals as suggested by agency theory.

Goranova & Ryan (2014) provide a broad definition of shareholder activism that we find appealing given its applicability. The term refers to “actions taken by shareholders with the explicit intention of influencing corporations’ policies and practices, rather than as latent intentions implicit in ownership stakes or trading behavior.” This working definition points explicitly at shareholder activists’ pursuit of influence over firm policies and market strategy. Activists exercise their power and influence by either leveraging their equity position as investors - a stake gained through share accumulation, or by filing shareholder resolutions, or by threatening boards with a proxy fight during annual meetings.

Power plays a major role in conflict escalation and de-escalation (Bartos & Wehr, 2008), and an essential role within the shareholder activism discourse. The perception of power imbalance between shareholders and managers attracts conflicting views. For instance, while proponents argue for the strengthening of shareholders and call for stronger managerial accountability to shareholders (Dimitrov & Jain, 2011), opponents warn against regulatory changes that further empower shareholders as this may lead to an imbalance in a way that substitutes managerial self-serving with shareholder self-serving (Lan & Heracleous, 2010). However, power is but one driver of friction and tension between shareholders and firms. No less critical is the diversity of

classes within the shareholder camp itself where groups are guided by their own interests and motives, thus increasing the likelihood of conflict between different streams of activism. Gillan & Starks (2007), for one, argue that financial and social activism appear to collide given that social goals may be considered secondary, at best, by financially driven shareholders. On the other hand, pursuing financial returns is seen by social activists as too exclusive and serving stockholders at the expense of other groups of stakeholders.

Yet, group heterogeneity is an attribute shared by actors from both the shareholder and the firm camps. These camps appear to be less homogeneous in their actions and reactions toward each other. The plurality of actors with self-serving interests and divergent motives constitutes a fertile ground for conflict.

Research on activism processes is scarce despite the wide range of actions available to both managers and activists. Furthermore, most empirical modeling of firms treats them as stationary targets rather than proactive entities attempting to engage their environs (Goranova & Ryan, 2014). This paper focuses on the conflict-rich interactions between firm managers and shareholder activists. Dynamic in nature and evolving, conflicts tend to escalate or de-escalate following action-reaction sequences that lead to new power arrangements, and ultimately to settlements involving compromise between conflicted parties.

We approach the nexus of relationships amongst key actors from several perspectives. The first two perspectives focus on shareholder-specific, and firm-specific dimensions respectively. These perspectives capture common typologies of shareholders and firms, highlighting the heterogeneity of motives and interests, and the action-reaction dynamics that characterizes relationships between these actors. A third perspective focuses on the proxy advisory industry, its rampant conflicts of interest and impact on both shareholders and managers. A fourth perspective focuses on agency theory and its assumptions relative to the divergence of interests of shareholders as principals, and of managers as agents. We view agency theory as a linchpin that bonds together both firm and shareholder domains. While previous domains deal with the inherent inter-intra-conflicts that characterize the nexus of contracts and relationships amongst key actors, the fifth perspective focuses on drivers of conflict escalation and de-escalation as they relate to shareholder activism, and on the repertoire of strategies firms use to manage conflict with activists.

Taken together, these five-perspectives help form a conceptual model that rests on a rigorous review of the literature – as our methodology of choice. It is further supported by examples of concrete cases involving firms and activists that are considered relevant to various sections of this paper. This two-pronged approach links theory with reality and provides for a richer context within which we develop our key arguments. Figure 1 depicts the various dimensions that this paper proposes to explore. Actors in this model form a dynamic network of relationships as they attempt to influence each other and reconcile, albeit temporarily, their incompatible goals.

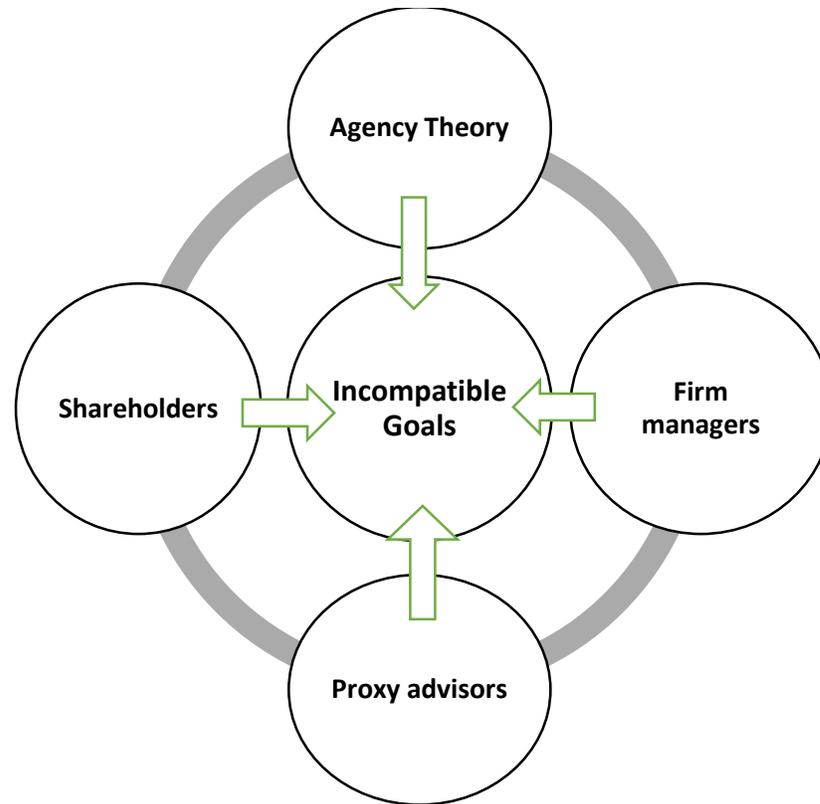


Figure 1: Shareholder Activism: Key Actors

The Shareholder Domain

Shareholders occupy the first dimension in our model. The multitude of shareholder investors with diverse motives, interests and modus operandi is a breeding ground for potential group conflict. Establishing shareholder profiles is thus warranted and serves several purposes. A shareholder typology helps define key actors, highlights their unique focus, singles out triggers of shareholder-related conflict, and helps classify each actor's actions and responses vis-à-vis firms and each other. The emerging picture suggests a plurality of actors with potentially conflicting interests and differentiated modes of operation.

Shareholder typologies

Several works attempted to develop classifications capable of distinguishing amongst various categories of shareholder activism. Gilson & Gordon (2013) propose a dichotomous classification of shareholder activism that is based on the degree of activism manifested by each class of investors. On one end are passive institutional investors that specialize in portfolio management, and who have little appetite for an active governance role. Pension and mutual funds are typical actors within this class of investors. On the other end are active shareholder investors that specialize in monitoring of firms' strategy and performance. Equity and hedge funds are representatives of the latter class.

The apparent gap between active and passive classes of investors, in terms of focus and interests, affects their relationships with firms and with other shareholder groups. For one, passive institutional investors present a critical challenge to shareholders given their preference for exiting underperforming firms rather than leveraging their shareholders' rights and engaging firms with the task of a governance change. The focus and actions of this class of shareholders are far from being firm-specific due to the logic of portfolio theory that calls for diversification across industries. Dropping a single stock of an underperforming company, in a multi-firm portfolio, is less demanding and less taxing than the investment needed for engaging firms' managers and influencing firms' strategy. The evidence suggests that the passive posture characteristic of power-concentrated intermediary shareholder institutions, like mutual funds, is indeed problematic given that it leads to undervaluation of shareholder governance rights (Gilson & Gordon, 2013). Gilson & Gordon point out that during the 2007-2009 proxy seasons, mutual funds only proposed eighty-four proposals, or less than five percent of all shareholder proposals. Furthermore, eight out of ten proposals were devoted to social and environmental issues, and only two out of ten dealt with corporate governance or firm performance.

While the passivity of institutional investors may lead to a governance gap, it also creates opportunities for a new breed of active actors who possess both the posture and skills that are suited for governance intervention. One such actor is the hedge fund who accomplishes intervention goals by acquiring a position in an underperforming company, by pressing for board representation, and by presenting a blue print for change. A typical hedge fund engages boards and tends to resolve potential conflicts behind closed doors using dialogue as a preferred form of negotiation (Nili, 2014).

Rose & Sharfman (2015) propose another typology of shareholder activism - offensive shareholder activism versus corporate governance activism. Under the umbrella of corporate governance activism are labor unions that actively seek changes in public companies' governance arrangements, executive pay, and social policy. Hedge funds are considered offensive activists since they seek radical changes in firm strategy leading to stock price appreciation and abnormal returns.

Rose & Sharfman (2015) argue that offensive shareholder activism fulfills a vital corrective function that reduces errors in a firm's decision making. Such reduction in errors is achieved through the transfer of exclusive information from the activist to the board of directors. Offensive activists may possess superior external information about competitors that surpasses the internal informational advantage of firm managers and board members (Rose & Sharfman, 2015). Thus, while activists and firm managers may have divergent and conflicting interests, they can still cooperate and play a complementary role engaging in beneficial exchanges of information and ideas.

Unions, on the other hand, are more likely to resist managerial self-serving behavior as they have less social capital at risk compared with other institutional investors (Schwab & Thomas, 1998). Thus, unions and pension funds may find themselves in conflict and at odds with C-suite managers given their role as suppressors of potentially opportunistic behavior of the firm's top echelon. Prevost, Rao & Williams (2012) point at another source of intra-conflict that involves unions and affects their role as a shareholder activist. Their activist role suffers from an inherent conflict of interest stemming from a dual role as a collective bargaining party, and as an agent of their members' pension funds. On one hand, they seek to increase workplace benefits to their union members, and at the same time also seeking to maximize shareholder value derived from pension plans under their direct management and oversight.

Still, a third typology is proposed by Nili (2014). Rather than adopting a simplistic dichotomous view of activism, Nili offers a differentiated taxonomy portraying the plurality of shareholder motives along with activist type, external considerations and unique mode of operation. His taxonomy highlights the complexity and versatility inherent in this multifaceted construct, and the probable friction and tension between one or more classes of shareholder activists.

Highlighting activist investors' diversity, Nili (2014) assesses four common models of shareholder activism - hedge funds, equity funds, traditional financial institutions, and social activists – along with their unique *modus operandi*. Consider the variation in motives that they share and the differing agency concerns that each class seeks to mitigate. Hedge funds are driven by a desire to maximize shareholder returns. Consequently, they build a stake in a target firm, and seek strategic changes aimed at managers and firm underperformance. Private equity funds are likewise motivated by financial performance and economic interests, but they seek to privatize publicly traded firms through a buyout, bringing along new managers for restructuring of these firms. Dell Inc. is a good example of a publicly traded company gone private via a buyout during 2013. Silver Lake Partners, a leading equity fund, was a major driving force behind Dell's buyout.

Contrary to both hedge and equity funds, traditional financial institutions (i.e. pension funds), argues Nili, are guided by political considerations rather than by pure economic interests, and show little interest in firms' governance issues. As to social activists, they seek to place shareholder resolutions on firms' ballots, and tend to use the media for publicity. This activist employs a hybrid model of activism combining internal and external campaigns for garnering maximum pressure (Nili, 2014).

In sum, whether dichotomous categories or a taxonomy of classes, leading actors – hedge funds, equity funds, labor unions and pension funds - play either a passive/defensive role, or an active/offensive role as investors, and are driven by either economic considerations, or political interests. Ultimately, the heterogeneity of roles also affects the actors' preferred mode of operation vis-à-vis target firms.

Shareholder action-reaction

Given the multitude of shareholder actors, one can assume a diversity of actions when facing target firms. Cziraki, Renneboog & Szilagy (2010) assess shareholder activism through the process of proxy proposals, and explore the degree of investor homogeneity by their voting. Their findings support the notion that shareholder voting pattern indicates a high degree of fragmentation within investor groups rather than a unified homogenous front. It appeared that some shareholder groups such as insurance companies, banks and trust companies are less likely to support shareholder proposals. These shareholder investors are pressure-sensitive given their ongoing relationships with the companies they invest in, thus presenting them with increased risk of conflicted voting (Cremers & Romano, 2007).

