CHAPTER 9: CONFLICT AND NEGOTIATION

ORGANIZATIONAL BEHAVIOUR

5TH CANADIAN EDITION

LANGTON / ROBBINS / JUDGE

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Chapter Outline

- Conflict Defined

- Conflict Resolution

- Conflict Outcomes

- Negotiation

- Individual Differences in Negotiation

Conflict and Negotiation

1. What is conflict?

2. How can conflict be resolved?

3. What are the effects of conflict?

4. How does one negotiate effectively?

5. What are some of the contemporary issues in negotiation?

Conflict Defined

- 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.

  - **Functional**
    - Supports the goals of the group and improves its performance.

  - **Dysfunctional**
    - Hinders group performance.

Research Findings

- ## Cognitive
  - Conflict related to differences in perspectives and judgments.
    - Task-oriented
    - Results in identifying differences
    - Usually functional conflict

- ## Affective
  - Emotional conflict aimed at a person rather than an issue.
    - Dysfunctional conflict

Sources of Conflict

- **Communication**

- **Structure:**
  - Size, specialization, and composition of the group
  - Ambiguity responsibility
  - Zero-sum reward systems
  - Leadership style
  - The diversity of goals
  - If one group is dependent on another

Exhibit 9-1
Conflict Intensity Continuum

Annihilatory conflict

— **Overt efforts to destroy the other party**

— **Aggressive physical attacks**

— **Threats and ultimatums**

— **Assertive verbal attacks**

— **Overt questioning or challenging of others**

— **Minor disagreements or misunderstandings**

No conflict

Sources: 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 *Conflict Management and Industrial Relations*, ed. G. B. J. Bomers and R. Peterson (Boston: Kluwer-Nijhoff, 1982), pp. 119-140).

Conflict Resolution: Two Dimensions

- **Cooperativeness**
  - The degree to which one party attempts to satisfy the other party's concerns.
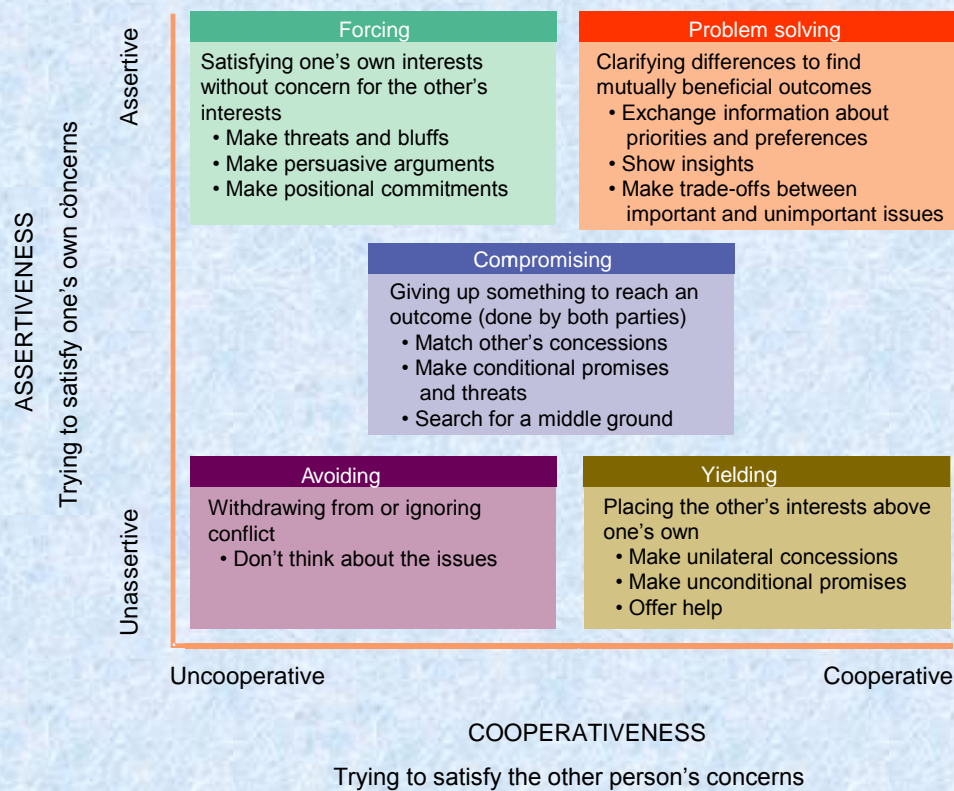
- **Assertiveness**
  - The degree to which one party attempts to satisfy his or her own concerns.

