

# CONFLICT AND NEGOTIATION

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Organizational Behavior BUSORG 1020

# What is Conflict?

- One party perceives its interests are being opposed or set back by another party
- Oppositional behaviour between individuals and within groups
- → Is Conflict always dysfunctional?

# Precursors of Conflict

- ❑ Incompatible personalities or value systems
- ❑ Overlapping or unclear job boundaries
- ❑ Competition for limited resources
- ❑ Inadequate communication
- ❑ Interdependent tasks
- ❑ Organizational complexity
- ❑ Unreasonable or unclear policies, standards, or rules



# Conflict States

- Cognitive states
  - ▣ Differences in perception, interpretation, attributions, opinions, beliefs etc.
- Affective states
  - ▣ Anger, tension, anxiety, discomfort, insecurity and other such feeling states
- Behavioral states
  - ▣ Overt and covert resistance

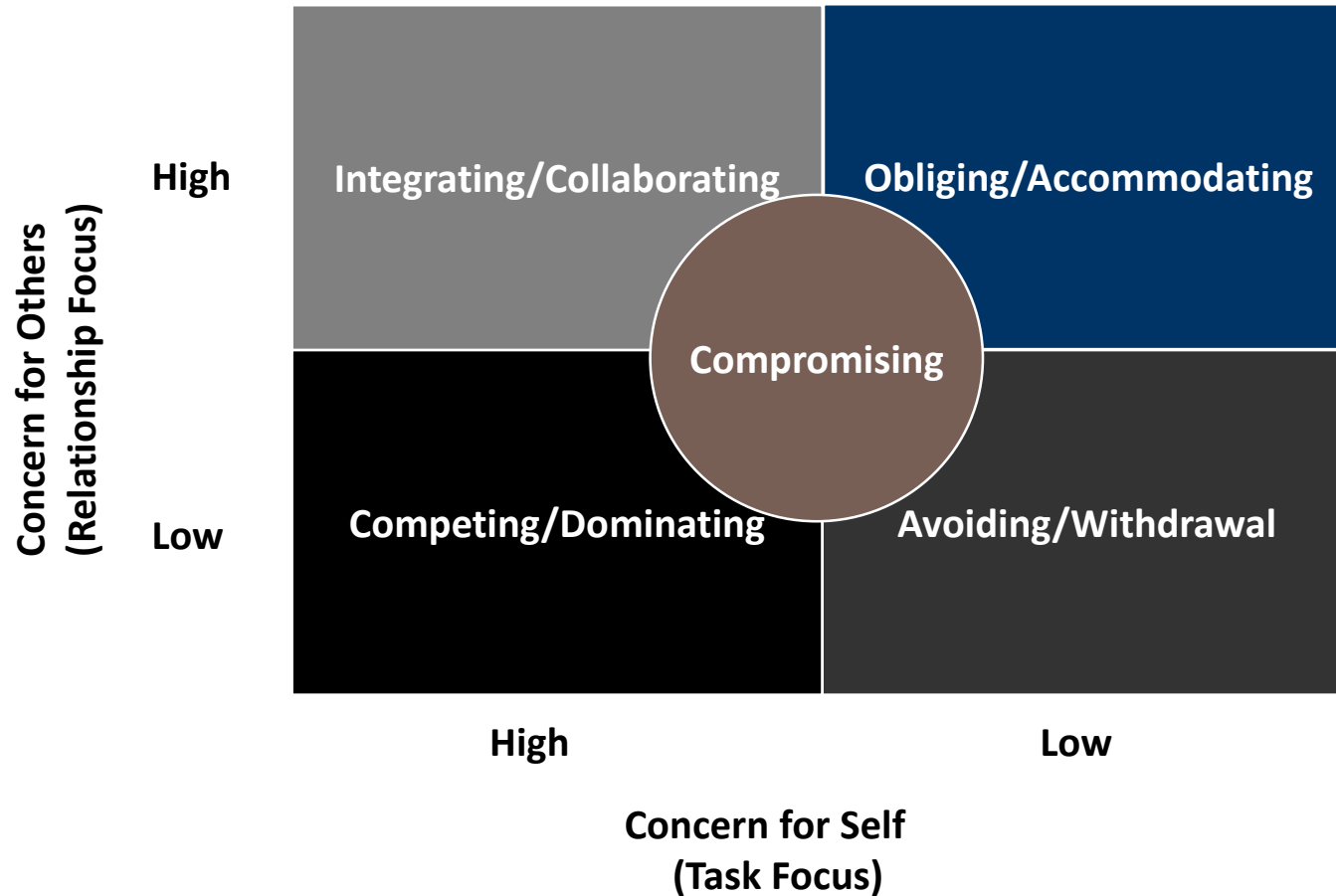
# Types of Conflicts

- Cognitive or Substantive conflict
  - A disagreement over ends or goals to be pursued and the means for their accomplishment
- Affective or Emotional conflict
  - Arising out of interpersonal incompatibilities and involves feelings of anger, fear, mistrust, resentment etc.