Shareholder reactions, as a whole, reflect dissatisfaction with firm's governance and performance (Gillan & Starks, 2007). Shareholders can adopt a trade response by pursuing an exit strategy (i.e. sell of shares), or a more active strategy that seeks radical change in ownership control (i.e. a buyout or a takeover). Between these two extremes, lies a third possible reaction – a voice strategy that may be pursued by shareholder activists. Voice can be private and informal (i.e. covert dialogue and negotiation), or public and formal (i.e. lawsuits and litigation) (Armour,

2008). Applying Nili's class taxonomy to shareholder action-reaction dynamics, it may well be that institutional activists are likely to pursue a passive trade strategy, private equity funds are more likely to pursue radical change in corporate control, and hedge funds activists prefer to pursue a voice strategy.

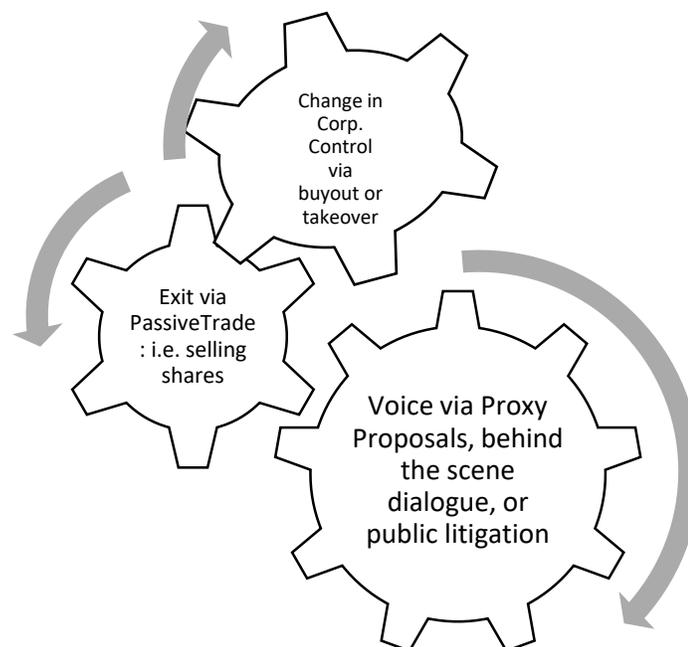


Figure 2: Shareholder activism: Activist responses.

Figure 2, depicts possible activist responses. Exit and change in corporate control reflect unique reactions that move in different directions. Their illustrated small size suggests that they attract less attention, and are perceived to be less useful in resolving the agency dilemma compared with a voice strategy (Cziraki, Renneboog & Szilagyi, 2010). Voice is more dominant and meaningful as a strategy given that shareholder activism seeks a change within the firm without a change in control or an exit (Cziraki, Renneboog & Szilagyi, 2010). Shareholder activism that is manifested through voice (i.e. dialogue, negotiation, proxy proposals) is a useful strategy for mitigating the agency problem (Bebchuk, 2005; Harris & Raviv, 2008).

The Firm Domain

The firm occupies the second dimension in our model. Diversity cuts across shareholder classes as well as across firms, making the latter far from being a homogenous group. Firm heterogeneity can be manifested in the ways managers perceive and react to shareholder activism. Attempting to understand managers' reactions to activist actions is essential given the possible link between firm-specific internal characteristics and firms repertoire of responses. Theodore, Navis & Fisher's (2013) advance a framework that identifies primary reactions to shareholder actions, and argue that firm action-reaction cycle emanates from its organizational culture and from firm-specific internal beliefs about obligations to external stakeholders.

A Firm Typology

Viewing firm culture as a continuum that ranges from corporate egoist to corporate moralist (Jones, Felps & Bigley, 2007), Theodore, Navis & Fisher propose that managers of firms that tilt toward the egoist end, tend to view external stakeholders as a prime constituent that leads them to seek wealth maximization. Managers of such firms are primarily guided by economic considerations, and will only support social responsibility practices if they add economic value to the firm. Managers of firms that lean toward the moralist end, tend to consider the broader interests of society and seek operational integrity over short-term wealth maximization, thus viewing social responsibility as an ethical imperative. Consequently, egoist culture views activist actions in terms of economic threats, while moralistic culture views activist actions in terms of identity threats (Theodore, Navis & Fisher, 2013).

Whether moralist or egoist, organizational culture can be an inhibitor of conflict with shareholder activists, and the nature of a perceived threat may dictate the manner in which managers' view and respond to activism. Consider that identity threats may lead to a change in firm practices given the public discourse that respective activists engage in, and the potential for reputation damage. Similarly, the perceptions of economic threat and financial harm from activists' campaigns are but one reason that compels managers to adopt changes to the firm's contested practices. In fact, perceived economic threats may explain the success of hedge fund activists, and the willingness of managers to engage with them.

Xerox is a case in point. Xerox has been struggling for a long time despite management attempts to reverse course. The firm tried to transition into a services-based business that would handle back-office operations for government and other firms but success never followed. Late in 2015, Carl Icahn, an activist hedge fund manager, disclosed an accumulation of 7.1 percent stake in Xerox declaring that the firm is undervalued and his intent to seek board representation. Xerox response was quick stating that it welcomes open and constructive dialogue with shareholders, and its intent to undertake a comprehensive review of structural options in light of recurring revenue deterioration (Beckerman, 2015).

Firm Responses

Managers' behavior ranges from a favorable interaction and dialogue with shareholders on one end, to dismissal and derailing of activists' concerns and demands on the other end (Proffitt & Spicer, 2006). Generally speaking, the continuum of managers' behaviors toward shareholder activism involves three specific actions - *reacting-interacting-proacting* – with each behavior being manifested through different set of actions. Reaction may be reflected in managers' ingratulatory behavior and in persuasion of activists as a way to delay implementation of changes rather than derail shareholders' demands. Interaction involves approaching activists with the intent to adopt and implement their suggestions and solicit approval, thus preempting shareholder coalition building and proxy fights. Proaction manifests itself in managers monitoring of activism at other peer firms and assessing its success level before developing measures of their own (Ferri & Sandino, 2009).

Within Theodore, Navis & Fisher's (2013) framework, approaching a firm action-reaction from the prism of the egoist-moralist typology suggests that the firm's organizational culture elicits similar reactions to shareholder activism. Specifically, managers' reactions to activist campaigns range on a continuum from resistance to accommodation (Oliver, 1991; Zald, Morrill

& Rao, 2005). The former involves overt denial of activists' arguments, the latter seeks to nullify activists' threats by adjusting practices to satisfy external demands. Figure 3 depicts key arguments made by Theodore, Navis & Fisher (2013), and captures the dynamics of the firm's cultural orientation and its reaction to perceived shareholder threats.

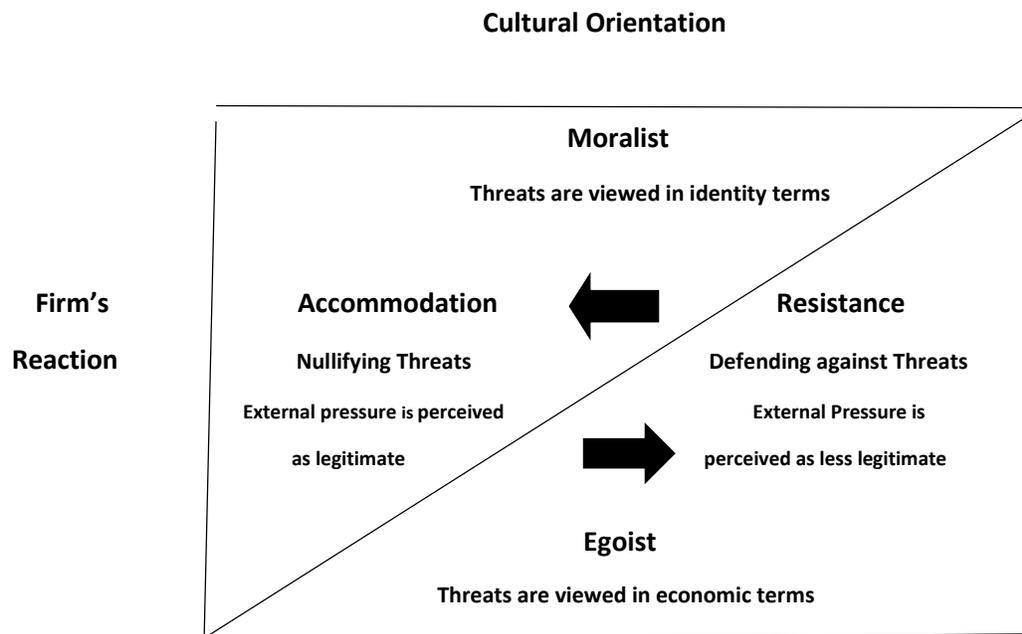


Figure 3: Shareholder Activism and Firm's Reaction

Empirical evidence suggests that external pressure that is perceived as coherent and legitimate encourages the firm to seek accommodation, while a less legitimate and less coherent pressure increases firm's resistance (Oliver, 1991). Accommodation can be expressed in the form of a symbolic action that involves promises for a change of practices that may, or may not be implemented. However, accommodation may also involve substantive changes that meet shareholder activists' demands (Fiss & Zajac, 2006). Recent developments at two large firms support the latter argument. Two leading activists – Triun Fund Management and Elliott Management – have been supportive of management that changed course at GE and Alcoa respectively. Elliott Management Corporation disclosed in late 2015 that it built a 6.4 percent stake in Alcoa after the company announced its decision to split in two – a parts-making business and a raw-aluminum operation. The hedge fund's disclosure signals its support and endorsement of the split decision and its positive assessment of a continued improvement in Alcoa's margins in months to come. Similarly, Triun Fund Management disclosed its \$2.5 billion stake in GE arguing that its massive investment is a stamp of approval that followed GE decision in late 2015 to exit its financial business and narrow its focus. It appears that both firms considered favorably shareholders' ideas and input (Benoit, 2015b).

Within the context of the Theodore, Navis & Fisher (2013) framework, we assume that hedge funds and equity funds are likely to face initial resistance given their perceived economic threats to opportunistic firm managers. Firm managers are likely to view these activists' motives as less legitimate thus triggering a defensive reaction by target firms. Unions and public pension funds are likely to face some degree of accommodation by firm managers given their social stand, and

given that they are likely to be perceived as less threatening to socially leaning firm managers, and/or as actors whose threats can be managed and nullified.

As a whole, firms concerned with their social and financial risks (i.e. leaning toward a moralist and/or egoist orientations) will have more incentives to develop relationships with shareholder activists, and especially with powerful activists who pursue issues that appear salient for the firm as well as society at large. Indeed, dependency theory suggests that there are incentives for a firm in establishing linkages with external actors (Rehbein, Logsdon & Van Buren, 2013). Empirical findings further suggest that firms that pursue relationships with key stakeholders may enjoy reduced risks and added value given that the latter possess resources that are critical to firm success (Mirvis & Googins, 2006).

The Proxy Advisor Domain

The proxy advisor domain occupies the third dimension in our model. The proxy advisory industry represents an interconnected network of constituents – firms, shareholders and institutional investors – that are served by the same proxy advisory firms. Such firms advise managers with their sponsored proposals, and at the same time also advise institutional investors with their own resolutions. As disturbing is the fact that the same proxy advisors also act as independent governance rating agencies assisting firms with ways to improve their ratings (Boatright, 2009; Hyatt, 2010). It is thus apparent that conflicts of interest are abound in the current proxy voting system (Clark & Van Buren III, 2012).

Further exacerbating the current state is the fact that the industry is dominated by a single actor - RiskMetrics/ISS - resulting in the ‘shareholder democracy’ movement being somewhat weakened. RiskMetrics/ISS advises a constituent base that equals about half the world’s common stock (Hyatt, 2010), and it serves as an example of an advisor awash with conflicts of interest. This service firm offers both proxy advice to shareholders and institutional investors, and governance rating advice to corporations. Clark & Van Buren III (2012) argue that while it owes a fiduciary duty to its clients, the institutional investors, this duty is not extended to corporations and their shareholders. Absent such a fiduciary relationship, shareholders’ monitoring ability is significantly reduced. Further harming fiduciary duty is the practice of firms who are being rated and who pay a service fee for the ratings, who also engage in lobbying the rater (Choi, Fisch & Kahan, 2010).

