Conflict and Negotiation

"Yes" helps open doors
Study Questions

• What is conflict?
• How can conflict be managed successfully?
• What is negotiation?
• What are the different strategies involved in negotiation?
What is conflict?

- Conflict occurs whenever:
  - disagreements exist in a social situation over issues of substance
  - emotional antagonisms cause frictions between individuals or groups
What is conflict?

Types of conflict

• **Substantive conflict**
  – A fundamental disagreement over ends or goals to be pursued and the means for their accomplishment

• **Emotional conflict**
  – Interpersonal difficulties that arise over feelings of anger, mistrust, dislike, fear, resentment, and the like
What is conflict?

Levels of conflict

• **Intrapersonal conflicts**
  – Actual or perceived pressures from incompatible goals or expectations
  – Approach-approach conflict (choose between two positive and equally attractive alternatives)
  – Avoidance-avoidance conflict (Between two negative and equally unattractive alternatives)
  – Approach-avoidance conflict (person decides to do something that has both positive and negative consequences)
What is conflict?

• **Interpersonal conflict**
  – Occurs between two or more individuals who are in opposition to one another

• **Intergroup conflict**
  – Occurs among members of different teams or groups
What is conflict?

- **Interorganizational conflict**
  - Commonly refers to the competition and rivalry that characterize firms operating in the same markets
Functional versus Dysfunctional Conflict

Functional Conflict (Constructive conflict)
Conflict that supports the goals of the group and improves its performance.

Dysfunctional Conflict (Destructive conflict)
Conflict that hinders group performance.
Two faces of conflicts (Functional & Dysfunctional)
What is conflict?

• **Potential benefits of functional conflict**
  – Surfaces important problems so they can be addressed
  – Causes careful consideration of decisions
  – Causes reconsideration of decisions
  – Increases information available for decision making
  – Provides opportunities for creativity that can Improve individual, team or organizational performance

Effective manager should stimulate constructive conflict in situation in which satisfaction with the status quo inhibits needed change and development
What is conflict?

• Potential disadvantages of dysfunctional conflict
  – Diverts energies
  – Hurts group cohesion
  – Promotes interpersonal hostilities
  – Creates overall negative environment
  – Can decrease work productivity and job satisfaction
  – Can contribute to absenteeism and job turnover
What is conflict?

• Culture and conflict
  – Culture and cultural differences must be considered for their conflict potential
  – Cross-cultural sensitivity helps defuse dysfunctional conflict and capture advantages that constructive conflict may offer

• Importance of Cultural Intelligence
How can conflict be managed successfully?

• **Conflict resolution**
  – situation in which the underlying reasons for a given destructive conflict are eliminated
The Conflict Process

Stage I: Potential opposition or incompatibility
- Antecedent conditions
  - Communication
  - Structure
  - Personal variables

Stage II: Cognition and personalization
- Perceived conflict
- Felt conflict

Stage III: Intentions
- Conflict-handling intentions
  - Competing
  - Collaborating
  - Compromising
  - Avoiding
  - Accommodating

Stage IV: Behavior
- Overt conflict
  - Party’s behavior
  - Other’s reaction

Stage V: Outcomes
- Increased group performance
- Decreased group performance
Stage I: Potential Opposition or Incompatibility

• Communication
  – Semantic difficulties, misunderstandings, and “noise”

• Structure
  – Size and specialization of jobs
  – Jurisdictional clarity/ambiguity
  – Member/goal incompatibility
  – Leadership styles (close or participative)
  – Reward systems (win-lose)
  – Dependence/interdependence of groups

• Personal Variables
  – Differing individual value systems
  – Personality types
Stage II: Cognition and Personalization

Perceived Conflict
Awareness by one or more parties of the existence of conditions that create opportunities for conflict to arise.

Felt Conflict
Emotional involvement in a conflict creating anxiety, tenseness, frustration, or hostility.

Conflict Definition

Negative Emotions
Positive Feelings
Stage III: Intentions

Intentions

Decisions to act in a given way.

Cooperativeness:
• Attempting to satisfy the other party’s concerns.

Assertiveness:
• Attempting to satisfy one’s own concerns.
Dimensions of Conflict-Handling Intentions

Stage III: Intentions (cont’d)

Competing
A desire to satisfy one’s interests, regardless of the impact on the other party to the conflict.

Collaborating
A situation in which the parties to a conflict each desire to satisfy fully the concerns of all parties.

Avoiding
The desire to withdraw from or suppress a conflict.
Stage III: Intentions (cont’d)

Accommodating

The willingness of one party in a conflict to place the opponent’s interests above his or her own.

