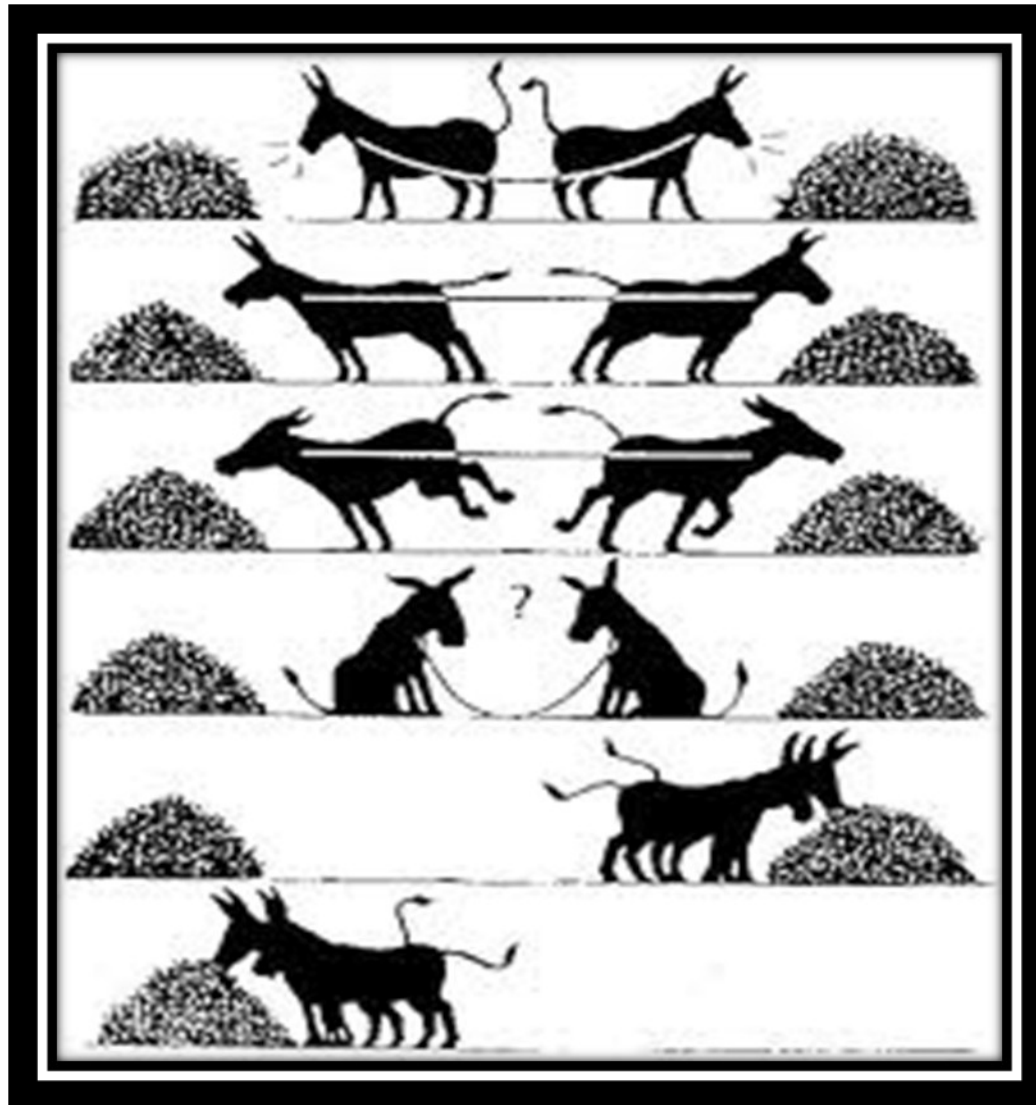


# Conflict and Negotiation



# Conflict

## ➤ Conflict Defined

- Is a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.
  - Is that point in an ongoing activity when an interaction “crosses over” to become an interparty conflict.
- Encompasses a wide range of conflicts that people experience in organizations
  - Incompatibility of goals
  - Differences over interpretations of facts
  - Disagreements based on behavioral expectations

# Transitions in Conflict Thought

## Traditional View of Conflict

The belief that all conflict is harmful and must be avoided.

