Organizational Behavior, 8e

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Chapter 18
Conflict and Negotiation

➤ 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, etc.

What is conflict?

➢ Levels of conflict.

– Intrapersonal conflicts.

• Actual or perceived pressures from incompatible goals or expectations.

• Approach-approach conflict.

• Avoidance-avoidance conflict.

• Approach-avoidance conflict.

What is conflict?

➢ Levels of conflict — *cont.*

- – 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?

➢ Levels of conflict — *cont.*

– Interorganizational conflict.

• Occurs in the competition and rivalry that characterize firms operating in the same markets.

• Occurs between unions and organizations employing their members.

• Occurs between government regulatory agencies and organizations subject to their surveillance.

• Occurs between organizations and suppliers of raw materials.

What is conflict?

➢ Functional (or constructive) conflict.

– Results in positive benefits to individuals, the group, or the organization.

– Likely effects.

- 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.

What is conflict?

➢ Dysfunctional (or destructive) conflict.

  – Works to the disadvantage of individuals, the group, or the organization.

  – Likely effects:

    • Diverts energies.

    • Harms group cohesion.

    • Promotes interpersonal hostilities.

    • Creates overall negative environment for workers.

What is conflict?

➢ Culture and conflict.

  – Conflict is likely to be high when:

   • Persons from short-term cultures work with persons from long-term cultures.

   • Persons from individualistic cultures work with persons from collectivistic cultures.

   • Persons from high power distance cultures work with persons from low power distance cultures.

How can conflict be managed successfully?

➢ Conflict resolution.

- A situation in which the underlying reasons for a given destructive conflict are eliminated.

- Effective resolution begins with a diagnosis of the stage to which conflict has developed and recognition of the cause(s) of the conflict.

How can conflict be managed successfully?

➢ Stages of conflict.

- Conflict antecedents .
  - Set the conditions for conflict.
- Perceived conflict.
  - Substantive or emotional differences are sensed.
- Felt conflict.
  - Tension creates motivation to act.
- Manifest conflict.
  - Conflict resolution or suppression.
  - Conflict aftermath.

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?

➢ Causes of conflict — *cont.*

- – Role conflicts.
  - • Occur when the communication of task expectations proves inadequate or upsetting.
- – Work-flow interdependencies.
  - • Occur when people or units are required to cooperate to meet challenging goals.

How can conflict be managed successfully?

➢ Causes of conflict — *cont.*

 – Domain ambiguities.

  • Occur when individuals or groups are placed in ambiguous situations where it is difficult to determine who is responsible for what.

 – Resource scarcity.

  • When resources are scarce, working relationships are likely to suffer.

How can conflict be managed successfully?

➢ Causes of conflict — *cont.*

– 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.

   – Appeals to common goals.

   – Hierarchical referral.

   – Alterations in the use of mythology and scripts.

How can conflict be managed successfully?

➢ Reduced interdependence.

  – Used for adjusting level of interdependency when work-flow conflicts exists.

  – Options.

    • Decoupling.

    • Buffering.

    • Linking pins.

How can conflict be managed successfully?

➢ Appeals to common goals.

- – Focusing the attention of potentially conflicting parties on one mutually desirable goal.

- – Helping parties to recognize their mutual interdependence.

- – Can be difficult to achieve if:

  - • Prior performance is poor.
  - • Parties disagree over how to improve performance.

How can conflict be managed successfully?

➢ Hierarchical referral.

   – Makes use of the chain of command for conflict resolution.

   – Problems with hierarchical referral.

     • May not result in true conflict resolution.

     • Possibility of inaccurate diagnosis of causes of conflict, resulting in only superficial resolution.

     • Superiors may attribute conflict to poor interpersonal relationships.

How can conflict be managed successfully?

➤ Alterations in the use of mythology and scripts.

- Scripts are behavioral routines that become part of the organization's culture.

- Scripts prescribe ways of dealing with conflict.

How can conflict be managed successfully?

➢ Direct conflict management approaches are based on the relative emphasis that a person places on assertiveness and cooperativeness.

- Assertiveness.
  - Attempting to satisfy one's own concerns.
  - Unassertive versus assertive.

- Cooperativeness.
  - Attempting to satisfy the other party's concern.
  - Uncooperative versus cooperative.

How can conflict be managed successfully?

➢ Avoidance.

- Unassertive and uncooperative.

- Downplaying disagreement.

- Failing to participate in the situation and/or staying neutral at all costs.

How can conflict be managed successfully?

➤ Accommodation or smoothing.

- – Unassertive and cooperative.

- – Letting the other's wishes rule.

- – Smoothing over differences to maintain superficial harmony.

How can conflict be managed successfully?

➢ Compromise.

– Moderate assertiveness and moderate cooperativeness.

– Working toward partial satisfaction of everyone's concerns.