# Conflict-Handling

- **Dominating / Competition**
  - ▣ Having no concern for the others' interests or needs and to wrestle with the others so that one's views and concerns might be the dominant ones
- **Avoidance / Withdrawal**
  - ▣ The intentional failure to engage other members in the group and to just go with the flow
- **Obliging / Accommodation**
  - ▣ The tendency to being more concerned with the others' needs and views than with one's own
- **Compromising**
  - ▣ Occurs when members focus on finding a middle path to resolve conflict
- **Integrating / Collaboration**
  - ▣ The drive toward integrating the interests and needs of all parties involved

# Conflict-Handling Styles



# When to use which style?

## **Competing**

### ***Often Appropriate When:***

- an emergency looms
- you're sure you're right, and being right matters more than preserving relationships
- the issue is trivial and others don't really care what happens

### ***Often Inappropriate When:***

- collaboration has not yet been attempted
- cooperation from others is important
- used routinely for most issues
- self-respect of others is diminished needlessly

## **Collaborating**

### ***Often Appropriate When:***

- the issues and relationship are both significant
- cooperation is important
- a creative end is important
- reasonable hope exists to address all concerns

### ***Often Inappropriate When:***

- time is short
- the issues are unimportant
- you're over-loaded
- the goals of the other person certainly are wrong

## **Compromising**

### ***Often Appropriate When:***

- cooperation is important but time or resources are limited
- when finding some solution, even less than the best, is better than a complete stalemate.
- when efforts to collaborate will be misunderstood as forcing

### ***Often Inappropriate When:***

- finding the most creative solutions possible is essential
- when you can't live with the consequences

## **Avoiding**

### ***Often Appropriate When:***

- the issue is trivial
- the relationship is insignificant
- time is short and a decision not necessary
- you have little power but still wish to block the other person

### ***Often Inappropriate When:***

- you care about both the relationship and the issue involved
- used habitually for most issues
- negative feelings may linger
- others would benefit from caring confrontation

## **Accommodating**

### ***Often Appropriate When:***

- you really don't care about the issue
- you're powerless but have no wish to block the other person
- when you realize you are wrong

### ***Often Inappropriate When:***

- you are likely to harbor resentment
- used habitually in order to gain acceptance (outcome: depression and lack of self-respect)
- when others wish to collaborate and will feel like enforcers if you accommodate



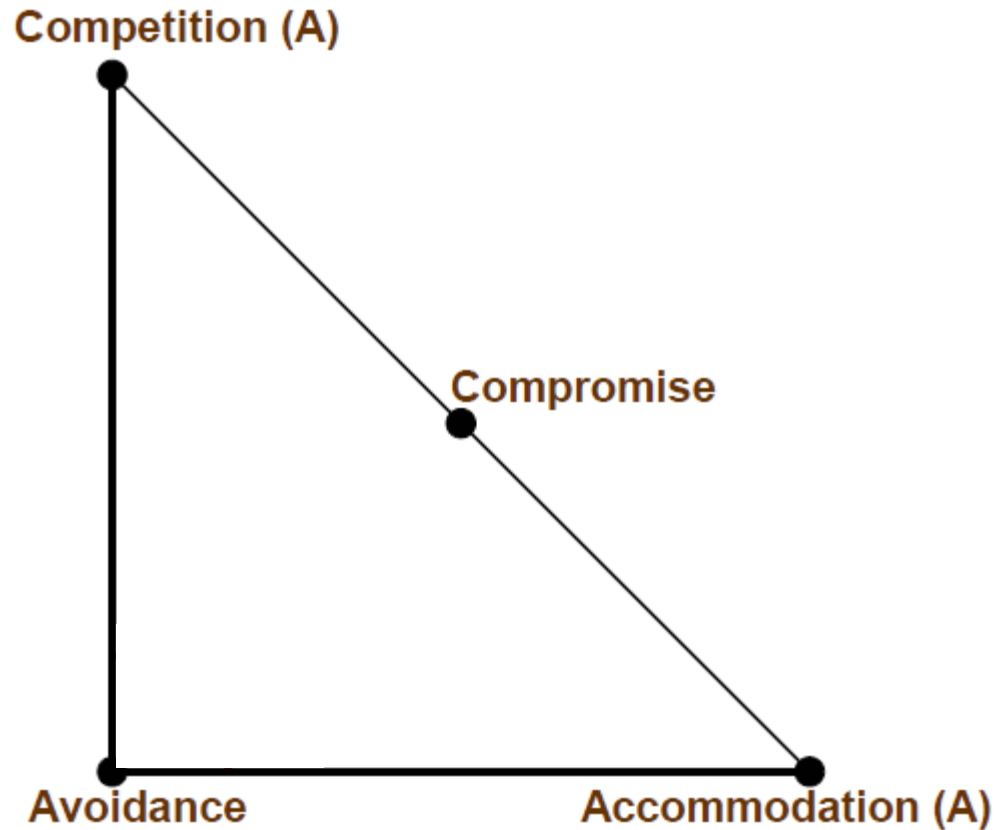
# Negotiation?

