
Evaluation Framework for an Alternative Dispute Resolution (ADR) Program

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Public and private sector organizations of all sizes are realizing increasingly the importance of managing conflict, both within and outside the workplace. Workplace conflict may involve disputes between co-workers, supervisors and employees, or with others external to the immediate organization, and can have a profoundly negative impact on those involved and the organization. Employees suffer and organizations pay the price in a number of ways, including, for example, reduced employee morale, motivation and productivity, increased absenteeism and unexpected attrition. Outside the workplace, disputes between individuals, companies or other entities may end up in court, where the cost and time to resolve them place a major burden on all parties. Often a solution that satisfies all parties fails to materialize.

The Nature of Conflict Management

As noted by Ury (1988) and further explained by Costantino & Merchant, 1996 "...conflict is a growth industry - in our communities, in our businesses and non-profit organizations, in our government agencies, and among all of these. We are living today in times of intense change, and change naturally creates conflict. We cannot choose to eliminate this conflict - nor should we - but we can choose how we handle conflict."

Disagreements or misunderstandings, whether major or minor, real or perceived, can quickly spin out of control. As a result, workplace conflicts which occur either in the public or private sector domain may prove to be beyond the ability of individuals or supervisors to resolve. Informal methods fail as those involved become firmly entrenched in their positions. Such conflicts are often managed through structured "rights-based" mechanisms of recourse and redress such as formal complaints and

grievances. Hence, this can lead to lengthy investigations and delays, considerable financial costs to the organization, outcomes that fail to fully satisfy complainants, and potentially a poisoned work environment.

The need for rights-based approaches to managing conflict will always exist. However, in recent years, there has been a growth in the area of "interest-based" options or what is now commonly referred to as "Alternative Dispute Resolution" (ADR). The ADR approach considers the needs and desires of the disputants rather than adopting adversarial positions during a conflict, and offers an alternative to rights-based approaches. The objective of ADR is to avert as much conflict as possible, and where it does occur, to resolve the conflict informally at the lowest possible level. Thus, conflict may be resolved by the parties themselves or through the intervention of supervisors or "third-party neutrals" (e.g., trained mediators) to help them understand their respective interests and develop workable solutions.

ADR within Organizations

The success achieved by an increasing number of public and private sector organizations has enabled the ADR process to move beyond the novelty stage to where it is recognized as an effective conflict management tool. However, introducing an ADR program successfully takes more than just good intentions. A successful ADR program requires senior management commitment, organizational due diligence, and effective project management at all stages, including an emphasis on performance measurement. Hence, an ADR program design team must establish a framework and standards for the conduct of ADR interventions and in-house training. An additional organizational task is the integration of the ADR program with other exist-



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ing conflict management mechanisms (such as the existing grievance system, ombudsman, harassment policy, etc.) to ensure consistency and eliminate duplication.

While an ADR program may be managed centrally, the design concept should be tested at a number of representative pilot locations utilizing in-house and/or contracted mediators. Based on the results achieved at such pilot locations, confirmation of program benefits, and resolution of identified program challenges, a full organizational roll-out of an ADR program can then proceed.

The Role of Program Evaluation in ADR Programs

When assessing the full impact and organizational benefits of an ADR program, an evaluation framework is one tool to help measure success. In preparing an evaluation framework, it is important to recognize conflict management as a *system* (Costantino & Merchant, 1996), of which ADR is a sub-system. As such, the ADR program affects other systems within the organization (e.g., human resources, operations), and has a number of system characteristics such as a mission and objectives, boundaries (e.g., legal, human rights), inputs (e.g., disputes, resources), outputs (e.g., resolved disputes, trained mediators), outcomes (e.g., increased productivity, healthier work environment), and a stakeholder feedback loop (an essential feature for performance

measurement and continuous improvement).

As noted by Costantino and Merchant (1996, p.168) with specific reference to ADR, "evaluation is the means by which the system clarifies its goals and measures progress toward the achievement of those goals." In keeping with this notion, program evaluators can contribute constructively to the actual design of an ADR program, as well as the preparation of program staff for ongoing monitoring, and later by undertaking an evaluation of the effectiveness and efficiency of the program as part of the continuous improvement process. Thus, an evaluation framework offers a useful tool for assessing actual *program performance* (i.e., whether goals are being achieved), as well as *program management* (i.e., whether it is administered effectively) and *service delivery*.