An additional complicating factor is the dispersion of share ownership and the enormous number of shares voted annually which makes investor voting by proxy statement more practical for both firms and their shareholders. A Security and Exchange Commission (SEC) regulatory change in 2003 (SEC, 2003) gave institutional investors the authority to vote client proxies. The SEC initial intent was that by using external proxy advisers, potential conflicts between fund managers and the companies in which they invest, can be alleviated. At the same time, conflicts at the advisory firms were ignored. These proxy advisors continue advising corporations on how to improve their governance ratings, and making such rating available to other constituents on behalf of those corporations (Stout, 2006).

Lawmakers and the U.S. Chamber of Commerce accused the two firms that dominate ninety-seven percent of the shareholder advisory industry, RiskMetrics/ISS Inc. and Glass Lewis and Co., of crafting activist proposals that involve issues in which they have financial interest. The SEC, likewise, has charged RiskMetrics/ISS in breach of clients’ confidential proxy voting information (Hamilton, 2013). At the heart of such claims is the belief that proxy advisory firms

increase the agency costs of doing business for many publicly traded firms, and worse – serious conflicts of interest permeate their activities given that they issue voting advice to shareholders about firms with whom they have business interests.

Dismantling the proxy advisory structure altogether may not be an option given the vital services this industry provides. Minimizing the negative effects of the industry's ills seems more plausible and is warranted. Clark & Van Buren III (2012) propose three organizational strategies for dealing with conflicts of interest. While each strategy provides some remedy, all three share some limitations. Advisors can disclaim any fiduciary responsibility, but if a fiduciary duty does exist, a disclaimer to the contrary is unethical; advisors can disclose a possible conflict, but admitting to a conflict of interest without attempting to cure it is likewise far from being ethically responsible; and, advisors can create an internal separation between parts of a firm that are involved with a conflict of interest, and other parts that are not. Yet, while structurally separated, internal processes may cross departmental boundaries thus affecting the separation (Clark & Van Buren III, 2012).

It appears that none of the proposed strategies is sufficient enough for dealing with conflicts of interest, and with the regulatory regime's unintended consequences. Thus, only a change in current regulation by the SEC carries a promise for improvement. A new proposed SEC guidance frees investment funds from the need to use proxy advisors for voting decisions in corporate elections (The Wall Street Journal, 2014, July 22). Time will tell just how effective is the regulatory regime's new guidance in reforming the proxy advisory industry.

Agency Theory: A Guiding Framework

Agency theory occupies the fourth dimension in our model. The theory postulates that incompatible goals between shareholders and managers are the root cause of tensions between both parties. When applied to corporate governance, agency theory portrays a dilemma that an absent owner, termed a principal, faces when contracting a manager to act on their behalf. The manager, as an agent, is likely to be an opportunistic and a self-interested entity thus serving their interests at the expense of the owner's. The divergence of goals necessitates monitoring of the agent's conduct by the principal who incurs related monitoring costs (Jensen & Meckling, 1976).

Practical in nature, agency theory proposes ways capable of mitigating the agency problem and its subsequent conflict. Specifically, the theory calls for the deployment of various external and internal mechanisms that include market driven governance mechanisms, board-based mechanisms, and internal incentives. Market governance mechanisms include financial disclosures, the market for corporate control, and the managerial labor market. These external mechanisms act as disciplinary means that safeguard against poor managerial performance. Board-based mechanisms add teeth to the monitoring system in place. The independence of the board of directors and the separation of board-chair and CEO positions are designed to ensure effective monitoring of managers given agency theory's assumptions relative to the opportunistic behavior of the agent.

Agency theory seeks likewise to resolve the agency problem by determining the most efficient internal mechanism governing the agent-principal relationship. Unobservable behavior by the agent requires the principal to invest in information systems that entail monitoring of agent conduct via financial reporting and board oversight (i.e. behavior-based contract). Yet, the principal can also employ an outcome-based contract seeking to motivate the agent via

incentives thus shifting the risk to the agent (Eisenhardt, 1989). Both these governance mechanisms are aimed at limiting the agent's self-serving conduct by controlling the agent opportunism. Ultimately, the entire repertoire of actions proposed by agency theory is meant to align the agent's interests with those of the principal.

Competing Governance Theories

From a shareholder perspective, the board of directors fulfils an essential monitoring function. Agency theory highlights the primacy of the investor/shareholder and the critical policing role of the non-executive board of directors. Unlike agency theory's view of boards and the self-serving motives of firm's managers, competing governance theories approach firm governance from a different angle. For example, while agency theory considers the board of directors to be a guardian of shareholder interests by fulfilling a policing role on behalf of investors, resource dependence theory (Pfeffer & Salancik, 1978) sees the board of directors as a vital resource-base for improved firm performance. Experienced directors provide advice and counsel for strategy crafting and execution, and act as a source of contacts, information and relationships. And contrary to agency theory's pessimistic beliefs regarding the opportunistic and self-serving motives of managers, stewardship theory proposes that managers act as responsible stewards of the assets they control (Donaldson, 1991). It further argues that managers' motives and interests are aligned with those of shareholders as both seek the firm's long term viability. Finally, unlike agency theory's assumptions as to the primacy of shareholders, stakeholder theory argues that the firm should be managed in the interests of all stakeholders – investors, employees, suppliers, customers and the environment (Freeman, 1984).

Homogeneity vs. Heterogeneity of Shareholders

Within the context of shareholder activism, agency theory views the homogeneity of shareholder interests as a central premise since it enables the creation of a unified front vis-à-vis opportunistic managers (Jensen, 2001). Agency theory further suggests that stakeholder theory's support for heterogeneous groups makes it near impossible to represent and act on behalf of multiple constituents with conflicting goals (Sundaram & Inkpen, 2004). Interestingly, our discussion of actors within the shareholder domain portrays a plurality of shareholder groups with divergent motives and different modes of operations. Thus, a critical challenge arises given the heterogeneity of the shareholder camp. Nevertheless, a unified front can be established through shareholder alignment. This requires coalition building that coalesces around shared interests. Coalition building demands some level of solidarity being augmented with necessary resources. Resources are essential for mounting and sustaining activist campaigns, either in the open or behind closed doors. And, as critical, group solidarity and alignment call for effective leadership.

Hedge funds appear to possess those very same ingredients. The current clash between Yahoo's board and a coalition of 3 shareholders, headed by Starboard Value Fund, is but one example of an activist with effective leadership skills, a coalition builder with a unifying message and with sufficient resources to mount and sustain a credible proxy fight. Faced with such a solidified front, Yahoo's board is inclined to accommodate the activist with a significant number of board seats (The Wall Street Journal, 2016. March 25).

Finally, from an agent's perspective, and within the context of the agency dilemma, assessing managers' options for action is also warranted. Goranova & Ryan (2014) propose several realistic scenarios. Managers can resist and ignore legitimate value creating activism, thereby reinforcing the classic principal-agent dilemma, or yield to self-serving demands from influential activists that can lead to a principle-principle problem. This scenario results in the firm being subordinated to activists, and hence can endanger the firm viability. Alternatively, managers can act as corporate stewards by resisting self-serving value destroying activism, or by adopting value creating shareholder demands, thereby reinforcing the principal-agent alignment. The latter scenario aligns well with agency theory as a linchpin, bonding together firm managers and shareholders, and leading to firm protection and firm optimization for the benefit of both owners and agents.

In sum, agency theory is a dominant corporate governance approach that highlights tension inherent in transactions between firms and shareholders. Despite its pessimistic assumptions about human behavior, agency theory is a practical approach that seeks to resolve conflicts of interest of owners and their agents. Built-in incentives, monitoring mechanisms and disciplinary measures are part of the cost of doing business. Yet, they enable and sustain the link between actors and help moderate the power struggle between both parties. As such, agency theory helps bridge gaps between two conflicted parties while serving as a linchpin between actors in need of each other – an absent owner and a contracted agent.

Shareholder Activism: Conflict Dynamics

The discussion of the fifth dimension in our model moves beyond the conflict between shareholders and firm managers, focusing instead on triggers that fuel conflict escalation, and contributors to de-escalation. We adopt a framework advanced by Bartos & Wehr (2008) that appears relevant to our topic given that it portrays conflict as a dynamic force that is amenable and that can be tamed for the benefit of the parties involved.

A Working Definition

Bartos & Wehr (2008) provide a working definition of conflict that points to incompatible goals as a key driver. We find incompatible goals to be particularly applicable to shareholder activism in light of the heterogeneous nature of actors with divergent motives and interests. Bartos & Wehr define conflict as a "situation that involves actors using conflict behavior against each other to attain incompatible goals and/or to express their hostility." (p. 13). Bartos & Wehr (2008) propose three possible causes of goal incompatibility: contested resources due to a sense of a deficit; incompatible roles due to the division between those who tend to protect the interests of the 'whole' versus those who protect the interests of the 'part;' and finally, incompatible values that bonds a group together due to a separation between groups and/or organizations.

We contend that all three causes of goal incompatibility hold true in the case of shareholder activism. First, agency theory emphasizes the need for alignment of shareholders' interests around shared values that potentially bond investors together against managers' opportunistic behavior. Self-serving behavior seeks to serve the interest of the 'part' at the expense of the 'whole,' thus reflecting an incompatible value system. Second, as to contested resources, shareholder investments in a firm and the desire to unlock further value is essential. Firm underperformance equates with low returns and reinforces a sense of deficit and deprivation of

potential profit. Deficit spurs activist demands for a role to play via shareholder resolutions and through share accumulation. The perceptions of information asymmetry and power imbalance are likewise deficits that fuel activists' attempts to gain representation in the boardroom. Third, agency theory suggests role differentiation between shareholders as owners/principles and managers as agents. Role differentiation contributes to the divergence of interests that is likely to exist between these parties.

Bartos & Wehr's (2008) definition leads us to conclude that conflict between managers and shareholders is inevitable since it rests at the heart of their incompatible goals. Wehr, Burgess & Burgess (1994) suggested that as conflict emerges, a party in the conflict can use one or more options: it can use coercion and apply force or voice threats of using force; it can move to negotiation and offer rewards and benefits for cooperation; or, it can use persuasion as the means to reach an accommodation and a mutually agreed-on settlement.

Within the context of shareholder activism, activists threaten proxy fights when firms reject their demands, or ignores them altogether. Hedge funds, in particular, prefer using dialogue and persuasion behind closed doors first, but tend to go public when dialogue and persuasion fail. Yet, it appears that in many instances, activists are accommodated by corporate boards and are rewarded seats at the table as a constructive way to defuse conflict. In other instances, the rejection of activist demands is sufficient to trigger an unfavorable reaction that unless quickly defused may turn into an escalating conflict. As other shareholder investors become aware of their incompatible goals, they align their interests with other shareholders, develop a group solidarity, and engage in free interaction that favor a conflict action.

A Case Application

The case of Tempur Sealy International, a mattress maker, and H Partners Management, an activist hedge fund, illustrates how rejection of activist's demands coupled with the nature of the personalities involved play an active role in the escalation of a conflict. H Partners is Tempur Sealy's largest shareholder with ten percent stake in the firm. In early 2015, the fund issued an ultimatum to the manufacturer demanding the immediate resignation of three key players - the board's chair, the company CEO, and one board director – all within six days, or else the fund would go public with its views as to the company being long mismanaged. Such demands reflected shareholders brewing frustration with the firm's weak performance and weak stock price three years in a row. With no response from the mattress maker, H Partners made the dispute public. Following a missed earning forecast, it was able to build a coalition with the majority of shareholders and oppose the re-election of the three targeted individuals just to be replaced by two of the fund's nominees. H Partners' victory illustrates the danger of underestimating activist investors regardless of their size. Moreover, communications between the chairman and the fund suggest how quickly personal relationships can deteriorate resulting in escalation of conflict between key actors from both parties. Ignoring requests for meetings and dialogue can be interpreted as dismissive gestures that carry a price tag both financial and otherwise (Hagerty, 2015).