---

### Causes:

- Poor communication
- Lack of openness
- Failure to respond to employee needs



# Transitions in Conflict Thought (cont'd)

## **Human Relations View of Conflict**

The belief that conflict is a natural and inevitable outcome in any group.

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## **Interactionist View of Conflict**

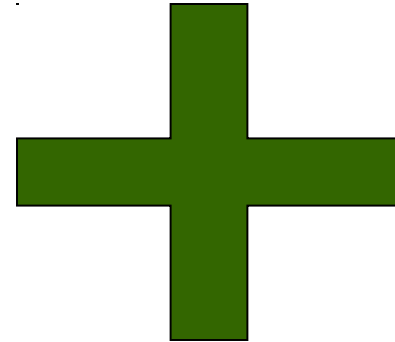
The belief that conflict is not only a positive force in a group but that it is absolutely necessary for a group to perform effectively.



# Functional versus Dysfunctional Conflict

## Functional Conflict

Conflict that supports the goals of the group and improves its performance.



## Dysfunctional Conflict

Conflict that hinders group performance.

# Types of Conflict

## **Task Conflict**

Conflicts over content and goals of the work.

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## **Relationship Conflict**

Conflict based on interpersonal relationships.

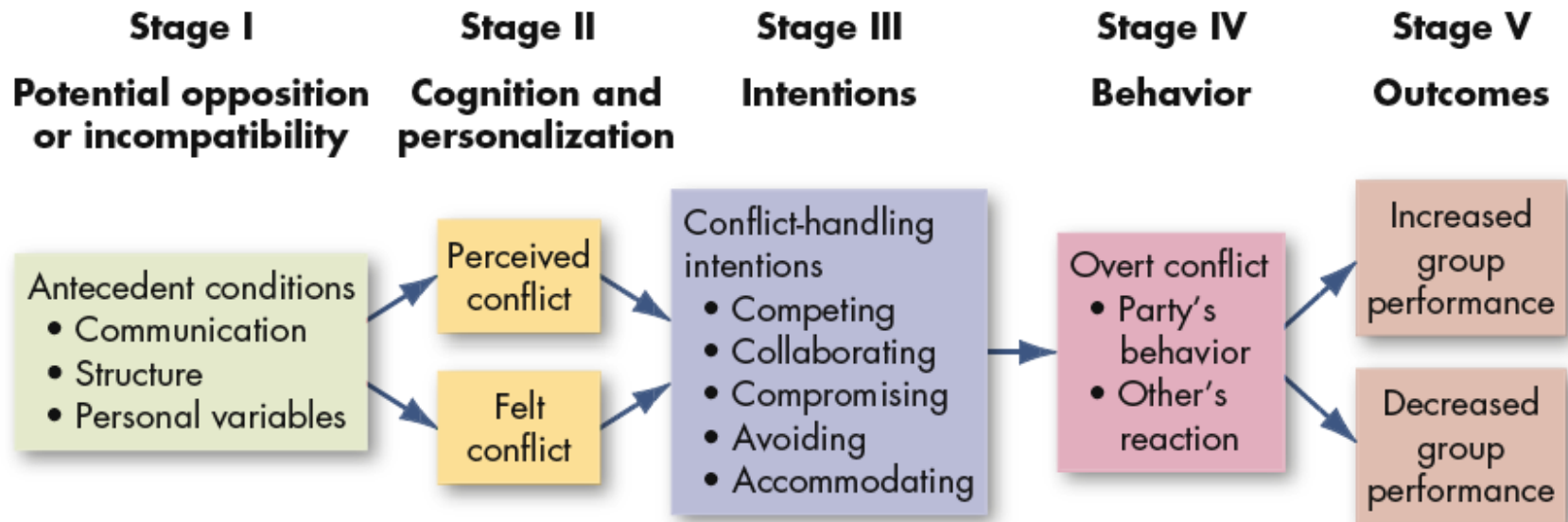
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## **Process Conflict**

Conflict over how work gets done.