Conflict Resolution: Conflict-Handling Strategies

- **Forcing**
  - Imposing one's will on the other party.
- **Problem solving**
  - Trying to reach an agreement that satisfies both one's own and the other party's aspirations as much as possible.
- **Avoiding**
  - The desire to withdraw from or suppress a conflict.
- **Yielding**
  - Accepting and incorporating the will of the other party.
- **Compromising**
  - A situation in which each party to a conflict is willing to give up something.

Exhibit 9-2 Conflict-Handling Strategies and Accompanying Behaviour

ASSERTIVENESS
Trying to satisfy one's own concerns

Assertive — Unassertive

Forcing
Satisfying one's own interests without concern for the other's interests
• Make threats and bluffs
• Make persuasive arguments
• Make positional commitments

Problem solving
Clarifying differences to find mutually beneficial outcomes
• Exchange information about priorities and preferences
• Show insights
• Make trade-offs between important and unimportant issues

Compromising
Giving up something to reach an outcome (done by both parties)
• Match other's concessions
• Make conditional promises and threats
• Search for a middle ground

Avoiding
Withdrawing from or ignoring conflict
• Don't think about the issues

Yielding
Placing the other's interests above one's own
• Make unilateral concessions
• Make unconditional promises
• Offer help

Uncooperative — Cooperative

COOPERATIVENESS
Trying to satisfy the other person's concerns

Sources: Based on K. W. Thomas, "Conflict and Negotiation Processes in Organizations," in *Handbook of Industrial and Organizational Psychology*, vol. 3, 2nd ed., ed. M. D. Dunnette and L. M. Hough (Palo Alto, CA: Consulting Psychologists Press, 1992), p. 668; C. K. W. De Dreu, A. Evers, B. Beersma, E. S. Kluwer, and A. Nauta, "A Theory-Based Measure of Conflict Management Strategies in the Workplace," *Journal of Organizational Behavior* 22, no. 6 (September 2001), pp. 645-668; and D. G. Pruitt and J. Rubin, *Social Conflict: Escalation, Stalemate and Settlement* (New York: Random House, 1986).

What Can Individuals Do to Manage Conflict?

- Problem solving

- Developing super-ordinate goals

- Smoothing

- Compromising

- Avoidance

Techniques for Managing Work-Related Conflicts

- Expansion of resources

- Authoritative command

- Altering the human variable

- Altering the structural variables

Factors That Lead to Personality Conflicts

- Misunderstandings based on age, race, or cultural differences

- Intolerance, prejudice, discrimination, and bigotry

- Perceived inequalities

- Misunderstandings, rumours, or falsehoods about an individual or group

- Blaming for mistakes or mishaps (finger-pointing)

Tips for Employees Having a Personality Conflict

- Communicate directly with the other person to resolve the perceived conflict.

- Avoid dragging co-workers into the conflict.

- If necessary, seek help from direct supervisors or human resource specialists.

Source: R. Kreitner and A. Kinicki, *Organizational Behavior*, 6th ed. (New York: McGraw-Hill, 2004), p. 492, Table 14-1. Reprinted by permission of McGraw-Hill Education.

Tips for Third-Party Observers of a Personality Conflict

- Do not take sides.

- Suggest the parties work things out themselves.

- If necessary, refer the problem to parties' direct supervisors.

Source: R. Kreitner and A. Kinicki, *Organizational Behavior*, 6th ed. (New York: McGraw-Hill, 2004), p. 492, Table 14-1. Reprinted by permission of McGraw-Hill Education.

Tips When Manager's Employees Are Having a Personality Conflict

- Investigate and document conflict.

- If appropriate, take corrective action (e.g., feedback or behaviour shaping).

- If necessary, attempt informal dispute resolution.

- Refer difficult conflicts to human resource specialists or hired counsellors.

Exhibit 9-3 Strategies For Dealing With Intercultural Conflict

EXHIBIT 9-3 Strategies for Dealing with Intercultural Conflict

Behaviour	Rank
Listening rather than talking	1
Being sensitive to others' needs	2 (tie)
Being cooperative rather than competitive	2 (tie)
Being an inclusive leader	4
Compromising rather than domineering	5
Trying to engage in rapport	6
Being compassionate and understanding	7
Emphasizing harmony by avoiding conflict	8
Nurturing people	9

Source: Adapted from R. L. Tung, "American Expatriates Abroad: From Neophytes to Cosmopolitans," *Journal of World Business* 33, no. 2 (Summer 1998), p. 136, Table 6.

