

CONFLICT AND NEGOTIATION





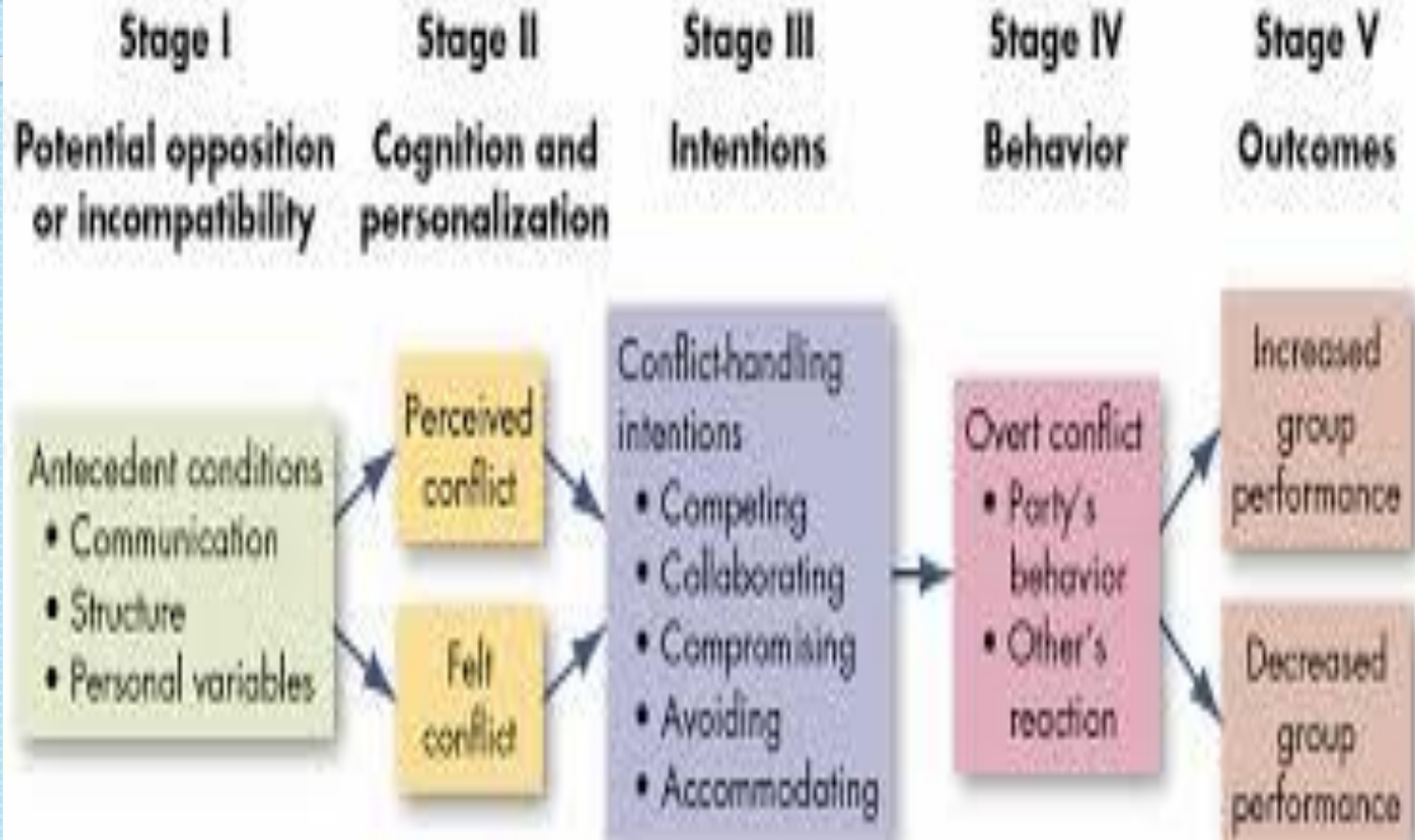
CONFLICT

A process that begins when **one party perceives** that **another** has **negatively affected** or is about to negatively affect **something that the first party cares about**