Evaluating Program Performance

An initial evaluation of existing conflict management system performance should ideally occur before the commencement of an ADR program, and again a few years later, once the ADR program has been fully implemented. Having a clear appreciation for the status quo establishes an all-important baseline for comparison purposes and enables staff and sponsors to develop an ADR program business case for senior management consideration. Evaluation of program performance includes an assessment of both effectiveness and efficiency. In the ADR context, *effectiveness* relates to outcomes (e.g., conflicts actually being resolved), the durability of outcomes (i.e., how long they stay resolved), as well as the overall effect on the work environment and the level of organizational stress. *Efficiency* relates to the impact of ADR interventions on the cost and time to resolve disputes (as compared to existing rights-based mechanisms).

Both quantitative and qualitative evaluation methods have a place in the initial effort to establish a baseline against which the new ADR program can be evaluated. For example, what is the present cost to the organization of conflict and managing that conflict? This includes understanding current statistics (e.g., the number and types of disputes and complaints, and the cost of investigating and resolving them). Measur-

ing instruments also exist that attempt to put a monetary value on workplace conflict by costing less tangible factors such as wasted time, loss of skilled employees and reduced job motivation (e.g., Dana, 1998). Although it may be difficult to accurately cost all factors, this fact should not diminish the need to develop the best baseline possible.

In addition to the above-noted issues, a well-developed evaluation should include stakeholder interviews, surveys, focus groups and other qualitative methods to help bridge any statistical gaps and permit an assessment of satisfaction with the results obtained and the processes in place. Satisfaction levels will also be reflected in the amount of new ADR "business" generated through word of mouth, the number of referrals by "repeat customers", and generally with an increased recognition and awareness of workplace conflict and how to manage it.

By way of example of how ADR programs may be evaluated, in 2004 the Judicial Council of California published an impact study of five Early Mediation Pilot Programs, which included trial rate, disposition time, satisfaction with the process, overall costs and workload. The assessed areas were measured quantitatively and then compared to non-program results to confirm the level of success achieved. Costs at one site were 60% lower through ADR, while trial rates (i.e., the proportion of cases going to trial) at two sites were reduced by 24% and 30% respectively. While this example is court-based rather than workplace-based, it illustrates how evaluation can provide important data for decision-making regarding the future of ADR programs.

Evaluating Program Management and Service Delivery

As well as ADR program performance, it is important to evaluate program management and service delivery. These include such elements as the *accountability framework*, *policies*, *guidelines and standards*, *resources* (i.e., funding, staff, facilities), *communications*, and *training*. Since ADR methodologies are largely skills-based, program integrity and quality must be established through the selection, training and employment of suitable third-party neutrals

who may be either internal or external to the organization. When disputants do not consider the available parties to be credible, the ADR program can quickly be put at risk. Success of the ADR program requires all contributing elements to be well understood and managed.

Preparing the Evaluation Framework

As noted, an evaluation framework is useful for both the introductory phase of the new program and as a ready reference for long-term sustainment. The framework provides program staff with an integrated picture of the program. In so doing, results achieved during the pilot project may be presented in the context of overall project design, which helps in results-monitoring and diagnostic efforts. Hence, an evaluation framework may include various program components such as program design, pilot project design, and pilot project performance. Differentiating between pilot project design and performance facilitates evaluation efforts by isolating design elements (e.g., location and accessibility of a dispute resolution centre) from how successful the ADR service actually was in resolving disputes. Evaluating performance is clearly beneficial beyond the pilot project in that it provides a template for a later summative evaluation of the program.

ADR Program Logic Model

Within an ADR evaluation framework, a logic model typically links program activities to intended outcomes. Figure 1 is a simplified logic model that highlights two program elements: *ADR education and training*, and *ADR services*. Such a visual depiction, when presented to program staff, can further support efforts to develop policies and procedures, access mechanisms, service and training standards, communications and continuous improvement strategies, and other fundamental program requirements.