Resolving Intercultural Conflicts

- Those from Asian cultures show a preference for conflict avoidance, compared with Americans and Britons.
- Chinese and East Asian managers prefer compromising as a strategy, contrary to North Americans.
- North Americans prefer a problem-solving approach to conflicts, which yields a win-win solution.
- Win-win solutions are less likely to be achieved in Asian cultures.
- East Asian managers tend to ignore conflict rather than make it public.
- Japanese managers tend to choose non-confrontational styles.
- Westerners are more likely to choose forcing as a strategy than Asians.
- North Americans expect that negotiations may lead to a legal contract; Asian cultures rely less on legal contracts and more on relational contracts.

Third-Party Conflict Resolution

- Facilitation

- Conciliation

- Ombudsperson

- Peer Review

- Mediation

- Arbitration

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Third-Party Conflict Resolution

- **Facilitator**
  - Generally acquainted with both parties, working with both sides to reach an agreement.

- **Conciliator**
  - Trusted third party who provides an informal communication link between the negotiator and the opponent.
    - Informal link
    - Used extensively in international, labour, family, and community disputes
    - Fact-find, interpret messages, persuade disputants to develop agreements

Third-Party Conflict Resolution

- ## Ombudsperson
  - An impartial party, widely respected, and trusted.

- ## Peer Review
  - A panel of peers who have been put together to hear both sides of the issue from the parties involved and to recommend a solution.

Third-Party Conflict Resolution

- **Mediator**
  - a neutral third party who facilitates a negotiated solution by using reasoning, persuasion, and suggestions for alternatives.
    - Labour-management negotiations and civil court disputes
    - Settlement rate is about 60 percent; satisfaction rate is about 75 percent
    - Participants must be motivated to bargain and settle
    - Best under moderate levels of conflict
    - Mediator must appear neutral and non-coercive

- **Arbitrator:** has authority to dictate an agreement.
  - Voluntary (requested) or compulsory (imposed by law or contract)
  - Always results in a settlement
  - May result in further conflict

Exhibit 9-4 Conflict and Unit Performance

EXHIBIT 9-4   Conflict and Unit Performance

Unit Performance (High) / (Low)

Level of Conflict (Low) → (High)
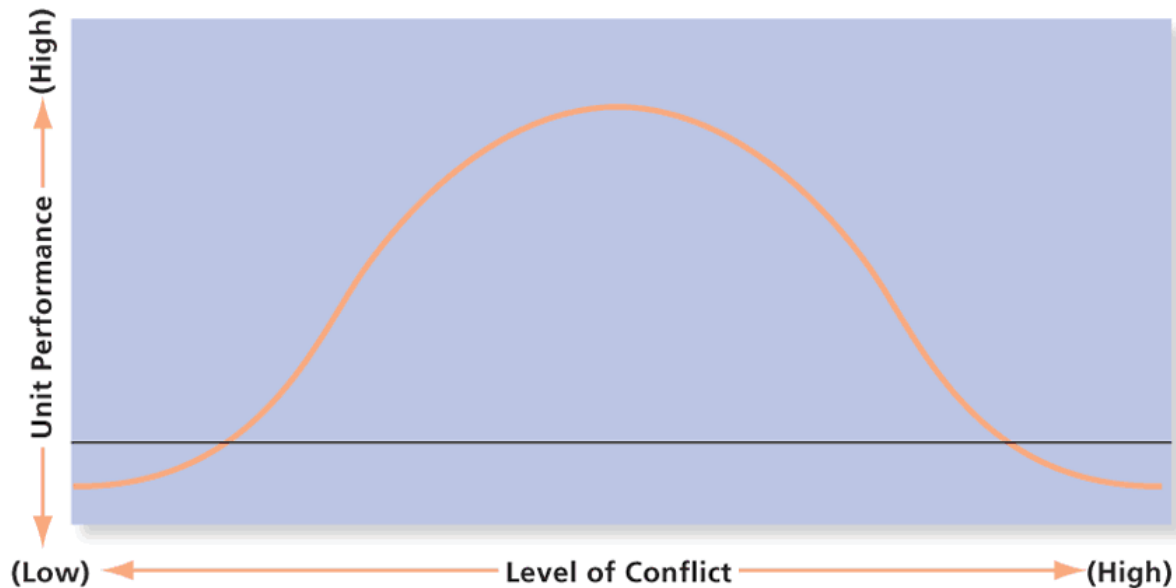
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Conflict Outcomes

Three desired outcomes of conflict

1. **Agreement:** equitable and fair agreements are the best outcomes

2. **Stronger relationships:** when conflict is resolved positively, this can lead to better relationships and greater trust.