THE CONFLICT PROCESS

- Robbins and Judge (2013) proposed a model of the conflict process.
- 5 stages
 - 1) Potential opposition
 - 2) Cognition and personalization
 - 3) Intentions
 - 4) Behaviour
 - 5) Outcomes

Model



Stage I: Potential opposition or incompatibility

- **3** major causes of conflict
 - a) Communication
 - b) Structural
 - c) Personal characteristics



a) Communication

Causes

- Semantic barriers- same words having different meaning for different people
- Misunderstanding
- Jargons
- Inadequate information
- Obstruction or noise in the communication channels



What is structure in the organisation?

- Structure refers to the degree to which
 - a) tasks are specialised
 - b) size of the organisation/group
 - c) Degree of jurisdiction
 - d) Leadership reward systems
 - e) Group is dependent on another

What structural issues lead to problems?

- 1) Larger **size** of the group
- 2) More **specialization** of tasks
- 3) Members are **young** and less experienced
- 4) High **employee turnover**
- 5) **Ambiguity** over the duties and responsibilities of members
- 6) **Lack of goal compatibility**
- 7) Groups are **interdependent**
- 8) **Reward systems** are in the form of **all or none**

b) Structural

c) Personal characteristics

- Differences in personality
- Values and beliefs
- Individuals high on disagreeableness, neuroticism and self monitoring
- Authoritarian and dogmatic personalities
- Emotions (angry individuals cause more conflicts)



Stage II: cognition and personalization

- Stage I paves way to conflict
- But for conflict to occur perception of conflict is essential
- Perceived conflict is the awareness by one or more parties of the existence of conditions that create opportunities for conflict to rise.
- Perception of conflict need not always lead to personalization of conflict (felt conflict)



2 important features of felt conflict level

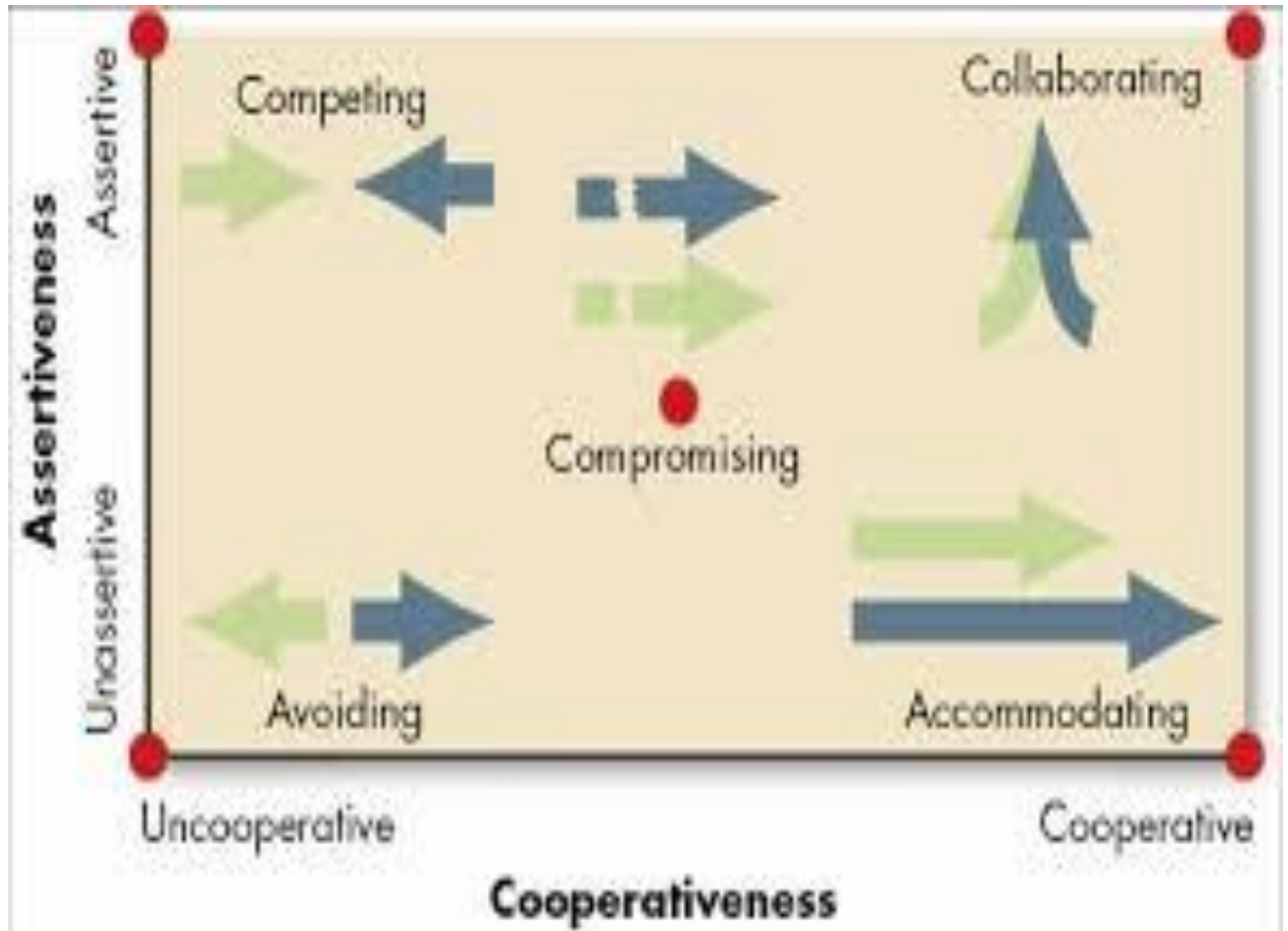
- 1) The conflict is defined
- 2) Emotions strongly influence perceptions
 - a) When emotions are negative, it leads to more problems
 - b) When emotions are positive, people may overlook the problems