Evaluation Issues

Generally speaking, an evaluation framework should address critical program design issues, which may vary somewhat depending on the nature of the organization. An ADR program evaluation framework may include a number of elements, including the following:

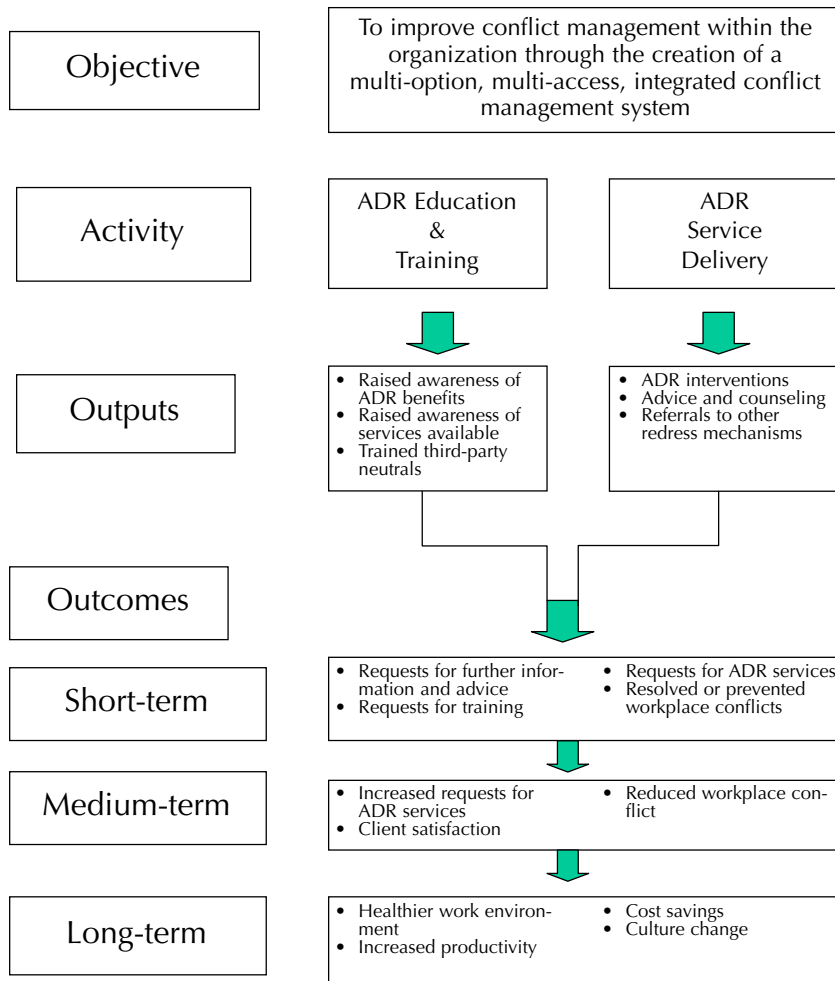


Figure 1. Simplified ADR Program Logic Model

- Case for action (i.e., establishment of the need),
- Clarification of ADR program aim and objectives,
- Accountability framework,
- Education and training,
- Communications,
- External best practices and lessons learned,
- Pilot project design, and
- Pilot project performance.

Each of these will be considered individually.

Case for Action

Evaluating system design requires confirming the need to take action. Is the requirement for an ADR program still relevant? If the organization already has a variety of conflict management mechanisms (e.g., an effective grievance process, ombudsman), is establishment of a structured ADR program still required? If there

is no obvious need (e.g., the organization is very small or there is little history of conflict), a decision may be made not to introduce a formal ADR program, or to introduce a scaled-down version based on ADR principles.

Clarification of the ADR Program Aim and Objectives

It is important for all stakeholders to have a common understanding of the objectives of the ADR program. Similarly, having the ADR program as part of an integrated conflict management system suggests the need to establish formal linkages with other workplace dispute mechanisms to minimize duplication and overlaps that would reduce the effectiveness and efficiency of the entire system. Examining these issues provides an opportunity for the evaluator to determine if the ADR program provides a unique response to client demands for service and problem resolu-

tion, and whether assistance is provided by the most appropriate source of expertise.