- Buying a new carpet
- Deciding whether to stay late at work to finish a project
- Getting a child to go to bed
- Soliciting a new source of venture capital
- Laying off or firing someone
- Discussing your salary with a new recruiter
- Accepting a bribe
- Getting another country to lower a trade barrier
- Struggling to stay on a diet or exercise plan or give up smoking
- Courting your life's companion
- Getting an extension on a project
- Discussing the outsourcing of a business function with the manager of the business function

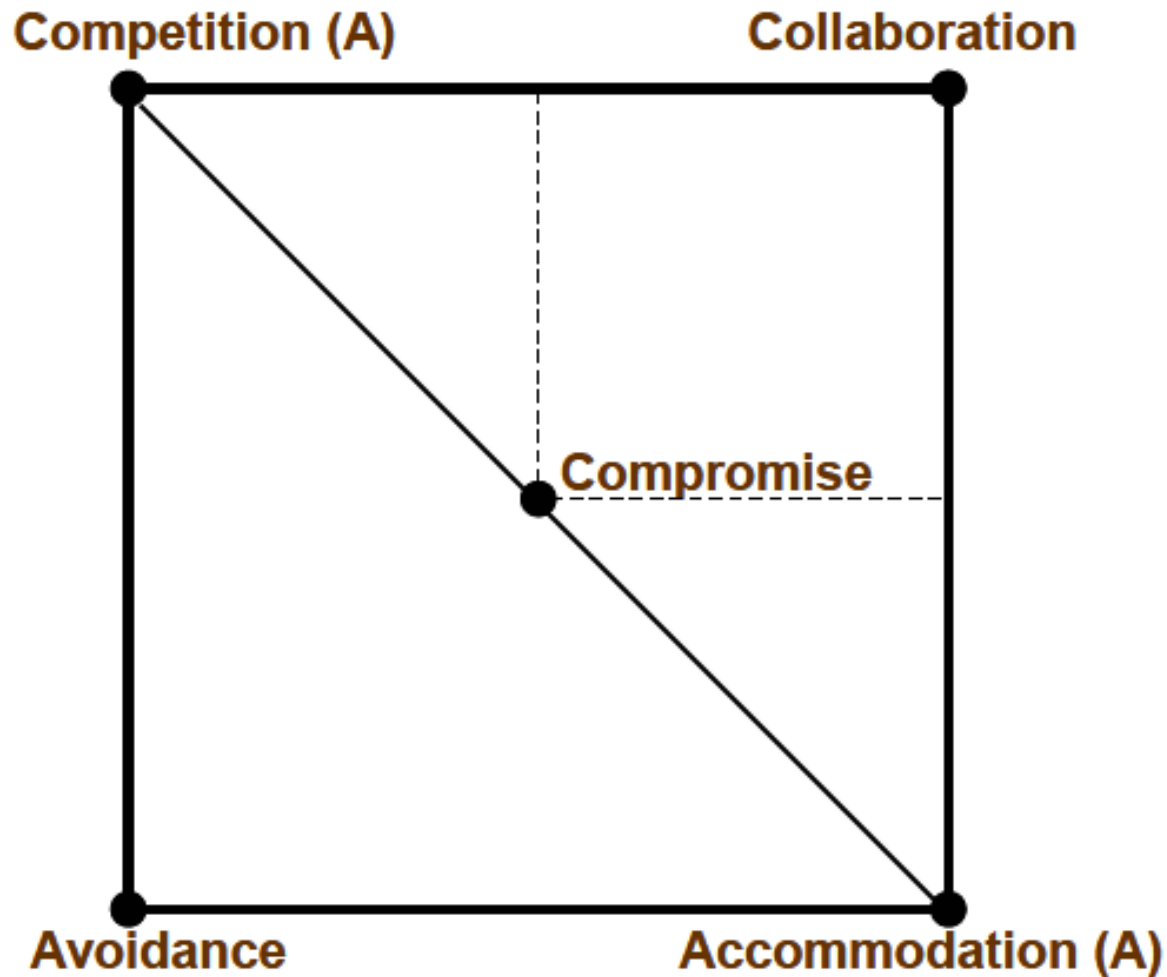
# Negotiation

- It is a process by which two or more parties make decisions and do not have identical preferences
- The work of negotiation is to identify possible agreements, estimate the desirability of outcomes to all parties, understand the other parties, communicate and persuade

# Negotiation Styles/Strategies



# Negotiation Styles/Strategies



# Negotiation Styles

- **Competitive:** To try to gain all there is to gain
- **Accommodative:** To be willing to yield all there is to yield
- **Avoiding:** To stay out of the negotiation
- **Compromising:** To try to split the difference or find an intermediate point
- **Collaborative:** To try to find the maximum possible gain to both parties – by careful exploration of interests

# Negotiation: What to keep in mind

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- Interests vs. Positions
- Tangibles & Intangibles
- Sources of Power