Compromising

A situation in which each party to a conflict is willing to give up something.
Stage IV: Behavior

Conflict Management

The use of resolution and stimulation techniques to achieve the desired level of conflict.
CONFLICT MANAGEMENT TECHNIQUES

• CONFLICT RESOLUTION TECHNIQUES
  – PROBLEM SOLVING
  – SUPERORDINATE GOALS
  – EXPANSION OF RESOURCES
  – AVOIDANCE
  – SMOOTHING
  – COMPROMISE
  – AUTHORITATIVE COMMAND
  – ALTERING THE HUMAN VARIABLE
  – ALTERING THE STRUCTURAL VARIABLE
CONFLICT MANAGEMENT TECHNIQUES

• CONFLICT STIMULATION TECHNIQUES
  – COMMUNICATION
  – BRINGING IN OUTSIDERS
  – RESTRUCTURING THE ORGANIZATION
  – APPOINTING A ‘DEVIL’S ADVOCATE’
Stage V: Outcomes

• Functional Outcomes from Conflict
  – Increased group performance
  – Improved quality of decisions
  – Stimulation of creativity and innovation
  – Encouragement of interest and curiosity
  – Provision of a medium for problem-solving
  – Creation of an environment for self-evaluation and change

• Creating Functional Conflict
  – Reward dissent and punish conflict avoiders.
Stage V: Outcomes

- Dysfunctional Outcomes from Conflict
  - Development of discontent
  - Reduced group effectiveness
  - Retarded communication
  - Reduced group cohesiveness
  - Infighting among group members overcomes group goals
How can conflict be managed successfully?

Causes of conflict

• **Vertical conflict**
  – Occurs between hierarchical levels

• **Horizontal conflict**
  – Occurs between persons or groups at the same hierarchical level

• **Line-staff conflict**
  – Involves disagreements over who has authority and control over specific matters
How can conflict be managed successfully?

• **Role conflicts**
  – Occur when the communication of task expectations proves inadequate or upsetting

• **Workflow interdependencies**
  – Occur when people or units are required to cooperate to meet challenging goals

• **Domain ambiguities**
  – Occur as misunderstandings over such things as customer jurisdiction or scope of authority
How can conflict be managed successfully?

• **Resource scarcity**
  – When resources are scarce, working relationships are likely to suffer

• **Power or value asymmetries**
  – Occur when interdependent people or groups differ substantially from one another in status and influence or in values
How can conflict be managed successfully?

Indirect conflict management approaches

• Reduced interdependence
  – Adjusting the level of interdependence among units or individuals when workflow conflicts exist
  – Options:-
    – Decoupling, buffering, and linking pin roles
How can conflict be managed successfully?

• **Decoupling**
  – taking action to eliminate or reduce the required contact between conflicting parties

• **Buffering**
  – used when the inputs of one group are the outputs of another group

• **Linking pin roles**
  – persons expected to use knowledge of host group to help work better with other groups in order to accomplish mutual tasks
How can conflict be managed successfully?

• **Appeal to common goals**
  – Focusing the attention of potentially conflicting parties on one mutually desirable conclusion
How can conflict be managed successfully?

• **Hierarchical referral**
  – Problems are referred up the hierarchy for more senior managers to reconcile

• **Altering scripts and myths**
  – Superficial management of conflict by using behavioral routines that become part of the organization’s culture
Five ways to manage conflict

- **Cooperative**
  - Smoothing or Accommodation
    - Letting the other's wishes rule. Smoothing over differences to maintain superficial harmony.
  - Collaboration and Problem Solving
    - Seeking true satisfaction of everyone's concerns by working through differences, finding and solving problems so everyone gains as a result.

- **Uncooperative**
  - Avoidance
    - Downplaying disagreement; failing to participate in the situation and/or staying neutral at all costs.
  - Competition and Authoritative Command
    - Working against the wishes of the other party, fighting to dominate in win-lose competition, and/or forcing things to a favorable conclusion through the exercise of authority.

- **Cooperativeness** (attempting to satisfy the other party's concerns)
- **Unassertive** (attempting to satisfy one's own concerns)
- **Assertiveness**
How can conflict be managed successfully?

- Lose-lose conflict
  - nobody gets what he or she wants
- Avoidance
- Accommodation
- Compromise
How can conflict be managed successfully?

- **Avoidance**
  - Everyone simply pretends that the conflict does not really exist and hopes that it will go away.

- **Accommodation or smoothing**
  - Involves playing down differences among the conflicting parties and highlighting similarities and areas of agreement.

- **Compromise**
  - Each party gives up something of value, but neither party’s desires are fully satisfied.
How can conflict be managed successfully?

• **Win-Lose conflict**
  – one party achieves its desires at the expense and to the exclusion of the other party’s desires

• Competition

• Authoritative command
How can conflict be managed successfully?