# The Conflict Process



# 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



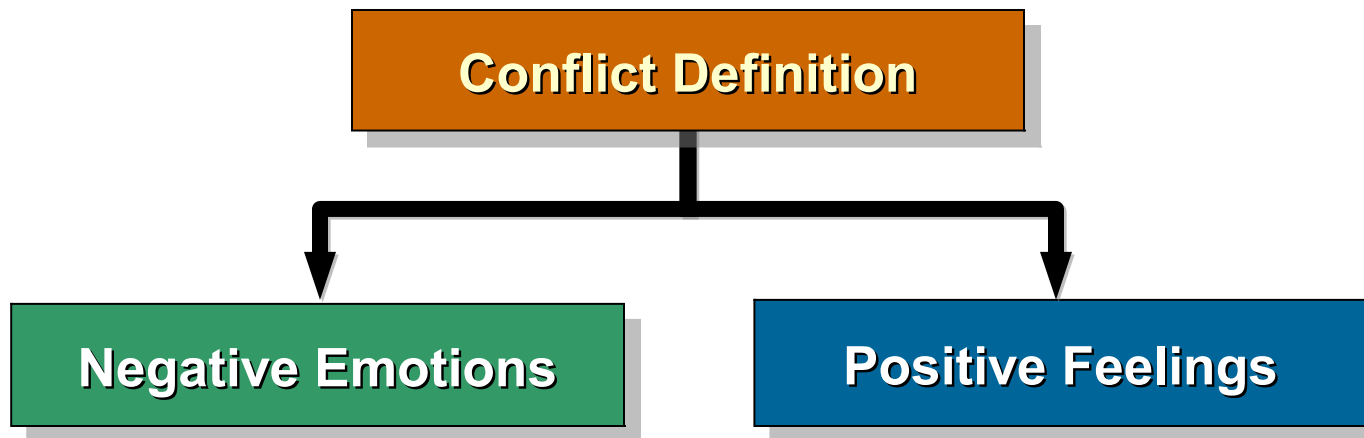
## Stage II: Cognition and Personalization

### **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.



# Stage III: Intentions

## **Intentions**

Decisions to act in a given way.