Stage III: Intentions

- Perception of conflict need not lead to conflict
- Intentions (parties involved) determine the direction of conflict
- Conflict handling intentions are the outcome of two dimensions
 - 1) **Cooperativeness** – degree to which a person attempts to satisfy the concerns of the other person
 - 2) **Assertiveness**- degree to which a person attempts to satisfy his own concerns

5 conflict handling intentions on the basis of cooperativeness and assertiveness

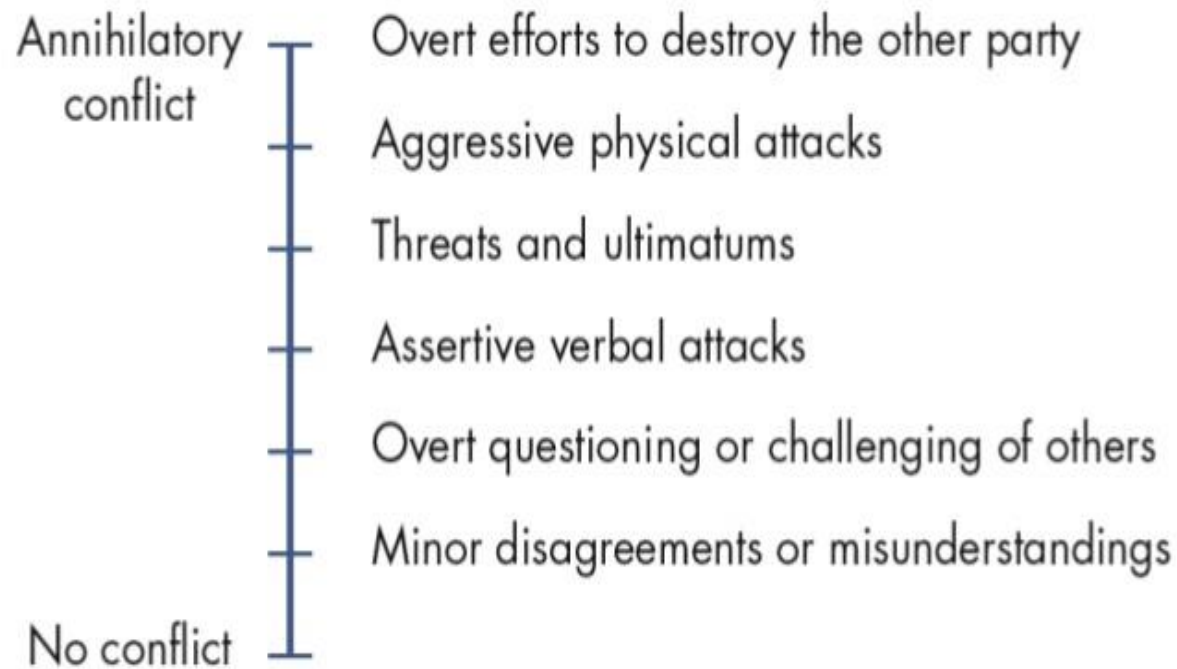
- 1) Compromising- **moderate levels of both**. Giving up something and agrees to share the object of conflict
- 2) Competing-**assertive** and **uncooperative**. No concern for others' interests
- 3) Avoiding-both **unassertive** and **uncooperative**. Suppresses the conflict by running away from it
- 4) Accommodating- **cooperative** but **unassertive**. Ready to give up for others
- 5) Collaborating- both **assertive** and **cooperative**. Focus on win-win solutions.