3. **Learning:** handling conflict successfully teaches one how to do it better next time.
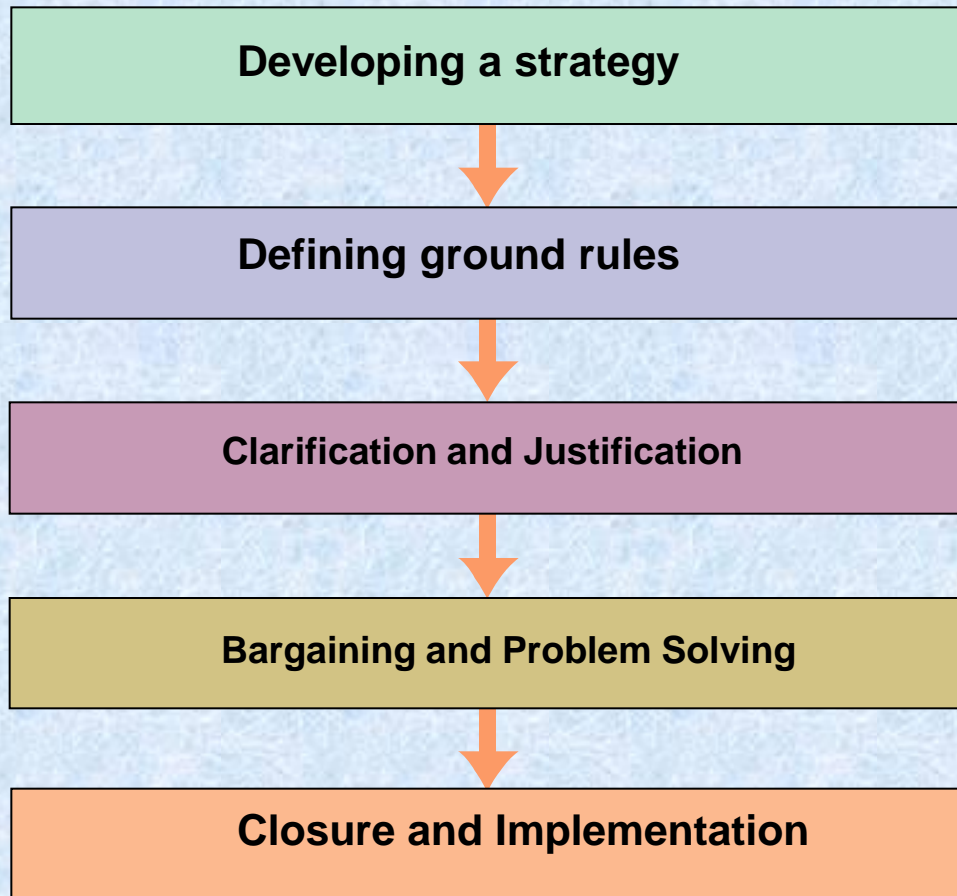
Negotiation