Accountability Framework

During the design phase, an ADR program manager is typically responsible to program sponsors and/or a steering committee, and is generally assigned resources both in terms of staff and a budget. If there is a formal pilot project, site managers will rely heavily on program staff for support (e.g., guidelines and advice, resources, migration of best practices, communications, and "marketing"). The key to managing program results is measuring against milestones and deliverables in accordance with the program plan. The program manager is responsible for monitoring adherence to the plan so as to ensure all activities are both on schedule and on budget. In areas where control is deemed to be at risk, action can then be taken. For an ADR program to be both sustainable and administered effectively, ongoing care and nurturing are required, including an effective management framework, with clear terms of reference, reporting relationships, policies and procedures.

Education and Training

An ADR program typically requires standards for education and training to ensure a consistent level of quality. As well as quality, training may be evaluated for availability, affordability and convenience. Larger organizations may decide to develop a centrally managed internal training capability, with a longer-term goal of exporting the delivery of at least ADR awareness training to the regional or local level in the future. Training may be tiered, and include a short ADR awareness course for general consumption, a longer interest-based negotiation course, and a comprehensive mediation course. Regardless of how ADR training is to be delivered, a needs analysis of skills and training should be conducted as an essential initial step. In addition, a policy should be developed regarding equivalencies and grandfathering of those who have received (or may receive in the future) relevant training externally.

Communications

Since many employees may initially have little experience with interest-based

approaches to resolving workplace conflict, communications with all stakeholders is considered to be a critical component to ensure understanding and support. To be sustainable, stakeholders must understand what ADR is, when it may or may not be the most appropriate mechanism available, how to access services and how it is linked to other programs. It is also essential for senior managers to visibly champion the ADR program and communicate their support to all employees.

External Best Practices and Lessons Learned

Learning from the experiences of other organizations that have already implemented ADR programs can contribute significantly to program effectiveness and efficiency. Since others have discovered through their own research and practice what works and what doesn't, the extent to which program management staff have capitalised on the experience of ADR programs elsewhere should be assessed.

Pilot Project Design

For many organizations, a pilot project is a key ADR program activity, whether limited or complex in scope. Its purpose is to raise awareness of ADR, to demonstrate its benefits, and to identify issues requiring attention prior to full organizational implementation. Effective design of the pilot project is the foundation for success. Although flexibility in approach is clearly a desirable feature, it is important that pilot sites all reflect the overall vision, aim and objectives of the ADR program and not deviate in a way that might unintentionally discredit the program or put it at risk. Central features for an evaluation of a pilot project are:

- **Pilot Project Scope and Objectives:** A well developed understanding of the scope and objectives and what constitutes program success or failure enables a rigorous review. For example, will the scope include performing workplace health assessments upon request, or be restricted primarily to mediation? If linkages with other dispute mechanisms are to be assessed, this should be conveyed to pilot site staff. While each pilot site will generate quantitative and qualitative results, it is essential that program management staff establish the criteria for success and

how the results will be presented to senior management when seeking a decision on full program implementation.

- **Selection of Pilot Sites:** Selected sites should ideally reflect all organizational sectors and sub-cultures, geographical areas, and demographics. The number of sites is also a factor to consider. For example, too few sites may not be adequately representative to provide meaningful data. On the other hand, too many sites can lead to control problems and program resources stretched to the limit.
- **Support and Resources:** It is essential for management to provide essential support via augmented program resources (i.e., staff, funding and facilities) as required. Local managers have an important advocacy role in promoting and supporting ADR services. However, in order to gain such support, managers need to fully understand the program objectives and the associated benefits. This task should fall initially to the program manager, assisted by local pilot site staff, and should involve stakeholder engagement with on-site leaders and other key parties on an ongoing basis. Furthermore, an adequate resource base during implementation is critical to site success, including a sufficient number of trained and credible mediators, working in a location that contributes to success rather than hindering it. For example, dispute resolution centres should be located wherever possible in "neutral" locations so as not to discourage potential clients.