• **Competition**
  – One party achieves a victory through the use of force, superior skills, or domination

• **Authoritative command**
  – Use of formal authority to dictate a solution and specify who gains what and who loses what
How can conflict be managed successfully?

• **Win-Win conflict**
  – achieved by a blend of both high cooperativeness and high assertiveness

• Collaboration or problem solving
How can conflict be managed successfully?

• **Collaboration or problem solving**
  – recognition by all conflicting parties that something is wrong and needs attention
  – stresses gathering and evaluating information in solving disputes and making choices
How can conflict be managed successfully?

- Win-win solutions should:
  - Achieve each other’s goals
  - Be acceptable to both parties
  - Establish a process whereby both parties see a responsibility to be open and honest about facts and feelings
How can conflict be managed successfully?

• Potential disadvantages of collaboration
  – Collaboration requires time and energy
  – Both parties to the conflict need to be assertive and cooperative
What is negotiation?

• Negotiation
  – the process of making joint decisions when the parties involved have different preferences
What is negotiation?

• **Substance goals**
  – Outcomes that relate to content issues (wage agreement in a collective bargaining)

• **Relationship goals**
  – Outcomes that relate to how well people involved in the negotiations and any constituencies they represent are able to work with one another once the process is concluded
What is negotiation?

Criteria of an effective negotiation

• Quality (Negotiation results quality agreement that is wise and satisfactory to all sides)
• Harmony (harmonious and fosters good interpersonal relations)
• Efficiency (efficient and not time consuming or costly)
What is negotiation?

• Ethical aspects of negotiation
  – To maintain good working relationships, negotiators should strive for high ethical standards
  – Negotiators’ rationalizations for questionable ethical behavior are offset by long-run negative consequences
What is negotiation?

Organizational Settings for Negotiation

• Two-party negotiation
  – Manager negotiates directly with one other person

• Group negotiation
  – Manager is part of a group whose members are negotiating
What is negotiation?

• **Intergroup negotiation**
  – Manager is part of a group that is negotiating with another group

• **Constituency negotiation**
  – Manager is involved in negotiation with other persons, with each party representing a broader constituency (collective bargaining)
What are the different strategies involved in negotiation?

Negotiation strategies

- **Distributive negotiation**
  - Focuses on positions staked out or declared by the conflicting parties (claim certain portions of the available pie)

- **Integrative negotiation**
  - Sometimes called principled negotiation
  - Focuses on the merits of the issues (everyone tries to enlarge the available pie rather than stake claims to certain portions of it)
What are the different strategies involved in negotiation?

- **Distributive negotiation**
  - Participants ask: “Who is going to get this resource?”
  - “Hard” distributive negotiation
    - Each party holds out to get its own way
  - “Soft” distributive negotiation
    - One party is willing to make concessions to the other party to get things over
What are the different strategies involved in negotiation?

• **Bargaining zone**
  – range between one party’s minimum reservation point and the other party’s maximum reservation point
Bargaining Zone

- **Ei**: Employer’s initial offer
- **Gr**: Graduating senior’s minimum reservation point
- **Er**: Employer’s maximum reservation point
- **Gi**: Graduating senior’s initial offer
What are the different strategies involved in negotiation?

• **Integrative negotiation**
  
  – The key question is: “How can the resource best be utilized?”
  
  – Is less confrontational than distributive negotiation, and permits a broader range of alternative solutions to be considered
  
  – Opportunity for a true win-win solution
What are the different strategies involved in negotiation?

Attitudinal foundations of integrative agreements

• Willingness to trust the other party
• Willingness to share information with the other party
• Willingness to ask concrete questions of the other party
What are the different strategies involved in negotiation?

Behavioral foundations of integrative agreements

– Ability to separate the people from the problem
– Ability to focus on interests rather than positions
– Ability to avoid making premature judgments
– Ability to keep alternative creation separate from evaluation
– Ability to judge possible agreements on an objective set of criteria or standards
What are the different strategies involved in negotiation?

- **Information foundations of integrative agreements**
  - Each party must know what he or she will do if an agreement can’t be reached
  - Each party must determine what is personally important in the situation
What are the different strategies involved in negotiation?

- **Common negotiation pitfalls**
  - Myth of the fixed pie
  - Possibility of escalating commitment
  - Negotiators often develop overconfidence in their positions
  - Communication problems can cause difficulties during a negotiation
What are the different strategies involved in negotiation?

• **Third party roles in Negotiation**

• **dispute resolution**
  – A neutral third party works with persons involved in a negotiation to help them resolve impasses and settle disputes

• **Arbitration**
  – A third party acts as a “judge” and has the power to issue a decision that is binding on all disputing parties
What are the different strategies involved in negotiation?

• **Mediation**
  
  – A neutral third party tries to engage disputing parties in a negotiated solution through persuasion and rational argument