Conflict Escalation and De-escalation

Bartos & Wehr (2008) point at triggers that fuel conflict escalation. A unilateral escalation will originate within one party, and a reciprocal escalation originate within the other party. The

former may stem from feelings of deprivation, from a sense of asymmetric or overwhelming power, or simply because of a conflict prone personality. The latter force, if relatively weak, may trigger retaliation, or else it can lead to submission of the other party if overwhelming in nature. Figure 4 depicts forces and related dynamics during conflict escalation.

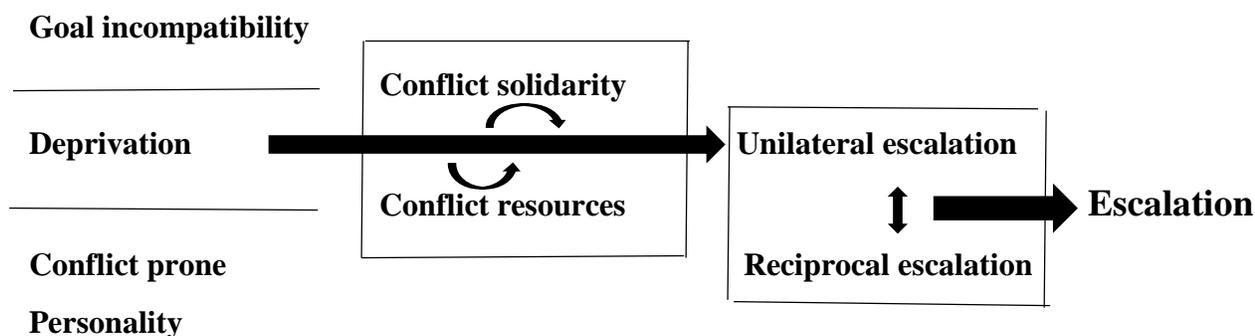


Figure 4: Conflict Escalation: Drivers and Dynamics (Source: Bartos & Wehr, 2008).

The clash between H Partners Management fund and Tempur Sealy International contained many of the ingredients that fuel conflict escalation as depicted in Figure 4. Goal incompatibility between the parties coupled with a sense of unfulfilled returns (i.e. deprivation) due to mismanagement, and feelings of animosity and lack of trust between the fund and the board and CEO (i.e. personalities) brought the conflict into the open. Once in public, a coalition of shareholders coalesced around shared interests (i.e. conflict solidarity), and led by an activist with a clear message it issued an ultimatum to the firm (i.e. unilateral escalation). H Partners Management had the upper hand. Rather than a retaliation, the board succumbed to shareholders' demands (i.e. no reciprocal escalation).

Bartos & Wehr (2008) further suggest that in instances of a stalemate or a prolonged conflict, a unilaterally escalating party is bound to reverse course and commence a unilateral de-escalation due to feedback from its opponent, or due to changing conditions that affect members' conflict solidarity, or simply because of its inability to sustain the conflict due to depleted resources. When applied to shareholder activism, the case of Darden Restaurants Inc. is one example of a firm adopting a de-escalation action after a long standing conflict with a key activist.

Darden Restaurants, the owner of Olive Garden, Red Lobster, Capital Grille, and Long Horn Steakhouse has been in a lengthy conflict with several investors, including Starboard Value and Barington Capital, who argue that value can be unlocked with a breakup into three businesses. Instead, the board elected to sell Red Lobster contrary to the investors' demands, thus upsetting shareholders. The board move brought the conflict into the open, thus making the activists' position known to other shareholders and inadvertently helping unify the investors' front against the board. Fearing reputation damage and a lingering stalemate, the board signaled by mid-2014 a willingness to de-escalate the conflict. Faced with criticism from both Starboard, and Barington Capital, with eight, and two percent stake in Darden respectively, the board announced that the CEO, who also served as chairman, was stepping down. The board responded to the request for a split of both roles and opened up the board to Starboard's three nominees (Benoit & Jargon, 2014).

The case of Darden Restaurants illustrates the tradeoffs associated with a party's response to escalating conflict. De-escalation involved power-sharing with activists via board representation in return for industrial peace. As critical are the strategies utilized for managing open conflict with shareholder activists.

Conflict Management Strategies

Firms use a host of conflict management strategies when facing activists. The repertoire used includes avoidance, cooperation, accommodation and competition. While these approaches appear independent from one another, they are also fluid and situational enough to allow firms to employ more than one as circumstances develop. A few examples detail these four conflict management strategies and their respective impact.

Avoidance. Yahoo's past treatment of Third Point Management, a shareholder activist, reflected an erroneous approach for dealing with activists, believing that by ignoring them their demands would go away. The activist fund built a stake in Yahoo in 2011 and was repeatedly dismissed and ignored by Yahoo's board and its chairman. By mid-2013, Third Point Management joined the company's board and gained enough influence to vote the dismissive chairman out of office (Gelles, 2013). The Yahoo case suggests that *avoidance* as a strategy appears ineffective and costly and is likely to backfire.

A different strategy involves *cooperation*. This strategy involves a dialogue with the activist coupled with enhanced investor outreach that follows a self-assessment of the firm's perceived vulnerabilities. Such a self-study appears necessary given that fund activists are seasoned analysts and financial engineers equipped with white papers about the firm performance and growth potential. Cooperation with fund activists involves open communication and dialogue and tends to be out of the public eye. An example of cooperation with an activist took place in 2015 during the merger talks involving Dow Chemicals and DuPont and an activist who helped orchestrate the deal. Activist investor Nelson Peltz was a key player and a critical facilitator during the discussions between the companies' CEOs that led to the merger deal. Seeking input and cooperation with the activist, Dow and DuPont CEOs engaged Mr. Peltz in the process. Peltz, on his part, worked behind closed doors with both CEOs and was instrumental in planning and executing the deal, thus ushering in a new high for shareholder activism (Benoit, 2015a).

Accommodation is an additional strategy whereby a targeted firm attempts to bring activists into the fold by promptly meeting their demands and thus defusing a potential conflict before it becomes public. An example for this approach is the case of ValueAct Capital fund and Microsoft. Despite a small stake of less than one percent, the fund was welcomed into the board of Microsoft in early 2014 with the promise of not boosting its stake in Microsoft to 5 percent and for not engaging in a proxy contest (Reuters, 2013, July 20). In return, Microsoft vowed to work with the hedge fund and gave it a board seat.

A different strategy for managing a potential conflict with activists is *competition* – that involves adopting a competitive posture, and the use of aggressive and defensive moves such as poison pills and staggered boards. However, clashing with an activist head-on is of little use given the public attention it garners and the potential for a costly reputational damage. An example for the use of this strategy is the case of Jana Partners and Safeway, the supermarket chain. Jana Partners, a hedge fund, disclosed in early 2014 a five percent stake in Safeway, and its intent to increase its stake and press for divestitures and shareholder returns. Safeway responded with an aggressive and a defensive move by adopting a new shareholder rights' plan

that established that no investor filing a 13-D form (i.e. a designation of a party as activist) could acquire more than ten percent of company's shares (Gelles, 2013). Given that rarely do hedge fund activists acquire targeted firms, such strategy carries little merit. Table 1 captures key ideas contained in our model's five domains.

Table 1: Consolidated Model's Ideas.

Actor	Key Attribute	Key Argument	Conflict Focus	Theory/Framework	Action
Shareholders	Plurality of classes, motives, and interests; market disrupter.	Primacy of shareholders/ and stockholders.	Shareholder alignment vs. self-served opportunistic managers.	Agency theory (Jensen & Meckling, 1976).	Exit; radical change; voice.
Firms	Diverse group with multiple goals and interests; market continuity	Primacy of board; director primacy; status quo seekers.	External pressure coherent/legitimate vs. less coherent and illegitimate.	Corporate moralist-egoist continuum (Jones, Felps & Bigley, 2007).	Resistance; accommodation; dialogue
Proxy Advisors	2 dominant players; advising firms, shareholders and institutional investors simultaneously.	The industry empowers one player at the expense of shareholders; increasing agency cost.	Rampant conflicts of interests; broken fiduciary line.	A framework for managing conflicts of interest (Clark & Van Buren III (2012).	Governance rating agency; issue voting advice to shareholders about firms with whom they have business interests.
Agency Theory	Governance theory with pessimistic view of human behavior; linking-pin; practical	Agency dilemma; mechanisms designed to align agent and principal interests do work.	Goal and interest divergence between owner/principal and manager as agent.	Agency theory (Jensen & Meckling, 1976).	Consider both behavior-based contract and outcome-based contract
Conflict - Dynamics	Framework captures conflict igniters and diffusers;	Incompatible goals at core of conflict; applicable to shareholder activism.	Contested resources; value and role incompatibility.	A framework by Bartos & Wehr (2008).	Escalating conflict can be de-escalated; conflict is manageable.

Discussion and Conclusions

Shareholder activism is a conflict-rich construct given the heterogeneity of the actors involved and the divergence of interests between firm managers and shareholder investors. Pointing at goal incompatibility as a driver, we believe that agency theory provides a context for understanding the inherent friction between key actors on the opposite ends of the table – shareholders and managers, or principals and agents respectively. Proxy advisors, an exogenous actor that interact with both shareholders and firms, suffer from rampant conflicts of interests that affect negatively investors and beneficiaries alike. Recognizing forces that trigger escalation of conflict, and contributors to de-escalation of conflict is vital. We referred to a framework proposed by Bartos & Wehr (2008) that portrays with great clarity forces responsible for escalation, and de-escalation of conflict, and sought to identify similar forces within the context of shareholder activism.

The thrust of this paper leads us to four specific conclusions that are worth mentioning. First, the plurality of shareholder classes with diverse motives and modus operandi presents a challenge when considering the formation of a unified front vis-à-vis empowered managers and boards. As such, shareholder heterogeneity aligns well with stakeholder theory, but stands contrary to agency theory's central premise. Coalition building within the shareholder camp that coalesces around shared interests becomes necessary and essential. Hedge funds appear to fulfill this role well and are best suited to continue in this vain.

Second, boards have little chance to withstand shareholders when facing a resolute activist who presses for change. This holds true particularly in cases involving hedge fund activists, given the significant stake they build in a target firm, the resources they muster for a long campaign or a proxy fight, and the impact their blueprint carries in terms of interest and support from other shareholder groups. As frequent stories in the media suggest, firms will accommodate activists' demands sooner than later.

Third, it appears that the current proxy advisory industry empowers one proxy firm at the expense of shareholders. The conflicts of interest within the proxy advisory industry underscore the need for immediate remedy. The consolidation of services in the hands of one or two actors hurts shareholder interests and harms beneficiaries. Heterogeneity in this industry in the form of more competition should be encouraged as a means for the reversal of the elevated degree of centralization within the current system.

Fourth, when considering the plethora of firms' responses to shareholder activism, dialogue emerges as a promising strategy. The evidence suggests that dialogue is an optimal option for both parties (Rehbein, Logsdon & Van Buren, 2013). Dialogue reduces shareholder resolutions thus reducing conflict flare-ups. Dialogue reduces external uncertainty, shifts the parties' attention and visibility from the public eye to a private forum, and helps minimize the prospects of a stockholder's coalition building (Rehbein, Logsdon & Van Buren, 2013).

In closing, shareholder activism is fast growing into a movement that can no longer be ignored by corporate boards as it is altering the balance of power between firm owners and managers. Shareholder activists hold corporate managers accountable to their companies' shareholders and stakeholders, and pressure them to remedy managerial deficiencies. In this role, shareholder activism is a marketplace disrupter targeting entrenched managers and threatening the status quo that firms seek to preserve.

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Evidence-Based Conflict Management Practice

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Abstract

This paper discusses the potential evidence-based practice holds for the field of conflict management. Evidence-based practice is first illustrated within the field of social work, as it is a comparable professional human service field and applied social science with a longer history with the approach than conflict management. This discussion surfaces many important critiques of evidence-based practice. The paper goes on to provide some initial foundations for evidence-based practice in conflict management. A six-step method for conducting evidence-based conflict management is then provided, along with examples of evidence-based conflict management practice. Overall, the paper contends that the future of evidence-based conflict management practice is promising. Ultimately, a list of recommendations is presented, in order to ensure that evidence-based conflict management practice is nurtured and reaches its greatest potential in the field of conflict management.