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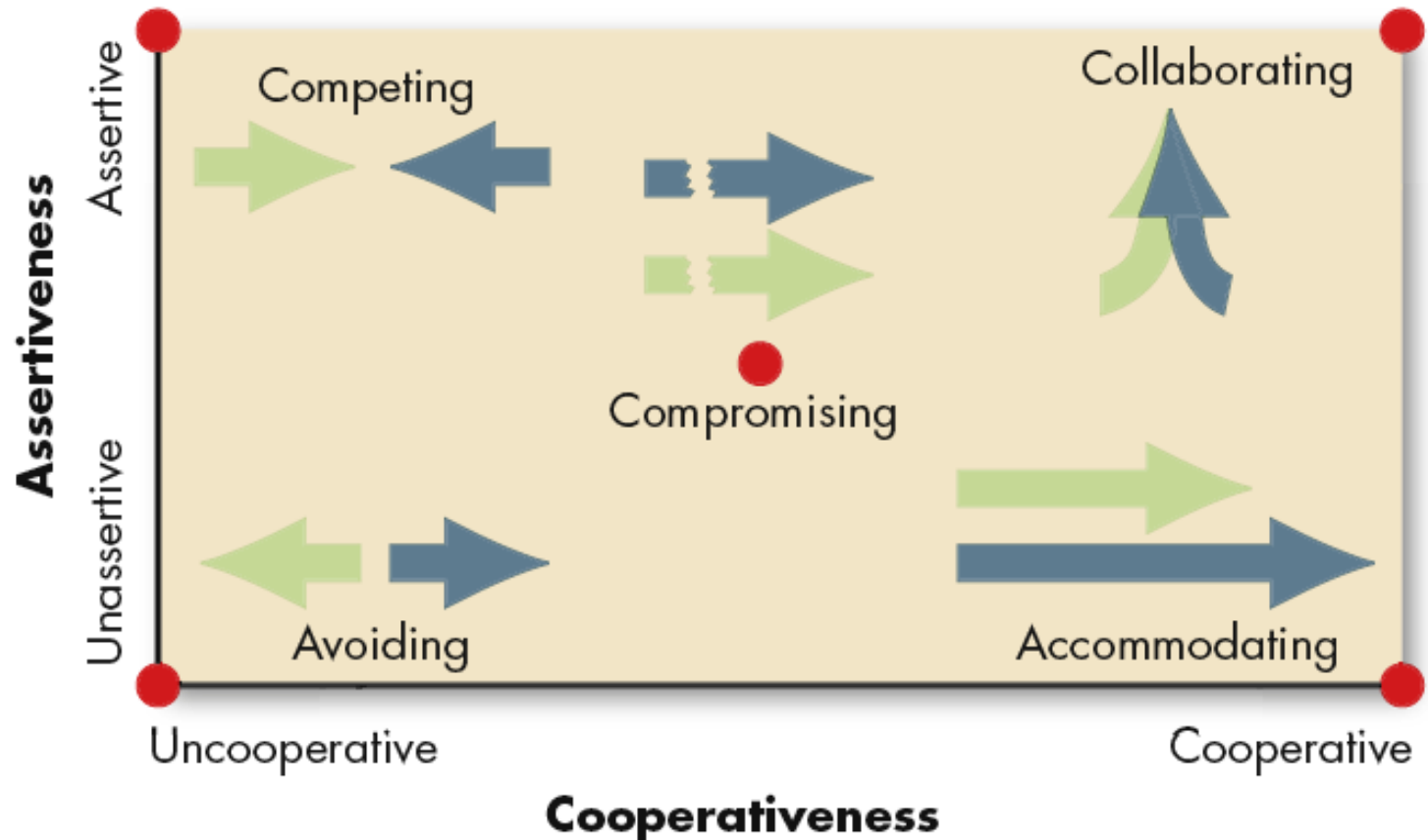
### **Cooperativeness:**

- Attempting to satisfy the other party's concerns.

### **Assertiveness:**

- Attempting to satisfy one's own concerns.

# Dimensions of Conflict-Handling Intentions



Source: K. Thomas, "Conflict and Negotiation Processes in Organizations," in M.D. Dunnette and L.M. Hough (eds.), *Handbook of Industrial and Organizational Psychology*, 2nd ed., vol. 3 (Palo Alto, CA: Consulting Psychologists Press, 1992), p. 668. With permission.

EXHIBIT 14-2

## Stage III: Intentions (cont'd)

### **Competing**

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

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### **Collaborating**

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

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### **Avoiding**

The desire to withdraw from or suppress a conflict.

## Stage III: Intentions (cont'd)

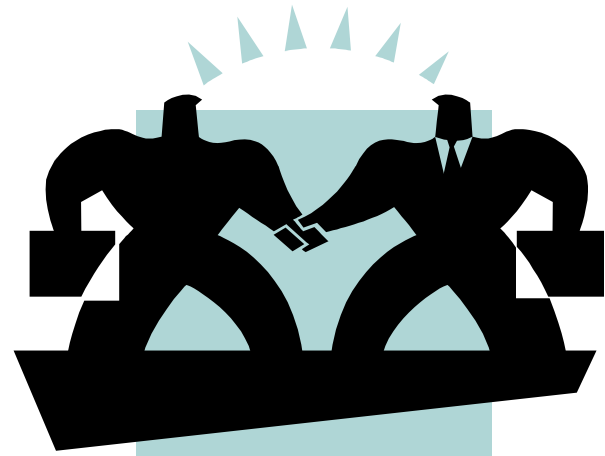
### **Accommodating**

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

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### **Compromising**

A situation in which each party to a conflict is willing to give up something.