Pilot Project Performance

Assuming the groundwork has been laid for pilot project success, the next step is to assess how well ADR services are utilised and contribute to program objectives. Since each locale will have unique characteristics, some flexibility in approach to accommodate local factors would be appropriate rather than imposing a rigid template. However, flexibility must be applied cautiously in order maintain program integrity. Additionally, program management staff must assist in the resolution of emerging issues that may undermine pilot site performance and thus put program success at risk. From an evaluation perspective, this would suggest collecting the following information:

- **Conflict Management Baseline Statistics:** As noted earlier, service delivery may be evaluated both quantitatively and qualitatively. A start-point is an understanding of the current situation through baseline statistics (e.g., number of grievances, average process time). It is important that all sites collect the same statistics in order that future comparisons can be made.
- **ADR Performance Statistics:** Since pilot sites seek initially to raise local awareness of ADR services provided, it would be appropriate to collect statistics that support awareness analysis (e.g., number of inquiries, number of ADR courses or briefings presented, number of attendees). Performance measures for ADR service delivery should also be developed and statistics collected (e.g., the number and type of ADR cases, "success" rate, return referrals, etc.). Again, in order to compare results for overall evaluation purposes, it is important for sites to maintain similar performance statistics for a meaningful period.
- **Qualitative Feedback:** Determining how local stakeholders (clients, supervisors and management at all levels, unions, etc.) actually feel about the ADR services provided and their level of satisfaction with the results is central to any evaluation review. This can be accomplished through survey questionnaires, interviews and focus groups. These methodologies also provide an opportunity to further explore the influence of organizational culture on the acceptance of interest-based approaches to conflict resolution as a contrast to rights-based mechanisms.
- **"Business Case" Analysis:** In this era of constrained resources, senior management will appreciate evidence that investing in ADR makes good business sense in terms of cost avoidance (i.e., time, effort and dollars saved) and in contributing to a healthier workplace (e.g., reduced stress as measured by higher productivity, less absenteeism, etc.). Presenting a compelling business case, rather than relying on less tangible benefits will help ensure continued senior management support for full implementation, as well as the necessary resources for ADR program sustainment.

Evaluation Issues	Evaluation Questions	Data Sources	Methodologies
Case for Action	Based on quantitative and qualitative evidence, is the establishment of a formal, structured ADR program across the organization still relevant to meet the needs of stakeholders?	<ul style="list-style-type: none"> • relevant reports • policy documents • program documentation • stakeholder opinion • business plans 	<ul style="list-style-type: none"> • statistical analysis • business case analysis • documentation analysis • stakeholder interviews • surveys • focus groups • steering group engagement
Clarification of the ADR Program Aim and Objectives	<ol style="list-style-type: none"> 1. Do stakeholders (e.g., program staff, sponsors, all levels of management and supervision, unions, etc.) have a common and consistent understanding of the aim and objectives of the ADR program? 2. Have integration requirements relating to other recourse and redress mechanisms within the organization been identified, and are steps being taken to integrate all into an effective, efficient conflict management system? 	<ul style="list-style-type: none"> • business plans • relevant reports • policy documents • stakeholder opinion 	<ul style="list-style-type: none"> • stakeholder interviews • documentation analysis • steering group engagement

Figure 2. Evaluation Issues, Data Sources and Methodologies

• **Migration of Best Practices and Lessons Learned:** As each pilot site is unique, there will be a number of best practices and lessons learned that should be shared with other pilot sites. A process should be developed to ensure that this contributes to the efficiency and overall success at pilot sites. This could be accomplished through conference calls, periodic meetings and visits to pilot sites by program management staff.

Performance Management Chart

The preceding issues may be effectively depicted in a performance management chart such as Figure 2, which for illustrative purposes lists only two evaluation issues. It summarizes significant questions to be answered and information sources for the benefit of ADR program management staff and program evaluators, and should be updated as required to reflect major changes affecting the program.

Concluding Comments

The process of developing an evaluation framework as presented in this paper is intended both to assist in the ongoing strategic planning and management of an Alternative Dispute Resolution program as well as to prepare for a future program evaluation. As such, an evaluation would help major stakeholders to confirm ADR pro-

gram relevance and enable the assessment of effectiveness and efficiency in achieving intended outcomes.

As noted, ADR continues to be a growth industry and many organizations are investing in ADR programs. As with all major new initiatives, ADR requires visible senior management support, adequate resources and effective program management to succeed. Evaluation is a critical component for the successful introduction and sustainment of an ADR program and should be built into the design of the ADR program and the pilot project as early as possible. Also, familiarization training in ADR for program evaluators is essential to enhance their understanding of the methodologies and concepts involved. ■

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