Introduction

All applied professional fields (like the law, medicine, and social work) bridge a gap between scholarship and practice. In these fields, scholarship is frequently of an applied nature, concerned with the effectiveness of professional practice in human services, in order to help clients address their problems (as opposed to basic research, which concerns itself with more theoretical concerns). The applied professional field of conflict management is no different. When scholar-practitioners assist conflict parties with their complex conflicts, they face this gap and attempt to bridge the divide between scholarship and practice. When assisting conflict parties, conflict management scholar-practitioners have three sources of knowledge that they can draw upon, beyond the presenting information that they are given about the conflict itself: 1) previously-acquired intuition, skills, and practice wisdom; 2) previously-acquired knowledge of scholarship coming out of the field of conflict management or other aligned fields; or 3) newly-acquired context-relevant scholarship that they can uncover in a review of scientific evidence concerning a given conflict. The third of these sources of knowledge provides a unique framework for practice called evidence-based practice (EBP) and is the focus of this paper.

This paper considers what EBP is and how it is used. Although new to the field of conflict management (the framework has never previously been delineated in its entirety for the field of conflict management), EBP is one of the most well-known, rapidly growing, and contentious approaches to social work (Cournoyer & Powers, 2002; Gambrill, 2003; Mullen & Streiner, 2006). As an applied, professional field that assists clients address their complex social problems, social work is used here as an analogous field to help illustrate the approach (Hansen, 2013; Hansen, 2007; Rothman et al., 2001). On the surface, basing practice decisions on evidence seems like a very easy notion to support. Who would not want professional interventions to social problems guided by a close examination of scientific evidence that reveals the potential effectiveness of proposed interventions in specific contexts? In short, who would not want the most effective and proven social interventions possible to help them address their

social problems? However, when EBP is examined more closely, some of its more controversial dimensions emerge in sharp relief. As it is a new and unexplored practice framework in the field of conflict management, it will first be considered as an approach to social work, which is currently wrestling with many controversies stemming from the use of EBP. Social work is treated as a comparable profession here because it shares many theories and methods with conflict management, provides interventions for complex and diverse social problems at various societal levels, and is practiced by professionals who work collaboratively with their clientele, using applied social science research (Hansen, 2013; Hansen, 2007; Rothman et al., 2001). In addition, many intervention models in both fields stress an analysis of needs, interests, values, narratives, and identity concerns within a wider socio-political context, with practitioners who often employ problem-solving strategies (Rothman et al., 2001). Both fields are also interdisciplinary and draw scholarship from such fields as the law, psychology, sociology, and political science (Hansen, 2007). Finally, research in both of these fields is firmly grounded in practice, with both fields emphasizing evaluation research (Hansen, 2013).

This outline of EBP illustrates a novel practice framework for conflict management, providing a helpful, structured means for bridging a gap between scholarship and practice that can be challenging for practitioners. Such a gap between scholarship and practice has been noted by a variety of scholars in the field of conflict resolution (for instance, Hansen, 2013; Irving & Benjamin, 2002; Mayer, 2004; Schellenberg, 1996). On the other hand, the use of EBP raises a variety of contentious and thought-provoking questions that may introduce new challenges for conflict management scholar-practitioners. While this reflection must be ongoing, this paper presents a working model for conducting evidence-based conflict management practice, along with a set of recommendations to support its use and development within the field of conflict management. Even though EBP presents conflict management scholar-practitioners with some challenges, this paper contends that it holds a great deal of promise and should be nurtured.

What is Evidence and Why is it Used?

In order to clearly delineate EBP for the field of conflict management, the term “evidence” as it is being used here first needs to be defined. In applied, professional, human service fields like conflict management and social work, what “evidence” means varies from context to context and is contested. At its most basic level, “evidence” is the information that practitioners and policy-makers use to guide their decision-making (Grinnell & Unrau, 2011). In the legal field, “evidence” is forensic, constituting the material facts in a legal case that fit with various accounts or perspectives of an event (Davis, 2015). This evidence must hold up to legal standards, which emerge out of social, normative, and authoritative frameworks designed to determine legal rights and responsibilities in a given case (Davis, 2015). In the humanities, “evidence” constitutes information that comes from written and oral sources situated in specific social contexts, which give rise to concepts that are examined using moral and interpretive perspectives (Nelson, 1993).

However, EBP emerges out of the tradition of the applied social sciences, so the scientific method is used to determine what constitutes the best “evidence” in a given practice context (Grinnell & Unrau, 2011). EBP scholar-practitioners use data that is derived from rigorous scientific studies as a foundation for making practice decisions (Rosenthal, 2006). This form of “evidence” must be demonstrably transferable to a specific social problem within a particular practice context (by ensuring that the data relates directly to the social problem at hand and came from a comparable context) (Payne, 2005). This means that practice decisions cannot simply be

made based on practitioners' intuition, philosophical bias, preferred techniques, or unsubstantiated opinions, but should instead be heavily influenced by a review of scientific evidence relating to a given case at hand (Grinnell & Unrau, 2011; Payne, 2005). This view of "evidence" places EBP scholar-practitioners squarely within the applied social sciences.

How evidence is used in applied, human service fields is a critical consideration in EBP. In conflict management, practitioners must make important decisions about interventions that ideally benefit their clients and ameliorate their complex social conflicts. When using EBP, evidence needs to be considered to determine if, how, and what type of interventions would ideally suit and assist conflict parties (for instance, Clarke & Peterson, 2016; Hansen, 2013; Irving & Benjamin, 2002). In so doing, evidence in the form of research findings could help practitioners to determine particularly relevant and effective theories (for example, social identity, narrative, or basic human needs theory), interventions (such as mediation, arbitration, or conflict coaching), practice models (for instance, the problem-solving, transformative, or narrative approaches to mediation), and techniques (like reframing, active listening, or open-ended questioning) for specific conflict parties in their particular circumstances. Therefore, it is important that EBP scholar-practitioners understand a variety of conflict interventions and approaches well, like a generalist (Hansen, 2013; Mayer, 2009; Schellenberg, 1996). If a practitioner is committed to a specific intervention or approach to practice, then conducting a literature review and an assessment of evidence specific to a given conflict in order to better understand the effectiveness of a variety of interventions or approaches would be unnecessary. In the field of social work, the consideration of possible interventions to assist clientele is called 'clinical decision-making' and it is this clinical decision-making that is predicated upon a client-specific review of the evidence in EBP (McCracken & Marsh, 2008).

The Origins of Evidence-Based Practice in Social Work

The term 'evidence-based practice' (EBP) emerged out of the medical profession and was coined by a medical team at McMaster University in Canada, in the 1980s (Rosenthal, 2006). The field of social work took notice of EBP the following decade and the practice took hold after the publication of a catalytic article entitled, "Should Social Work Clients Have the Right to Effective Treatment?" (Myers & Thyer, 1997). The underlying assumption of the article was that effective treatments for social problems can best be identified through rigorous scientific study. EBP therefore arose in social work to deal with the concern that social workers frequently do not use available scientific research as a basis for clinical decision-making (Mullen et al., 2008). Furthermore, many social workers felt that they had a duty to inform clients about the possible effectiveness and harms of the interventions that they offered (Gambrell, 2003). The application of EBP sparked a controversy in the field of social work that goes on to this day however, with social workers arguing very strongly either for or against evidence-based practice (Counoyer & Powers, 2002; Gambrell, 2003; Mullen & Streiner, 2006).

At its simplest, EBP means the blending of research, theory, and practice by social workers when they conduct their work assisting clients with their concerns (Myers & Thyer, 1997; Thyer, 2006). However, underlying the meaning are many assumptions that have important implications for social work practice. The use of EBP in social work implies that,

professional judgments and behaviors should be guided by two distinct but interdependent principles. First, whenever possible, practice should be grounded on prior findings that

demonstrate empirically that certain actions performed with a particular type of client or client system are likely to produce predictable, beneficial, and effective results... Secondly, every client system, over time, should be individually evaluated to determine the extent to which the predicted results have been attained as a direct consequence of the practitioner's actions. (Cournoyer & Powers, 2002, p. 799)

This means that social workers need to constantly strive to seek the best possible scientific evidence to justify their practice decisions and the results of those decisions should be evaluated on an ongoing basis to determine their effectiveness. Therefore, EBP social workers need to become aware of applicable research findings, using scientific data to help determine the best interventions, then monitoring and evaluating those interventions, modifying them as needed (Myers & Thyer, 1997; Thyer, 2006).

The Steps of Evidence-Based Practice in Social Work

In the field of social work, EBP is often characterized as involving five distinct steps. Roberts and associates (2006) characterize the steps in the following way: Step one involves converting client concerns into "answerable questions". Step two tasks social workers with conducting a review of available relevant research, locating the best possible evidence to answer those questions. Step three requires that social workers engage in a collaborative critical appraisal of the evidence with their clients. In step four, the clients and the social worker together decide on the best intervention to address clients' problems, taking into account the evidence, the expertise of the social worker, the preferences, strengths, and values of the clients, and other circumstances. The social worker and client also collaboratively establish criteria to judge the success of the intervention. Then the intervention takes place. Step five involves monitoring the intervention according to the pre-established criteria. Intervention modifications and adaptations are made as needed to help clients to reach their goals. Step five also involves conducting evaluation research on interventions when possible, to assess their effectiveness and improve them. Mullen and associates (2008) also suggest adding a sixth step, teaching others about the processes and outcomes, in order to spread knowledge about EBP. The steps were modified somewhat from EBP in medicine, in order to better suit social work. For example, modifications were made to accommodate a more collaborative decision-making processes between social workers and their clients (Mullen et al., 2008; Roberts et al., 2006).

Step one in EBP, converting client concerns into "answerable questions", requires some skill. Crafting answerable questions involves creating inquiries about the effectiveness of possible interventions with specific types of clients, under specific circumstances (Shlonsky & Gibbs, 2006; Thyer, 2004). Some examples of answerable questions in the field of social work would be:

- What are the effects of narrative therapy on women who have anxiety disorders?
- What is the most effective intervention to assist teens who are re-entering their family household after spending some time in foster care?
- If African American veterans are assisted with their drug addiction by Narcotics Anonymous, how likely are they to stay drug-free when compared to other drug treatment programs?

- Is a Syrian refugee more likely to find a living wage job by participating in a job training program or getting an Associate's degree at a community college?

Yeager and Roberts (2006) suggest considering several key elements when constructing an evidence-based question: the specific client, their particular concern, possible interventions, any potential comparison groups, and the specific outcomes sought (ideally ones that can be measured with reliable and valid measurement instruments). There is an art to determining how specific or general to make answerable questions in a given context (Yeager and Roberts, 2006). Good answerable questions are only helpful to social workers if they provide some insights concerning the best available options among several possible interventions.

At the heart of EBP is determining where to find the strongest forms of evidence in answering these clinical questions, which is **step two** in the process (Rosenthal, 2006). This involves conducting a review of scientific evidence that is custom-tailored to specific client concerns and the answerable question that has been posed (Myers & Thyer, 1997; Thyer, 2006). Social workers use studies that appear in peer-reviewed journals and published "best practices" suggested by leading associations in a field, along with their clinical experience. Scientific data is then evaluated to determine its relevance for clinical decision-making when assisting clients in a given case (Furman, 2009; Mullen & Streiner, 2006; Myers & Thyer, 1997). However, the use of studies from other contexts to inform clinical decision-making in specific cases remains a very controversial topic (Furman, 2009; Mullen & Streiner, 2006).