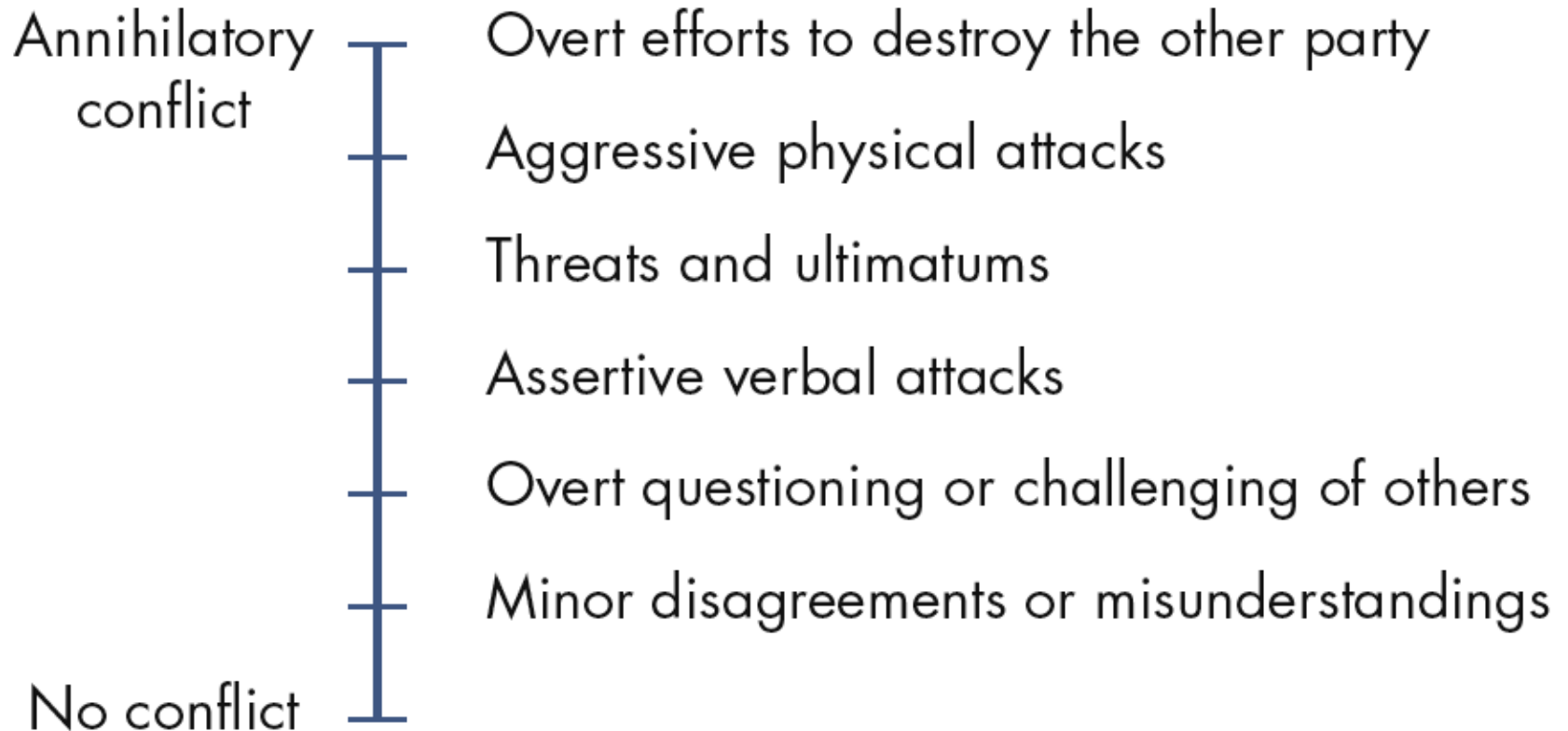
# Stage IV: Behavior

## Conflict Management

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



# Conflict-Intensity Continuum



Source: Based on S.P. Robbins, *Managing Organizational Conflict: A Nontraditional Approach* (Upper Saddle River, NJ: Prentice Hall, 1974), pp. 93–97; and F. Glasi, “The Process of Conflict Escalation and the Roles of Third Parties,” in G.B.J. Bomers and R. Peterson (eds.), *Conflict Management and Industrial Relations* (Boston: Kluwer-Nijhoff, 1982), pp. 119–40.