Stage IV: Behaviour

- Dynamic process of interaction
- Conflict is visible- statements, counter statements etc
- Based on the intensity of conflict, it can be represented on a continuum of no conflict to annihilatory conflict
- Conflicts of high level intensity are dangerous
- Functional conflicts are on the lower end of the continuum

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. Glasl, "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

- 1) **Problem solving:** Face-to-face meeting of the conflicting parties for the purpose of identifying the problem and resolving it through open discussion
- 2) **Superordinate goals:** Creating a shared goal that cannot be attained without the cooperation of each of the conflicting parties.
- 3) **Expansion of resources:** When a conflict is caused by the scarcity of a resource (for example, money, promotion, opportunities, office space), expansion of the resource can create a win-win solution
- 4) **Avoidance:** Withdrawal from or suppression of the conflict.
- 5) **Smoothing:** Playing down differences while emphasizing common interests between the conflicting parties.
- 6) **Compromise:** Each party to the conflict gives up something of value.
- 7) **Authoritative command:** Management uses its formal authority to resolve the conflict and then communicates its desires to the parties involved.
- 8) **Altering the human variable:** Using behavioral change techniques such as human relations training to alter attitudes and behaviors that cause conflict.
- 9) **Altering the structural variable:** Changing the formal organization structure and the interaction patterns of conflicting parties through job redesign, transfers, creation of coordinating positions, and the like.

Conflicts are not always bad, how to enhance conflicts?

Conflict stimulation techniques

- 1) Communication (threatening messages): Using ambiguous or threatening messages to increase conflict levels.
- 2) Introducing outsiders: Adding employees to a group whose backgrounds, values, attitudes, or managerial styles differ from those of present members
- 3) Restructuring the organization: Realigning work groups, altering rules and regulations, increasing interdependence, and making similar structural changes to disrupt the status quo
- 4) Appointment of devil's advocate (person who criticises the decisions of the majority): Designating a critic to purposely argue against the majority positions held by the group

Stage V: Outcomes

- Consequences can be functional or dysfunctional

Consequences of functional conflicts

- 1) Improve the quality of decisions
- 2) Make creative and develop innovative solutions
- 3) Ways to express and release the tension
- 4) Encourages a rethinking of group goals
- 5) Curiosity is aroused
- 6) Platform to share the problems
- 7) Creates an environment for self evaluation
- 8) Prevents group think

Consequences of dysfunctional conflicts

- 1) Creates discontent
- 2) Interferes with communication
- 3) Adverse effect on cohesiveness
- 4) Reduces trust and satisfaction
- 5) Group goals are ignored
- 6) Cause demoralization
- 7) Managers become authoritative
- 8) Diverts attention and energies