The available evidence in social work differs a great deal from what is available in medicine. In the field of medicine, randomized controlled trials are considered the "gold standard" for determining the effectiveness of interventions and meta-analyses of several randomized controlled trials are considered even better (Grinnell & Unrau, 2011; Roberts et al., 2006). However, in the field of social work randomized controlled trails are not frequently conducted for ethical or practical reasons and the precise impacts of interventions on client outcomes are very difficult to determine (Otto et al., 2009). For these reasons, preference for randomized controlled trails has been tempered somewhat in the field of social work, which utilizes a variety of ways of learning about clients, their problems, and the interventions that are used to ameliorate their concerns (Grinnell & Unrau, 2011; Otto et al., 2009; Roberts et al., 2006). However, some forms of evidence are still considered more compelling than others (for instance, a meta-analysis is more persuasive than an anecdote and professional consensus among leaders in the field is stronger than a practitioner's lone opinion) (Grinnell & Unrau, 2011).

In **step three** of EBP, social workers thus compare the persuasiveness of arguments, considering the strength of evidence to inform clinical decision-making for a specific client and their concerns (Rosenthal, 2006). Therefore, an evidence-based social worker must use their understanding of research and their field to skillfully evaluate and apply research data in a given context (Thyer, 2004). McCracken and Marsh (2008) suggest that evidence should be used as an aid, in order to reduce practitioner bias and provide additional intervention opinions, rather than a mechanistic replacement for clinical decision-making.

Critical appraisals of evidence are particularly important in human service fields like social work, where client outcomes are not assured (Proctor & Rosen, 2006). Social workers must employ their research knowledge and skills to weigh available evidence. Thyer (2004) indicates that some rules of thumb are helpful when evaluating evidence, including:

- replicated research findings are stronger than findings from a single study alone

- having a comparison group in a given study makes the findings stronger
- randomized sampling techniques reduce biases in research
- rigorous research methods produce more solid findings

It is critical to go beyond the evidence though and assess the utility of research for given clients and their context, to determine its suitability and relevance (Proctor & Rosen, 2006). Therefore, scientific data must be assessed alongside practical context-specific concerns, such as:

- the availability of interventions
- the capabilities and limitations of one's organization
- particular client circumstances and preferences

These constraints require EBP social workers to adopt a collaborative, interpretive, and reflective posture to their work (McCracken & Marsh, 2008; Otto et al., 2009). Otto and associates (2009) go on to state that the intervention itself accounts for only a small part of what determines effectiveness and client outcomes, which are also impacted by:

- how interventions are carried out
- the relationship that a social worker has with their clients
- the emotional state and readiness of clients for change
- other circumstances beyond the control of social workers

Therefore, client preferences, strengths, values, and circumstances need to be recognized and prioritized in the evaluation of scientific evidence (Otto et al., 2009).

In step four of EBP, social workers and their clients must collaboratively decide on the specific interventions to be used and then they must then be carried out (Rosenthal, 2006). A strict adherence to EBP would suggest that any such interventions would represent the “best practices” in the field (ideally as determined by experimental or quasi-experimental research, if possible) (Grinnell & Unrau, 2011). They would also be carried out according to standardized practice guidelines (specific, consistent ways of carrying out particular features of specific interventions), with delineated measurable outcomes that would be assessed by trained, external researchers (Mullen & Streiner, 2006). However, this is impractical in many practice settings so a more moderate approach is frequently called for in social work (Otto et al., 2009). Hence, Proctor and Rosen (2006) call for “composite” or “blended” EBP interventions that are suited to clients, their context, the social worker, and the organizational setting (rather than purely based on scientific evidence). These interventions should still employ:

1. “best practices” as defined by the field of social work.
2. standardized practice guidelines that illustrate how interventions are to be carried out.
3. measurable outcomes that are monitored and evaluated by social workers (rather than by external researchers).

This results in custom-tailored evidence-based approaches that adapt to each situation and practice setting (Proctor & Rosen, 2006). Viewed in such a way, each intervention with every

client is not a cookie-cutter solution dictated by rigid parameters defined by scientific data. Instead, an intervention is considered unique to each client system (Mullen & Streiner, 2006).

Step five of EBP includes intervention monitoring and evaluation as core elements (Myers & Thyer, 1997). Sometimes referred to as practice-based research, this component of EBP ensures that ongoing assessments determine if interventions provide hoped-for outcomes, are conducted in as helpful of a manner as possible, and unwanted unintended consequences are minimized (Grinnell & Unrau, 2011; Roberts et al., 2006). This type of research also completes the cycle of practice knowledge in EBP (see figure 1), producing findings that can later be used as evidence to assist with clinical decision-making and future interventions (Roberts et al., 2006).

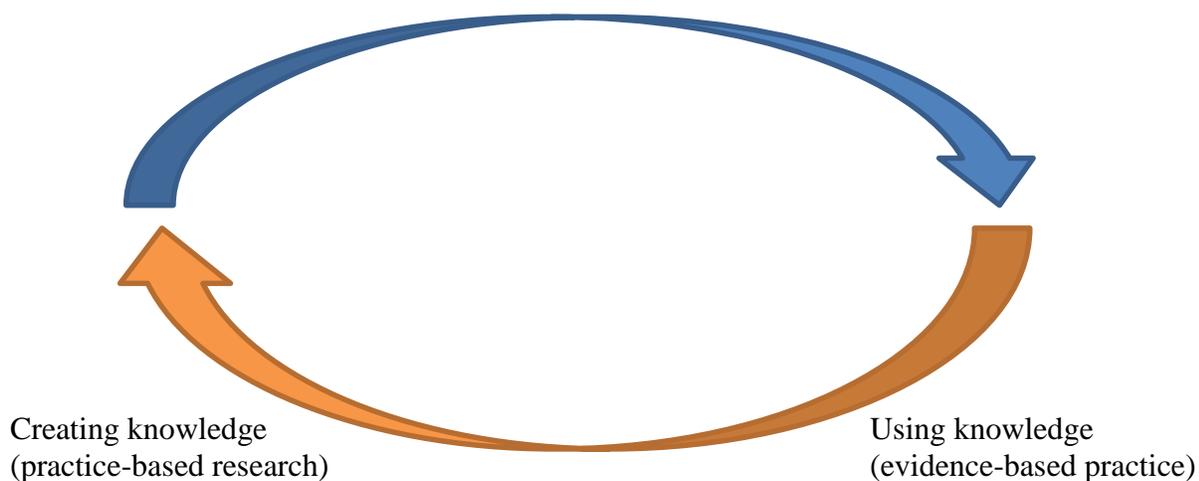


Figure 1: The cycle of practice knowledge.

Step five also provides helpful information for the sixth and final step in EBP, teaching it to others and disseminating research findings. The knowledge acquired through practice-based research can be disseminated on a top-down basis, in social work training manuals and peer-reviewed journal articles, or on a bottom-up basis, becoming part of the knowledge-base for discussions with clients or fellow social workers (Mullen, 2006). The knowledge then provides a foundation for empirically-supported interventions (also known as “best practices”) and, more specifically, practice guidelines for conducting “best practice” interventions (Mullen et al., 2008). EBP social workers can then use this knowledge as evidence for future EBP interventions. In recent years, EBP has become more common in social work and it has been increasingly integrated into both formal education (university programs) and informal education (training) (Shlonsky & Gibbs, 2006; Sundell et al., 2010). According to Shlonsky and Gibbs (2006), EBP social work education includes training in:

- research methods
- understanding and evaluating social science research
- an overview of critical field-specific research studies
- the EBP process itself

Empirically-supported interventions (“best practices”) and their specific practice guidelines then become the building blocks for EBP at the macro-level, influencing policy-makers, professional associations, and funders (Mullen & Bacon, 2006). In social work, many calls for EBP (often under the auspices of evaluation research) have been made at this societal level (Mullen & Bacon, 2006). One obvious advantageous impact is that policies, calls for regulation, and funding priorities are more likely to take scientific evidence into account, in addition to public opinion, political ideology, and the personal preference of policy-makers (Sundell et al., 2010). Creating policies and programs involves more than just assessing scientific evidence, as it often means confronting deeply-held societal convictions and challenging an entrenched *status quo* (Mullen & Streiner, 2006; Sundell et al., 2010). At this level, empirically-supported interventions can be challenged by prevailing public narratives, the interests of policy makers, and resource constraints, so research must be powerfully and clearly presented (Mullen & Streiner, 2006). Adoption of EBP at the macro-level begins with support by field-level associations and organizations that nurture EBP, ensuring its proper use (Mullen, 2006; Mullen et al., 2008). For instance, the Social Work Policy Institute of the National Association of Social Workers focuses on EBP in social work, endorsing and supporting EBP, as well as building awareness of it among policy-makers and funders (Social Work Policy Institute, n.d.).

A Critical Review of Evidence-Based Practice in Social Work

There are many valid critiques of evidence-based practice coming out of the field of social work which should be closely examined before the field of conflict management considers adopting the approach. As discussed above, the definition of evidence is contested, as evidence is judged in some professional or academic fields (such as the law and the humanities) more on the basis of normative, authoritative, or moral frameworks, rather than the scientific method, as advocated by EBP. Even within an applied social science like social work, some EBP scholar-practitioners put evidence on a rigid hierarchy that places quantitative knowledge in a privileged position above qualitative knowledge, while others suggest that this is ill-advised (Furman, 2009). Furman (2009) suggests that placing evidence on a rigid hierarchy may also privilege information and knowledge over values, the objectively measurable over subjective meaning, short-term social change over long-term change, as well as intervention models and technical skills over the practitioner/client relationship. Additionally, it is hard to weigh evidence (even when it is agreed upon), in order to determine if it is relevant for particular clients and their circumstances (Mullen & Streiner, 2006; Otto et al., 2009). Moreover, there are often few reliable and validated measurement instruments to assess client outcomes (Sundell et al., 2010). The latter critique means that there is often little relevant data available to assess and apply to a given situation and almost no randomized and controlled trials of social work interventions, which are so highly prized in the field of medicine (Mullen & Streiner, 2006; Otto et al., 2009).

EBP also complicates social work practice, potentially making it less efficient (Mullen & Bacon, 2006). EBP can take valuable time and resources away from the implementation of interventions (Mullen & Streiner, 2006). EBP requires time and effort to learn, in order to use it effectively. Some would even suggest that it is too inflexible, takes away social worker discretion in clinical decision-making, and misapplies research findings to contexts for which they were not intended (Mullen & Streiner, 2006). In that sense, one might even say that it represents an imposition by academics from the ivory tower, who ignore real practice-level concerns (Mullen & Streiner, 2006). Ironically, there is also almost no evidence to suggest that it

works better than other approaches in the field of social work (Mullen & Streiner, 2006; Thyer, 2004). In spite of these criticisms, it is clear that social workers do value it as an approach, want to learn more about it, and believe that learning about research and applying it to their practice would change their work with clients for the better (Mullen, 2006; Mullen & Bacon, 2006).

In response to the criticisms leveled against EBP in social work, proponents of the approach have suggested that EBP has been mischaracterized as being too mechanistic, offering cookie-cutter solutions to over-simplified social problems (Mullen & Streiner, 2006). They suggest that this characterization is unwarranted (Mullen & Streiner, 2006). EBP practitioners spend considerable time integrating their experience and expertise with clients' preferences, values, and contextual circumstances in their collaborative appraisal of critically-examined pieces of evidence (McCracken & Marsh, 2008; Thyer, 2004). This involves a great deal of finesse and skill, provides a wide range of discretion, and promotes custom-tailoring interventions to unique clients in particular circumstances (McCracken & Marsh, 2008; Thyer, 2004). Scientific data can also play a weaker role in clinical decision-making when limited directly-applicable research is available and a social worker's general background knowledge of research informs their judgement (Mullen & Streiner, 2006). Basing clinical decision-making on previous scientific knowledge like this is called "evidence-informed practice" (Mullen & Streiner, 2006). Otto and associates (2009) have even suggested that social work is passing through a second wave of EBP that is predicated on reflective interpretation and using evidence to dig deeper into the causes of client concerns, rather than offering simplistic solutions to complex problems. Otto and colleagues (2009) go on to state that EBP in its strictest form works best with predictable clients, with predictable concerns, under predictable circumstances, so a flexible EBP approach is called for, increasing social workers' responsiveness to their clients' specific concerns and contexts.