# 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 variables

Source: Based on S. P. Robbins, *Managing Organizational Conflict: A Nontraditional Approach* (Upper Saddle River, NJ: Prentice Hall, 1974), pp. 59–89



# Conflict Management Techniques

## Conflict Resolution Techniques

- Communication
- Bringing in outsiders
- Restructuring the organization
- Appointing a devil's advocate

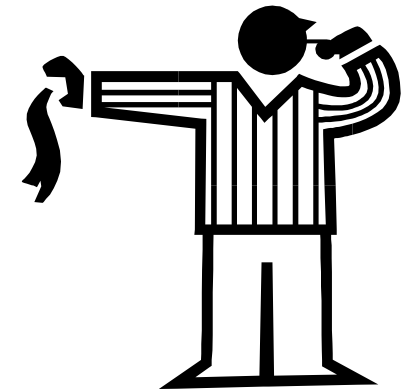


EXHIBIT 14-4 (cont'd)

# 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

# Negotiation

## Negotiation

A process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them.

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## BATNA

The **B**est **A**lternative **T**o a **N**egotiated **A**greement; the lowest acceptable value (outcome) to an individual for a negotiated agreement.



# Bargaining Strategies

## **Distributive Bargaining**

Negotiation that seeks to divide up a fixed amount of resources; a win-lose situation.

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## **Integrative Bargaining**

Negotiation that seeks one or more settlements that can create a win-win solution.



# Distributive Versus Integrative Bargaining

## **Bargaining Characteristic**

## **Distributive Characteristic**

## **Integrative Characteristic**

Available resources

Fixed amount of  
resources to be divided

Variable amount of  
resources to be divided

Primary motivations

I win, you lose

I win, you win

Primary interests

Opposed to each other

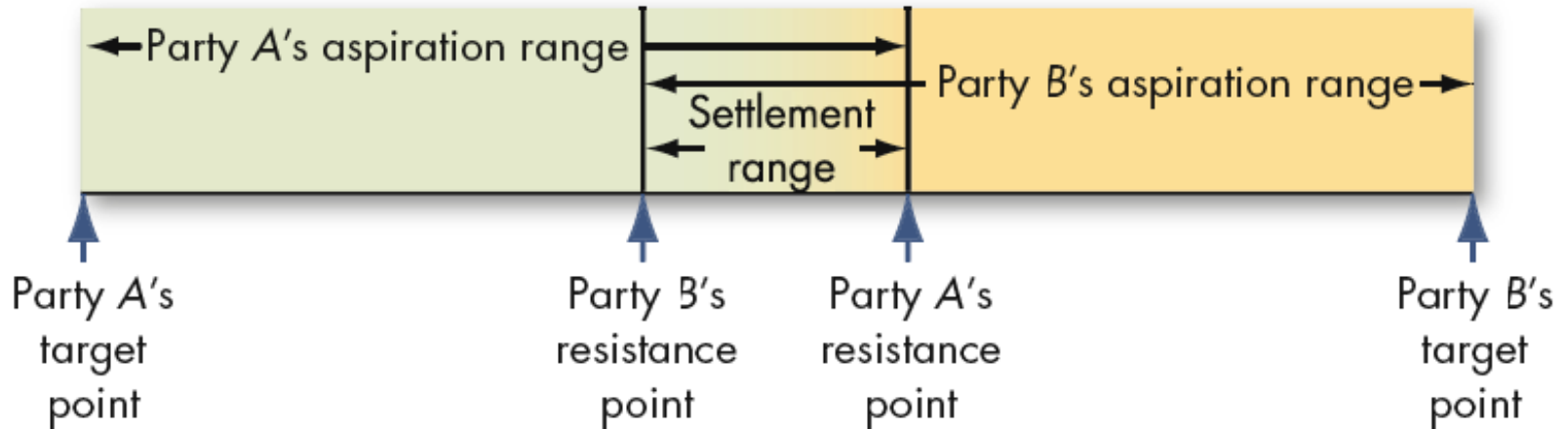
Convergent or congruent  
with each other