– Seeking acceptable rather than optimal solutions so that no one totally wins or loses.

How can conflict be managed successfully?

➢ Competition and authoritative command.

  – Assertive and uncooperative.

  – Working against the wishes of the other party.

  – Fighting to dominate in win/lose competition.

  – Forcing things to a favorable conclusion through the exercise of authority.

How can conflict be managed successfully?

➢ Collaboration and problem solving.

 – Assertive and cooperative.

 – Seeking the satisfaction of everyone's concerns by working through differences.

 – Finding and solving problems so everyone gains as a result.

How can conflict be managed successfully?

➤ The issue of "who wins?"

– Lose-lose conflict.

- Occurs when nobody gets what he or she wants.
- Avoidance, accommodation or smoothing, and compromise are forms of lose-lose conflict.

– Win-lose conflict.

- One part achieves its desires at the expense and to the exclusion of the other party's desires.
- Competition and authoritative command are forms of win-lose conflict.

How can conflict be managed successfully?

➤ The issue of "who wins?" — *cont.*

 – Win-win conflict.

   • Both parties achieve their desires.

   • Collaboration or problem solving are forms of win-win conflict.

What is negotiation?

➤ Negotiation.

- – The process of making joint decisions when the parties involved have different preferences.

- – Workplace disagreements arise over a variety of matters.

What is negotiation?

➢ Negotiation goals and outcomes.

  – Substance goals.

    • Outcomes that relate to content issues.

  – 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?

➤ Effective negotiation.

– Occurs when substance issues are resolved and working relationships are maintained or improved.

– Criteria for an effective negotiation.

  • Quality.

  • Harmony.

  • Efficiency.

What is negotiation?

➢ Ethical aspects of negotiation.

– To maintain good working relationships, negotiating parties should strive for high ethical standards.

– The negotiating parties should avoid being side tracked by self-interests, thereby being tempted to pursue unethical actions.

What is negotiation?

➢ Organizational settings for negotiation.

– Two-party negotiation.

– Group negotiation.

– Intergroup negotiation.

– Constituency negotiation.

What is negotiation?

➢ Culture and negotiation.

   – Differences in negotiation approaches and practices are influenced by cultural differences in:

      • Time orientation.

      • Individualism-collectivism.

      • Power distance.

What are the different strategies involved in negotiation?

➤ **Distributive negotiation.**

– Focuses on positions staked out or declared by the conflicting parties.

– Parties try to claim certain portions of the existing pie.

➤ **Integrative negotiation.**

– Sometimes called principled negotiation.

– Focuses on the merits of the issues.

– Parties try to enlarge the available pie.

What are the different strategies involved in negotiation?

➢ **Distributive negotiation.**

– The key questions is: "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?

➢ **Distributive negotiation** — *cont.*

– Bargaining zone.

- The range between one party's minimum reservation point and the other party's maximum reservation point.

- A positive bargaining zone exists when the two parties' points overlap.

- A positive bargaining zone provides room for negotiation.

What are the different strategies involved in negotiation?

➢ Integrative negotiation.

- The key questions 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?

➢ Integrative negotiation — *cont.*

  – Range of feasible negotiation tactics.

  • Selective avoidance.

  • Compromise.

  • True collaboration.

What are the different strategies involved in negotiation?

➢ Gaining truly integrative agreements rests on:

- – Supportive attitudes.

- – Constructive behaviors.

- – Good information.

What are the different strategies involved in negotiation?

➤ Supportive attitudes.

   – Integrative agreements require that each party must:

      • Approach the negotiation with a willingness to trust the other party.

      • Convey a willingness to share information with the other party.

      • Show a willingness to ask concrete questions of the other party.

What are the different strategies involved in negotiation?

➢ Constructive behaviors.

– Reaching integrative agreements depends on the negotiator's ability to:

- Separate the people from the problem.
- Focus on interests rather than positions.
- Avoid making premature judgments.
- Keep alternative creation separate from evaluation.
- Judge possible agreements on an objective set of criteria or standards.

What are the different strategies involved in negotiation?

➢ Good information.

– Each negotiation party must know what he/she will do if an agreement can't be reached.

– Each party must understand the relative importance of the other party's interests.

What are the different strategies involved in negotiation?

➢ Common negotiation pitfalls.

– The myth of the fixed pie.

– The possibility of escalating commitment.

– Negotiators often develop overconfidence in their positions.

– Communication problems can cause difficulties during a negotiation.

- Telling problem.
- Hearing problem.

What are the different strategies involved in negotiation?

➢ Third-party roles in negotiation.

– Arbitration.

• A third party acts as a "judge" and has the power to issue a decision that is binding on all disputing parties.

– Mediation.

• A neutral third party tries to engage the disputing parties in a negotiated solution through persuasion and rational argument.