Studies found that heterogenous groups are better than homogeneous

They

- 1) Produce higher quality solution
- 2) Greater sharing of information
- 3) Increase in creativity
- 4) Improvement in the quality of decisions
- 5) Produce more effective and practical ideas
- 6) Members are more flexible

Managing functional conflict

- Recognizing disagreements
- Discussing differences
- Recognizing cultural differences

NEGOTIATION



Definition

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

NEGOTIATION PROCESS

- Robbins and Judge developed a 5 step model
- Step 1- preparation and planning for the negotiation
- Step 2- definition of ground rules for the negotiation
- Step 3- clarification and justification
- Step 4- bargaining and problem solving
- Step 5- closure and implementation

Exhibit 14-7

The Negotiation



Step I - preparation and planning for the negotiation

- Good preparation for the negotiation
- Negotiator should know his goal
- A good negotiator thinks about the expectations or goals of the negotiating party
- He should determine the **BATNA – Best Alternative To a Negotiated Agreement** (lowest value that is acceptable to a negotiator in a negotiated agreement)

Step 2- definition of ground rules for the negotiation

- A framework must be made to carry out negotiation. It includes
 - 1) Person doing the actual negotiations
 - 2) Place of negotiation
 - 3) Time restrictions that is applicable
 - 4) Specific procedures to be followed
- Negotiating parties make their initial offers and demands

Step 3- clarification and justification

- Here negotiating parties try to explain, clarify and justify each other their initial demands
- Both the parties provide documents to justify the demand

Step 4- bargaining and problem solving

- Here actual negotiation takes place
- Both parties engage in bargaining and reach an agreement

Step 5- closure and implementation


- Negotiating parties come to a formal agreement
- This is the last step
- Procedure for the implementation and monitoring of the formal agreement
- Negotiation ends with a formal contract and handshakes.


Individual differences in negotiation effectiveness

- Four factors influence how effectively individuals negotiate
- Personality
- mood/emotions
- Culture
- Gender

Personality


- Negotiators who are agreeable or extraverted are not very successful in distributive bargaining.
- Because extraverts are outgoing and friendly, they tend to share more information than they should.
- And agreeable people are more interested in finding ways to cooperate.
- These traits are slightly helpful in integrative negotiations,

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- The best distributive bargainer appears to be a disagreeable introvert—someone more interested in his or her own outcomes than in pleasing the other party and having a pleasant social exchange.
 - People who are highly interested in having positive relationships with other people, and who are not very concerned about their own outcomes, are especially poor negotiators.


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- Such people tend to be very anxious about disagreements and plan to give in quickly to avoid unpleasant conflicts even before negotiations start.
 - Intelligence predicts negotiation effectiveness, but, the effects aren't especially strong.
 - We all can learn to be better negotiators. In fact, people who think so are more likely to do well in negotiations because they persist in their efforts even in the face of temporary setbacks.

Moods/Emotions

- In distributive negotiations, it appears that negotiators in a position of power or equal status who show anger negotiate better outcomes because their anger induces concessions from their opponents.
- Angry negotiators also feel more focused and assertive in striking a bargain.


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- This appears to hold true even when the negotiators are instructed to show anger despite not being truly angry.
 - On the other hand, for those in a less powerful position, displaying anger leads to worse outcomes. Thus, if you're a boss negotiating with a peer or a subordinate, displaying anger may help you, but if you're an employee negotiating with a boss, it might hurt you.
 - Evidence suggests that being angry has a spillover effect, such that angry negotiators are perceived as "tough" when the parties meet a second time, which leads negotiation partners to give up more concessions again.




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- Anxiety also appears to have an impact on negotiation.
 - Anxious negotiators expect lower outcomes from negotiations, respond to offers more quickly, and exit the bargaining process more quickly, which leads them to obtain worse outcomes.
 - All these findings regarding emotions have related to distributive bargains.
 - In integrative negotiations, in contrast, positive moods and emotions appear to lead to more integrative agreements

Culture


- One study compared U.S. and Japanese negotiators and found the generally conflict-avoidant Japanese negotiators tended to communicate indirectly and adapt their behaviors to the situation.
- U.S. managers led to the anchoring effect
- For Japanese negotiators, early offers led to more information sharing and better integrative outcomes.