Three of the criticisms of EBP can also be thought of in positive terms. The criticism that there is not enough available scientific data in social work to regularly engage in EBP is considered accurate, for instance, but conducting more EBP and more practice-based research is also the remedy for this concern (Thyer, 2004). Over time in the field of social work, this heightened focus on EBP is resulting in an ever-increasing number of evidence-based interventions and practice guidelines, for which there is increasing awareness and interest among social workers, social work university programs, social work associations and organizations, policy-makers, and funders (Sundell et al., 2010). The concern that EBP requires more education and training can also be seen in a positive light. EBP education can be considered an integral part of continuing education and professional development, which is critical in any profession (Schlonsky & Gibbs, 2006). The criticism that EBP requires time and effort to implement in practice can be mitigated somewhat as training and practice with EBP increases practitioner efficiency with it (Thyer, 2004). As a helpful practice, Mullen and Streiner (2006) suggest reviewing evidence from scholarly journals and professional associations approximately 15-30 minutes each day to keep current with research. In addition, as monitoring and evaluation research is increasingly seen as a fundamental part of social work practice, over time it is less frequently considered an extra burden.

The criticism concerning the relative strength of different forms of evidence will continue to be controversial across the social sciences, with certain scholars showing a preference for quantitative scholarship over qualitative, for instance (Grinnell & Unrau, 2011). There have been considerable strides in reconciling these debates though and illustrating that a 'both/and' approach to research is preferred to an 'either/or' approach, with qualitative and quantitative approaches seen as complimentary (Grinnell & Unrau, 2011). There are definitely distinct

advantages to randomized controlled trials in determining intervention effectiveness and causality but as this form of research is relatively rare and ethically questionable in social work, it should not be relied upon as the “gold standard” of research on intervention effectiveness (Mullen & Streiner, 2006; Otto et al., 2009). Instead, a more holistic and inclusive approach to what is considered evidence is called for. Certainly, some forms of evidence are stronger than others but EBP social workers are given considerable discretion to determine how evidence should be weighed under given circumstances, particularly with respect to their individual clients (Rosenthal, 2006). The utility of various forms of evidence is sure to vary depending upon the clients, their concerns, and their context, so they should be judged accordingly by social workers who understand their circumstances. Proctor and Rosen (2006) state that critical appraisals of evidence by social work scholars working to establish a professional consensus can be made available to other social workers to help them to make better judgements about the utility of evidence and become more effective EBP practitioners.

Discussion of Important Questions and Concerns for Conflict Management

After having considered the merits and drawbacks of EBP in the field of social work, several questions emerge for EBP in the field of conflict management. EBP is new to the field of conflict management and many of the potential implications of its use remain unclear. When we consider critiques emerging from the field of social work, there are a variety of very real concerns and challenges to contend with when considering its potential in conflict management. To start with, EBP needs to be more thoroughly examined in the field of conflict management as it develops, as it is still in its infancy. From the above analysis of EBP in social work, it is clear though that it can inspire scholar-practitioners to become more aware of research and scientific evidence, to become more mindful of a wider range of interventions and approaches, and to engage in ongoing professional development in order to continue to learn about research methods and findings. It likewise can provide encouragement for the field of conflict management to continue to develop its evidence-base and produce more high-quality and increasingly-specific research (Irving & Benjamin, 2002). The development of EBP can only come with ongoing use, evaluation, and critical discussions about the approach within the field of conflict management.

For the time being, considering evidence-based conflict management practice surfaces important questions about the conflict management field and conflict management practice. For example, each scholar-practitioner may have a different perspective as to what extent conflict management should be considered an art versus a science (for instance, Hunter, 2007). EBP clearly places the field of conflict management in the social sciences, suggesting that it is as much a science as an art (Hansen, 2013). In addition, when deciding on the use of various conflict interventions and techniques, EBP could lead conflict management scholar-practitioners and their clients to prioritize a conflict intervention’s effectiveness (the ends) over its consistency with their values or the manner in which it is carried out (the means) (Mullen & Streiner, 2006; Otto et al., 2009). This could be a potential pitfall or danger if scholar-practitioners inadvertently prioritize conflict management outcomes over conflict management processes.

More pragmatically, additional questions need to be considered by conflict management scholar-practitioners, such as:

- What constitutes strong evidence in a given conflict?
- Which scholarly journals or other scientific sources should be consulted?

These questions bring up one's allegiances to particular scholarly sources, as well as debates over the relative strength of various kinds of research and the extent to which evidence should be grounded in moral, normative, authoritative, scientific, or other frameworks of knowledge in conflict management (Cloke, 2001; Mayer, 2004). The answers to these questions bring up additional contentious concerns related to what the "best practices" are in conflict management and how they are determined (Bush & Folger, 2004; Cloke, 2001). It could be that certain individual scholar-practitioners, organizations, or professional associations could be predisposed to demonstrating the strength of their preferred interventions, rather than determining when and where they might be more or less appropriately used (Mayer, 2004). Furthermore, what criteria should scholar-practitioners use to evaluate evidence in practice? It can be difficult to reconcile contradictory research findings and apply them to a given conflict (Cloke, 2001; Hansen, 2013). How should evidence be balanced with other considerations like scholar-practitioner expertise, wisdom, and experience, client preferences, strengths, and values, ethical requirements related to neutrality or impartiality, and circumstances particular to conflict contexts? Inevitably, such a balance will differ from conflict to conflict and scholar-practitioner to scholar-practitioner.

Some might also question whether EBP is possible at this point in the field of conflict management as there are not always enough studies that clearly illustrate when certain conflict management processes or techniques would be more or less effective with certain types of conflict parties under specific circumstances (Irving & Benjamin, 2002). For instance, specific research examining the relative success of transformative versus narrative mediation in divorce cases with African American families or studies considering when active listening is best used with people from different cultures is limited at this point. Quite often there are also few conflict management intervention options available to choose from in a given circumstance (for example, in a transformative mediation center may only offer one type of intervention, transformative mediation). However, the body of conflict management research will continue to grow and develop, which will enhance the prospects for conducting EBP.

EBP scholar-practitioners as a group will need to have further discussions to consider a variety of practice-related concerns in more depth. One such concern is how to focus practice-based research in evidence-based conflict management practice, which is often labeled as 'program evaluation,' 'monitoring and evaluation,' or simply 'evaluation' (Clarke & Peterson, 2016; Irving & Benjamin, 2002). Practice-based research typically focusses on the effectiveness of conflict management programs or processes, however the practitioner-client relationship, the manner in which interventions are carried out, the conflict context, and conflict parties' states of mind can have a large impact on conflict outcomes, so a broader research focus is often called for (Hansen, 2013). In addition, it is important that practice-based research and EBP do not become excessively burdensome. Certainly, EBP scholar-practitioners get better and more efficient at consulting scholarly evidence, conducting research, and the process of EBP over time (Thyer, 2004). Consulting and applying scholarly sources of evidence to specific conflicts, as well as conducting practice-based research, then become a part of due diligence, rather than an additional burden (Mullen & Streiner, 2006). Also, as scholar-practitioners become more familiar with the available evidence, the amount of time required finding relevant evidence is greatly reduced (Mullen & Streiner, 2006). Clearinghouses of studies, research reviews, and meta-analyses can make EBP much more efficient as well, ensuring that evidence is made accessible and is presented in understandable terms. For instance, health care professionals consult EBP clearinghouses like Cochrane to find current evidence to support clinical decision-

making in practice (Cohrane, n.d.). Ultimately though, EBP in conflict management will evolve over time as it is practiced and reflected on by the scholar-practitioners who employ it, refining it to their personal approaches and adapting it to various conflict management settings.

Some Foundations of Evidence-Based Practice in Conflict Management

The utility of practice-based research has already been established in the field of conflict management. There are abundant scholarly articles and non-scholarly reports and papers which chronicle this form of research in the field (for example, Emerson et al., 2009). Various mediation scholar-practitioners for instance, have explicitly called for conducting evaluation research as an essential element of mediation practice (Irving & Benjamin, 2002). In *Therapeutic Family Mediation* (2002), Irving and Benjamin have a chapter dedicated to research in family mediation, stating that the evaluation research question “does mediation work?” has been well addressed by researchers over time with affirmative findings, so this question has increasingly given way to the question “how does mediation work?” in mediation evaluation research. They go on to state that the future of mediation research should become more specific to address the following question: “what intervention(s), in what setting or set of circumstances and with what group of clients, is most likely to have what consequences over the short and long term?” (p. 367). In order to answer this question well though, evaluation research will need to become a more explicit and integral part of mediation models and practice settings (for example, Umbreit, 1994).

Mediators also typically collect and use data that they collect about specific conflicts in practice. For instance, In *The Mediation Process* (2003), Moore dedicates a chapter to “collecting and analyzing background information” (p. 118) to uncover sources of conflicts through observation, interviewing conflict parties, and consulting written materials. The depth and complexity of this conflict analysis are contingent on the complexity of the dispute. The collection of background information can occur before and/or during a mediated session between conflict parties. This phase of mediation is characterized by Irving and Benjamin (2002) as “Intake/Assessment” (p. 72), which helps to determine if specific clients and issues are good candidates for mediation. It is important to note that this phase of mediation also helps mediators to establish rapport and a positive working relationship with the conflict parties, as well as prepare those parties for their mediation session (Irving & Benjamin, 2002; Moore, 2003). However, this form of conflict analysis falls short of EBP as these models do not explicitly and formally integrate consultation with relevant research studies as part of the process, nor do they require the use of scientific evidence in practice or incorporate the formal step-by-step EBP process for helping to decide how to go about mediating.

Other areas of specialization in the field of conflict management have illustrated the value of practice-based research. Facilitation practice models for instance, frequently explicitly integrate evaluation research in facilitation practice. For example, in *The Facilitator's Fieldbook* (1999), Justice and Jamieson provide a whole chapter dedicated to evaluation and group closure, stating that evaluation allows a group to consider the effectiveness of a meeting agenda and group process work, allowing the group to improve their group interactions over time. Much of the time, this consists of a relatively simple evaluation process, asking participants what they liked about the facilitation and what might be improved next time. In *The Art of Facilitation* (2007), Hunter recommends including “measurable outcomes (for the overall process, workshops, meetings) plus expressive and descriptive spoken and written material (from the individual

participants)” when designing evaluation processes for specific facilitations (p. 312). Bens (2005) also suggests that evaluation surveys should be given out to facilitation participants at the conclusion of facilitation processes “to assess the degree to which expected results were achieved” (p. 157) and facilitators should go further, supporting their clients to monitor and evaluate their implementation strategies after any facilitated meetings have concluded. This approach mitigates a potential concern that evaluation research could be limited to a focus on improving the facilitation process itself (formative evaluation) in some cases and may emphasize communication activities or short-term outputs of the process, rather than longer-term outcomes (Hunter, 2007). Facilitators are often very skilled at conducting formative evaluations, which provide a platform for the second half of the cycle of practice knowledge, using evidence in practice (Bens, 2005; Hunter, 2007; Justice & Jamieson, 1999).

Dispute systems design also frequently incorporates practice-based research. For example, Raines (2013) makes a call for evaluation research to be integrated into organizational conflict management systems, such as customer service systems. She goes further to state that evaluation research design should be considered before conflict management systems (like complaints departments) are implemented, in order to ensure that the systems are created with the end goal in mind and baseline data can be collected before any dispute systems are implemented. In organizational settings, evaluating conflict management mechanisms is particularly important as suggested by the precept “what gets measured gets done”. This suggests that practice-based research needs to be integrated into organizational dispute systems to make sure that they fulfill organizational needs to the greatest extent possible (Raines, 2013).

Evidence-Based Practice in Conflict Management

As it is clear that the foundations for EBP are present in the field of conflict management, it becomes possible to present a specific EBP model for the field. The steps involved in evidence-based practice presented here for conflict management scholar-practitioners as helpful practice guidelines. The steps should not be considered rigid, as it is possible to loop back in the process and conduct the steps in a different order. They are presented here as the most common way to conduct evidence-based practice in conflict management, immediately after a conflict has been referred to a scholar-practitioner. The steps are as follows:

Step 1 – Interrogate the conflict: Conflict management scholar-practitioners work with conflict parties to turn their concerns into answerable questions. Examples of answerable questions in the field of conflict management would be:

- What is the most effective conflict management process for landlord-tenant disputes between family members?
- If divorcing parents partake in a facilitative, problem-solving mediation, how likely are they to arrive at a sustainable parenting arrangement that they are both satisfied with?
- Is arbitration likely to be helped or hindered by a simultaneous strike in union-management disputes?