Focus of relationships

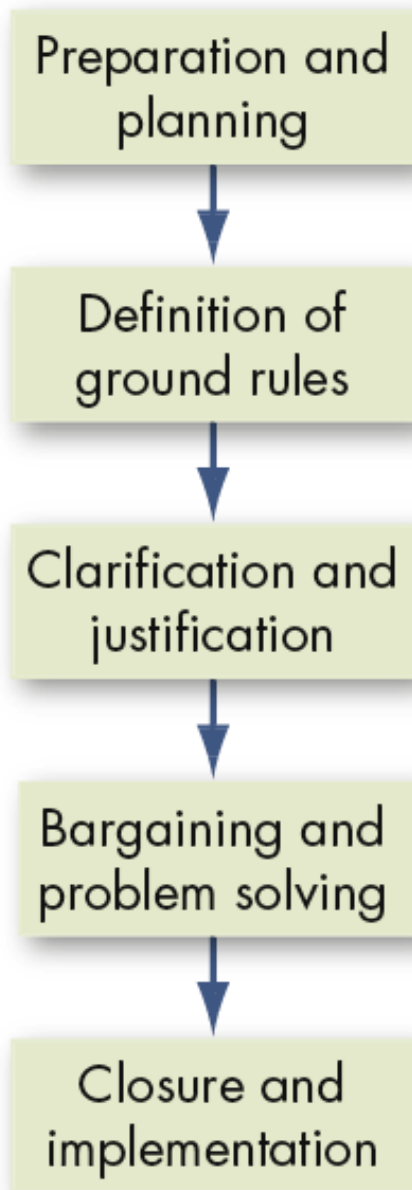
Short term

Long term

# Staking Out the Bargaining Zone



# The Negotiation Process





# Issues in Negotiation

## ➤ **The Role of Personality Traits in Negotiation**

- Traits do not appear to have a significantly direct effect on the outcomes of either bargaining or negotiating processes.

## ➤ **Gender Differences in Negotiations**

- Women negotiate no differently from men, although men apparently negotiate slightly better outcomes.
- Men and women with similar power bases use the same negotiating styles.
- Women's attitudes toward negotiation and their success as negotiators are less favorable than men's.

# Why American Managers Might Have Trouble in Cross-Cultural Negotiations

- Italians, Germans, and French don't soften up executives with praise before they criticize. Americans do, and to many Europeans this seems manipulative. Israelis, accustomed to fast-paced meetings, have no patience for American small talk.
- British executives often complain that their U.S. counterparts chatter too much. Indian executives are used to interrupting one another. When Americans listen without asking for clarification or posing questions, Indians can feel the Americans aren't paying attention.
- Americans often mix their business and personal lives. They think nothing, for instance, about asking a colleague a question like, "How was your weekend?" In many cultures such a question is seen as intrusive because business and private lives are totally compartmentalized.

# Third-Party Negotiations

## Mediator

A neutral third party who facilitates a negotiated solution by using reasoning, persuasion, and suggestions for alternatives.

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## Arbitrator

A third party to a negotiation who has the authority to dictate an agreement.



# Third-Party Negotiations (cont'd)

## **Conciliator**

A trusted third party who provides an informal communication link between the negotiator and the opponent.