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- In another study, managers with high levels of economic power from Hong Kong, which is a high power-distance country, were more cooperative in negotiations over a shared resource than German and U.S. managers, who were lower in power distance.
 - This suggests that in high power-distance countries, those in positions of power might exercise more restraint.


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- In a study involving Indian negotiators, it was found that Indians exhibited lower trust.
 - These lower levels of trust were associated with lower discovery of common interests between parties, which occurred because Indian negotiators were less willing to disclose and solicit information.
 - In both cultures, use of question-and-answer methods of negotiation were associated with superior negotiation outcomes
 - So although there are some cultural differences in negotiation styles, it appears that some negotiation tactics yield superior outcomes across cultures.


Gender

- A popular stereotype is that women are more cooperative and pleasant in negotiations than are men.
- The evidence doesn't support this belief.
- However, men have been found to negotiate better outcomes than women, although the difference is relatively small.
- It's been postulated that men and women place unequal values on outcomes.

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- Eg:-“It is possible that a few hundred dollars more in salary or the corner office is less important to women than forming and maintaining an interpersonal relationship.”
 - Because women are expected to be “nice” and men “tough,” research shows women are penalized when they initiate negotiations.

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- What's more, when women and men actually do conform to these stereotypes—women act “nice” and men “tough”—it becomes a self-fulfilling prophecy, reinforcing the stereotypical gender differences between male and female negotiators.
 - Thus, one of the reasons negotiations favor men is that women are “damned if they do, damned if they don't.”
 - Negotiate tough and they are penalized for violating a gender stereotype. Negotiate nice and it only reinforces and lets others take advantage of the stereotype.

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- Evidence also suggests women's own attitudes and behaviors hurt them in negotiations.
 - Managerial women demonstrate less confidence than men in anticipation of negotiating and are less satisfied with their performance afterward, even when their performance and the outcomes they achieve are similar to those for men.
 - Women are also less likely than men to see an ambiguous situation as an opportunity for negotiation.

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- It appears that women may unduly penalize themselves by failing to engage in negotiations that would be in their best interests.
 - Some research suggests that women are less aggressive in negotiations because they are worried about backlash from others.
 - Women are more likely to engage in assertive negotiation when they are bargaining on behalf of someone else than when they are bargaining on their own behalf.

Third party negotiations

- individuals or group representatives reach a stalemate and are unable to resolve their differences through direct negotiations.
- In such cases, they may turn to a third party to help them find a solution.
- There are three basic third-party roles: mediator, arbitrator, and conciliator.

Mediators

- A mediator is a neutral third party who facilitates a negotiated solution by using reasoning and persuasion, suggesting alternatives, and the like.
- Mediators are widely used in labor–management negotiations and in civil court disputes.
- Their overall effectiveness is fairly impressive. The settlement rate is approximately 60 percent, with negotiator satisfaction at about 75 percent

Factors affecting success of mediation

- . But the situation is the key to whether mediation will succeed; the conflicting parties must be motivated to bargain and resolve their conflict.
- In addition, conflict intensity can't be too high; mediation is most effective under moderate levels of conflict.
- Finally, perceptions of the mediator are important; to be effective, the mediator must be perceived as neutral and noncoercive.

Arbitrator

- An arbitrator is a third party with the authority to dictate an agreement.
- Arbitration can be voluntary (requested by the parties) or compulsory (forced on the parties by law or contract).
- The big plus of arbitration over mediation is that it always results in a settlement.
- Whether there is a negative side depends on how heavy-handed the arbitrator appears.
- If one party is left feeling overwhelmingly defeated, that party is certain to be dissatisfied and the conflict may resurface at a later time.

Conciliator

- A conciliator is a trusted third party who provides an informal communication link between the negotiator and the opponent.
- In practice, conciliators typically act as more than mere communication channels.
- They also engage in fact-finding, interpret messages, and persuade disputants to develop agreements.

THANK YOU