# Sources of Power in Negotiations

- Positional Power/Power of Legitimate authority
  - ▣ “You do what I say because I am the boss – that’s why!”
- Rewards
  - ▣ “He bought his way in...”
- Sanctions
  - ▣ “She said she would sue me...”
- Force
  - ▣ “I will get you.. and your children, if you continue..”
- Information
  - ▣ “He was able to get us the information we needed about what our competition is planning for next year..”

# Sources of Power in Negotiations

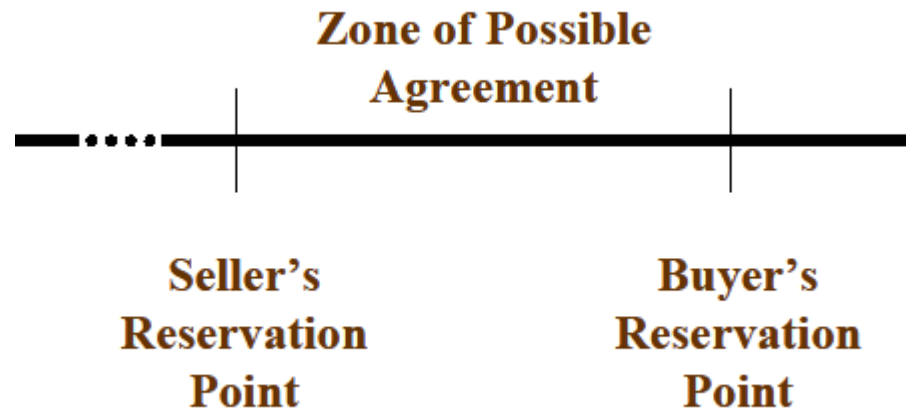
- Expertise
  - ▣ “He is the most important employee here – he is the only person who really knows how the data system works..”
- Charisma (Referent authority or moral authority)
  - ▣ “People will always do what he wants them to..”
- Commitment
  - ▣ “She just never gave up. She camped outside his office night and day until finally he had to listen..”
- Relationship
  - ▣ “I value this association, I am not willing to jeopardize our friendship..”



# BATNA

- BATNA – Best alternative to a negotiated agreement
  - ▣ “They had all the time in the world and lots of other customers – they did not need us”
  - ▣ “The worst that can happen is that I will just go back where I came from”

# Bargaining Range



# Summarizing

- Questions to ask before and during a negotiation
  - What are the positions and what are the interests?
  - What are the sources of power?
  - What is the BATNA of parties concerned?
  - What are all possible options?
  - What are the tangibles and intangibles in the negotiation?
  - What strategy do I wish to adopt?