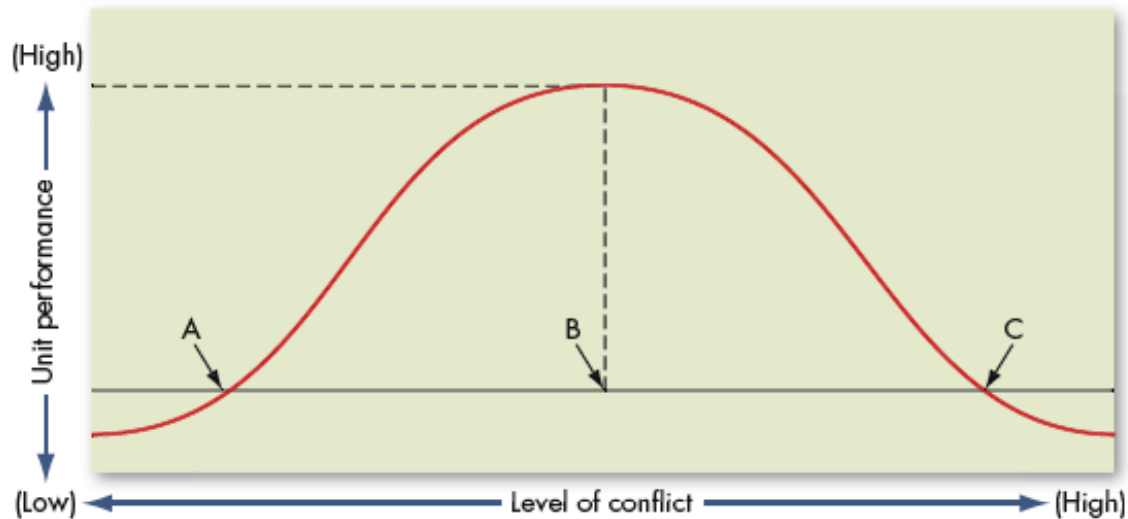
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## **Consultant**

An impartial third party, skilled in conflict management, who attempts to facilitate creative problem solving through communication and analysis.



# Conflict and Unit Performance



Situation	Level of conflict	Type of conflict	Unit's internal characteristics	Unit performance outcome
A	Low or none	Dysfunctional	Apathetic Stagnant Nonresponsive to change Lack of new ideas	Low
B	Optimal	Functional	Viable Self-critical Innovative	High
C	High	Dysfunctional	Disruptive Chaotic Uncooperative	Low

## Conflict-Handling Intention: Competition

- **When quick, decisive action is vital (in emergencies); on important issues.**
- **Where unpopular actions need implementing (in cost cutting, enforcing unpopular rules, discipline).**
- **On issues vital to the organization's welfare.**
- **When you know you're right.**
- **Against people who take advantage of noncompetitive behavior.**

## Conflict-Handling Intention: Collaboration

- **To find an integrative solution when both sets of concerns are too important to be compromised.**
- **When your objective is to learn.**
- **To merge insights from people with different perspectives.**
- **To gain commitment by incorporating concerns into a consensus.**
- **To work through feelings that have interfered with a relationship.**

# Conflict-Handling Intention: Avoidance

- **When an issue is trivial, or more important issues are pressing.**
- **When you perceive no chance of satisfying your concerns.**
- **When potential disruption outweighs the benefits of resolution.**
- **To let people cool down and regain perspective.**
- **When gathering information supersedes immediate decision.**
- **When others can resolve the conflict effectively**
- **When issues seem tangential or symptomatic of other issues.**



# Conflict-Handling Intention: Accommodation

- **When you find you're wrong and to allow a better position to be heard.**
- **To learn, and to show your reasonableness.**
- **When issues are more important to others than to yourself and to satisfy others and maintain cooperation.**
- **To build social credits for later issues.**
- **To minimize loss when outmatched and losing.**
- **When harmony and stability are especially important.**
- **To allow employees to develop by learning from mistakes.**

## Conflict-Handling Intention: Compromise

- **When goals are important but not worth the effort of potential disruption of more assertive approaches.**
- **When opponents with equal power are committed to mutually exclusive goals.**
- **To achieve temporary settlements to complex issues.**
- **To arrive at expedient solutions under time pressure.**
- **As a backup when collaboration or competition is unsuccessful.**