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

  - **Distributive bargaining**
    - Negotiation that seeks to divide up a fixed amount of resources; a win-lose situation.
  - **Integrative bargaining**
    - Negotiation that seeks one or more settlements that can create a win-win solution.
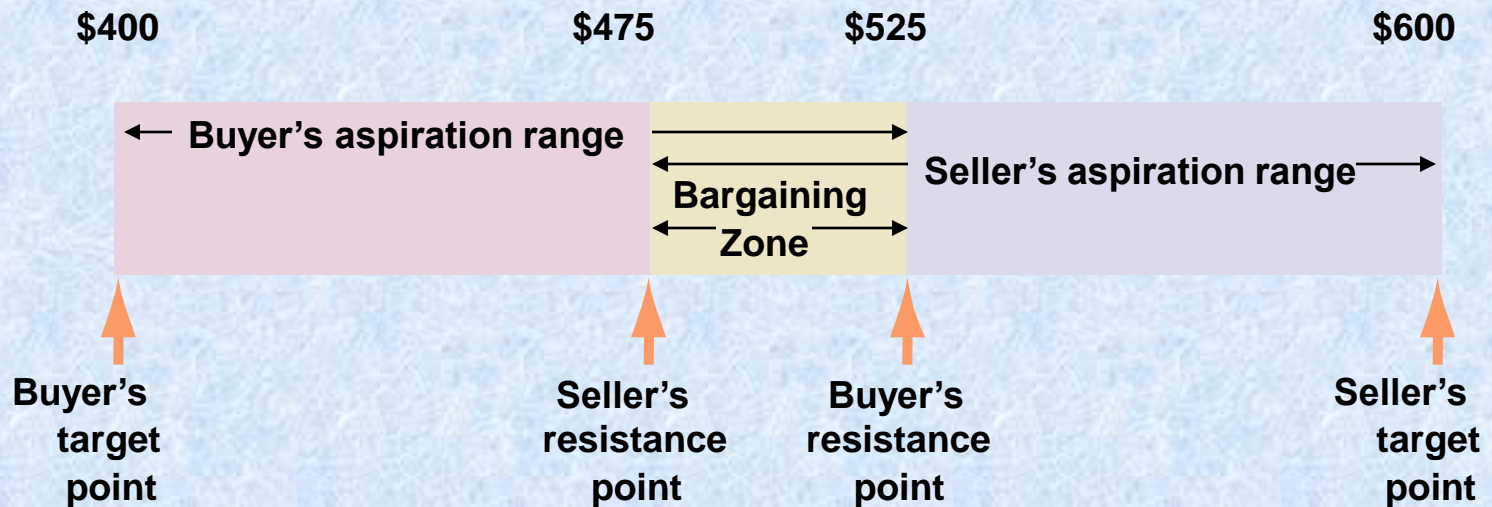
How to Negotiate

- Five steps to negotiation:
  - Developing a strategy
  - Definition of ground rules
  - Clarification and justification
  - Bargaining and problem solving
  - Closure and implementation

- Identify BATNA:
  - *B*est *A*lternative *T*o a *N*egotiated *A*greement.

Exhibit 9-6 The Negotiation Process

Developing a strategy

↓

Defining ground rules

↓

Clarification and Justification

↓

Bargaining and Problem Solving

↓

Closure and Implementation

Source: This model is based on R. J. Lewicki, "Bargaining and Negotiation," *Exchange: The Organizational BehaviorTeaching Journal* 6, no. 2 (1981), pp. 39-40.

Exhibit 9-7 Staking Out the Bargaining Zone

$400 $475 $525 $600

← **Buyer's aspiration range**

Seller's aspiration range →

Bargaining Zone

Buyer's target point

Seller's resistance point

Buyer's resistance point

Seller's target point

Issues in Negotiation

- Gender Differences in Negotiating Styles

- Cultural Differences in Negotiating Style

Gender Differences

- **Women**
  - More inclined to be concerned with feelings and perceptions, and take a longer-term view.
  - View the bargaining session as part of an overall relationship.
  - Tend to want all parties in the negotiation to be empowered.
  - Use dialogue to achieve understanding.
- **Men**
  - View the bargaining session as a separate event.
  - Use dialogue to persuade.

Cross-Cultural Negotiation

- Negotiating styles vary across national culture

  - **French:** Like conflict.
  - **Chinese:** Draw out negotiations, believing they never end.
  - **Japanese:** Negotiate to develop relationships and commitment. Early offers lead to more information sharing and better integrative outcomes.
  - **Americans:** Impatient, desire to be liked.

Exhibit 9-8 Negotiating Attitude: Win-Win or Win Lose

EXHIBIT 9-8   Negotiating Attitude: Win-Win or Win-Lose?

Country	Japan	China	Argentina	France	India	US	UK	Mexico	Germany	Nigeria	Brazil	Spain
Negotiator focuses on win-win solution (%)	100	82	81	80	78	71	59	50	55	47	44	37

Source: J. W. Salacuse, "Ten Ways That Culture Affects Negotiating Style: Some Survey Results," *Negotiation Journal*, July 1998, pp. 221–240.

Summary and Implications

1. **What is conflict?**
   - Conflict occurs when one party perceives that another party's actions will have a negative effect on something the first party cares about.

2. **How can conflict be resolved?**
   - Depending on how a conflict is defined, they can be settled in a win-lose solution or a win-win solution.

3. **What are the effects of conflict?**
   - Conflict can be functional and improve group performance, or it can be dysfunctional and hinder it.

Summary and Implications

4. **How does one negotiate effectively?**

   – Integrative bargaining tends to provide outcomes that satisfy all parties and build lasting relationships.

5. **What are some of the contemporary issues in negotiation?**

   – Negotiation styles differ between genders and across cultures.