Step 2 – Find and review scientific evidence: Scholar-practitioners find the best possible evidence to answer those questions. Sources of evidence include:

- good research studies (qualitative and quantitative) in scholarly journals about relevant conflict management processes from comparable contexts
- meta-analyses
- evidence-based practice manuals
- clearinghouses of conflict management research and research reviews
- any experiential or anecdotal information to augment scientific evidence

Step 3 – **Analyze the evidence:** Scholar-practitioners work with conflict parties to critically appraise the evidence. This critical appraisal must be taken into account in conjunction with such factors as:

- the scholar-practitioners' expertise, wisdom, and knowledge
- the preferences, strengths, and values of the parties
- commitments that scholar-practitioners have to impartiality or neutrality
- organizational and pragmatic constraints
- particular contextual circumstances

Step 4 – **Collaborative decision-making and conflict management implementation:** Scholar-practitioners and conflict parties collaborate to decide on the best conflict management interventions to address the concerns related to the conflict. *The interventions are then implemented.*

Step 5 – **Monitoring and evaluation of conflict management:** Scholar-practitioners monitor the results of the conflict management processes according to criteria jointly established by them and the conflict parties, modifying conflict management processes, if necessary. This also means conducting evaluation (practice-based research) to assess intervention effectiveness (of both processes and outcomes), improve conflict management processes, and provide further scientific evidence for practice, completing the cycle of knowledge.

Step 6 – **Sharing lessons learned:** The step involves teaching EBP to others both formally, in university conflict management programs, and less formally, in conferences, workshops, and discussions with colleagues. This step is considered vital to ensure that EBP becomes more efficient and effective, continues to improve, and is disseminated to an ever-widening sphere of practitioners.

For example, in a workplace conflict where two colleagues who had a falling out are instructed to work together on a long-term work project, they come to an ombudsperson (a conflict management scholar-practitioner) for help. The ombudsperson uses an EBP approach to assist them with their working relationship. Initially, the ombudsperson engages with them in separate conversations to determine the nature of their concerns and their differing perspectives. This is then used as a basis for asking an answerable question, such as: what would be the most effective form of mediation (among the narrative, transformative, or problem-solving mediation models) to assist two male, middle-aged Caucasian work colleagues (who once worked well

together but had a dispute about a promotion that one of them received ahead of the other), in order for them to have a productive working relationship? The ombudsperson would then consult the available current scholarship on workplace mediation and conflict management involving middle-aged, Caucasian men, discussing any important findings separately with the parties. This would provide critical information when considering the most effective mediation models for their concerns, possible mediators, where and when they would like to mediate, their criteria for a successful mediation, and so on. They would then collaboratively select a mediation model, a mediator, and the timing and setting for the mediation, which would subsequently be conducted. The mediation would be monitored according to the expressed desires of the parties and assessed using evaluation methods. Other processes, such as training in conflict management skills, would also be considered to compliment the mediation and meet any other needs. Finally, the ombudsperson could share what she learned, as well as her knowledge of EBP, at conferences or ombuds workshops or, less formally, in discussions with colleagues.

An example of an EBP approach to conflict management is provided by the Generalist Approach to Conflict Resolution (Hansen, 2013). In the Generalist Approach, conflict management scholar-practitioners recognize that there are many possible conflict management interventions in any conflict and work with their clients to determine the best-fitting interventions for specific conflict parties under particular circumstances. Generalist conflict management practitioners initially develop rapport with conflict parties, while getting relevant background information during an initial one-on-one intake. Then they use this information, in conjunction with scholarly evidence, to collaboratively consider a range of possible conflict interventions, the nature of the outcomes that their clients would like to achieve, and how to measure progress, in a workshop format. Monitoring the intended and unintended consequences of the interventions is an explicit part of the Generalist Approach. Hansen (2013) discusses using single-system research designs (also called N=1 research designs) as a monitoring strategy. In single system research designs, parties work with conflict management scholar-practitioners to determine their indicators of success, which are then measured periodically before, during, and after conflict interventions (single systems research designs are discussed more thoroughly below). Formal evaluation of intervention effectiveness, especially using qualitative techniques, is also an essential component of the Generalist Approach. Conducting and using research is therefore integral to the Generalist Approach, when using evidence for intervention decision-making, to monitor the effects of interventions on clients, and to evaluate intervention effectiveness and client outcomes. Scholar-practitioners using the Generalist Approach need to be familiar with research methods, participate in ongoing professional development, and present their evaluation research findings, for the ongoing improvement of conflict management.

Single-systems research designs are well established in the field of social work as a practice tool but are relatively new to the field of conflict management. Tripodi (1994) provides a nice overview, stating that single-systems designs are used to measure what parties determine are the most important changes that they would like to see as a result of an intervention ('indicators' of success). In conflict management, these could involve improving ones relationship with another conflict party or getting ones interests met (Hansen, 2013). These indicators can be measured formally, using established research instruments when available, or less formally, using simple tools created with parties (for instance, their assessment of their relationship on a scale of 1-10 that they create) (Hansen, 2013; Tripodi, 1994). The results are graphed simply (connecting the dots that indicate parties' scores on the scale on subsequent occasions), to show parties their progress over time, illustrating the effects of an intervention and providing them with data to

help determine how they would like to proceed in dealing with their concerns (Hansen, 2013; Tripodi, 1994). Often, graphs illustrate how an indicator evolves over the course of several phases of intervention: pre-intervention (baseline), during an intervention (often on several occasions, sometimes during a pause in the intervention), after an intervention (a post-test or a follow-up measure), or even during a subsequent intervention (Tripodi, 1994). The resultant graphs illustrate one's progress over the different intervention phases. Scholar-practitioners can then go over the graph with conflict parties to inform their decisions about how to proceed with their concerns.

As the above examples show, it is possible to conduct EBP in the field of conflict management. Concerns over its use still remain, however. As with the field of social work, EBP remains untested in the field of conflict management so there is no evidence of its effectiveness. The evidence-base for the field of conflict management is continues to develop, so there are still unanswered questions and ambiguities in the field's body of scholarship, potentially making it difficult to find strong evidence as a solid basis for evidence-based conflict management intervention decision-making (Irving & Benjamin, 2002). Frequently, the scholarship that is available in the field contrasts conflict management processes with traditional mechanisms for managing disputes like the courts, rather than comparing different conflict management processes or models directly with one another (see, for example, Kelly, 2004). Like the field of social work, conflict management is a type of human service with a broad definition of what constitutes scientific evidence (for example, including both quantitative and qualitative methods as complimentary) but it is still unclear how different types of evidence may be evaluated or the extent to which they might augment or conflict with one another. EBP is in its infancy in the field of conflict management and will need to be further developed to ensure that it does not result in simplistic, cookie-cutter solutions to complex concerns and situations. EBP scholar-practitioners must also guard against the tendency to become too rigid in their application of scientific evidence in practice. EBP also requires time (particularly initially, to learn about using and conducting research, applying research, and acquiring a broad knowledge base) and resources (like access to journals) that introduce costs to scholar-practitioners, which must be considered. Sometimes in the field of conflict management there are few interventions available to specific clients (a lawyer that was hired to mediate might only be familiar with an evaluative style of mediation, for instance) so it may not prove very useful or efficient for such practitioners to engage in formal EBP. Even when scholar-practitioners are not able to offer conflict parties various conflict management options, it still makes sense for all practitioners to have a solid knowledge of research to engage in 'evidence-informed' practice, ongoing critical reflection, and practice-based evaluation research. However, EBP in its most robust and complete form may be limited to more predictable and common conflict concerns and contexts, for the time being.

EBP has a great deal of potential in the field of conflict management, reinforcing a scientific perspective. It can help bridge the gap between scholarship and practice, underlining the value of using research methods in practice and providing a formal approach for doing so (Counoyer & Powers, 2002; Hansen, 2013). These methods ensure that "best practices" and practice guidelines are grounded in research findings and promoted (Sundell et al., 2010). EBP also reduces biases in practice and policy decision-making, guarding against interventions falling short of expectations or even potentially harming conflict parties in unforeseen ways (Mullen & Streiner, 2006; Thyer, 2004). EBP provides conflict management scholar-practitioners with a structured approach for selecting intervention options and ensures that scientific evidence for conflict management effectiveness is sought, utilized, and disseminated (Thyer, 2004). This is

particularly important in an era of increasing scrutiny by policy-makers, regulators, and funders, who increasingly call for scientific evidence and demand evaluation research (Hansen, 2013). Some of these benefits can be realized with an adoption of ‘evidence-informed’ practice by conflict management scholar-practitioners who embrace a reflective, inquisitive posture in their work, while other benefits require a more formal adoption of EBP. In order to meet this potential, EBP can be naturally incorporated into university conflict management programs, particularly those requiring research methods as a course of study. In fact, EBP can be seen as a sort of levelling mechanism, whereby new practitioners can gain knowledge from the proven wisdom and scholarship of established practitioners. Indeed, if EBP is to be taken up in earnest in the field of conflict management, it should be incorporated into university programs as a means to teach it to the next generation of scholar-practitioners, who can continue to develop it and custom-tailor it to the unique clients, conflicts, and settings that they will face in the future.

This analysis of EBP’s potential in the field of conflict management leads to several recommendations to support the growth of EBP in the field:

1. The field of conflict management can be considered an applied social science.
2. As conflict management can be considered an applied social science, university programs teaching conflict management should include education in research methods, understanding research, and applying research in practice, in addition to some specific training on EBP and practice-based research (monitoring and evaluation).
3. Practice-based research, including evaluation methods, should become more common in conflict management practice, to build a more thorough base of scientific evidence for the field. As evaluation methods develop and research findings become more comprehensive, more emphasis should be given to assessing the effectiveness of conflict management interventions with specified clients, conflicts, and contexts, rather than considering the effectiveness of interventions in more general terms. These studies should strive to incorporate comparison groups when possible.
4. Additional field-level and organizational support should be provided for EBP and the scholar-practitioners using the approach, which could include providing clearinghouses of studies, research reviews, meta-analyses, practice guidelines for “best practice” interventions, and EBP practice manuals.

These recommendations provide some initial steps towards ensuring that EBP will reach its potential within the field of conflict management.

Conclusion

This paper considered EBP and its potential within the field of conflict management. The origins of EBP within the field of social work were presented first, to provide an overview of EBP within a comparable professional, applied social science that has a longer history with the approach, as well as illustrate some challenges when applying EBP to complex social problems. Many important concerns with EBP came out of this discussion that are directly relevant to the field of conflict management and should be carefully considered. EBP should also be reflected upon by scholar-practitioners experimenting with the approach, to ensure that it continues to develop within the field of conflict management. A specific six-step method for conducting EBP in conflict management is outlined here, along with specific examples of EBP, which illustrate

specific practice guidelines for conducting EBP in conflict management practice. The Generalist Approach to Conflict Resolution, for instance, incorporates such a conflict-specific review of scientific evidence when considering possible conflict processes with parties.

The potential for EBP in the field of conflict management is clear. It is a structured approach that addresses the gap between scholarship and practice, ensures that conflict management practice is grounded in solid research findings, and reduces scholar-practitioner biases. EBP provides an additional safeguard against ineffective or even harmful practice. Generally, the use of research methods in conflict management is promoted, particularly practice-based research. Therefore, a list of recommendations to support the growth of EBP in the field of conflict management was delineated. These recommendations could help EBP to reach its greatest potential in the field of conflict management.

Ultimately, this paper demonstrates that that EBP holds a great deal of promise for the future of conflict management but it should be carefully developed to mitigate some of its potential drawbacks. One of the primary places that it can be fostered is in research methods classes in conflict management university programs. This will allow the next generation of conflict management practitioners to nurture the approach and tailor it to the unique settings of their future clients' conflicts. Meanwhile, considering EBP brings up a variety of important questions for conflict management scholar-practitioners to consider, discuss, and debate.

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