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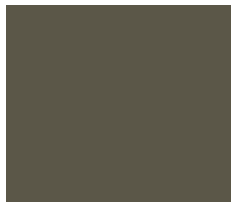
# Conflict and Negotiation in the Workplace

# What is Conflict ?



Conflict is a process in which one party perceives that its interests are being opposed or negatively affected by another party. It may occur when one party obstructs another's goals in some way, or just from one party's perception that the other party is going to do so.

# Is Conflict Good or Bad?



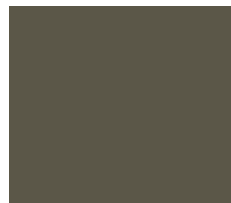
## Negative Outcomes

- Wastes time, energy, resources
- Less information sharing, productivity
- More organizational politics
- More job dissatisfaction, turnover, stress
- Weakens team cohesion (when conflict is within team)

## Positive Outcomes

- Fuller debate of decision choices
- Decision assumptions are questioned
- Potentially generates more creative ideas
- Improves responsiveness to external environment
- Increases team cohesion (conflict with other teams)

# Emerging View: Task Versus Relationship Conflict

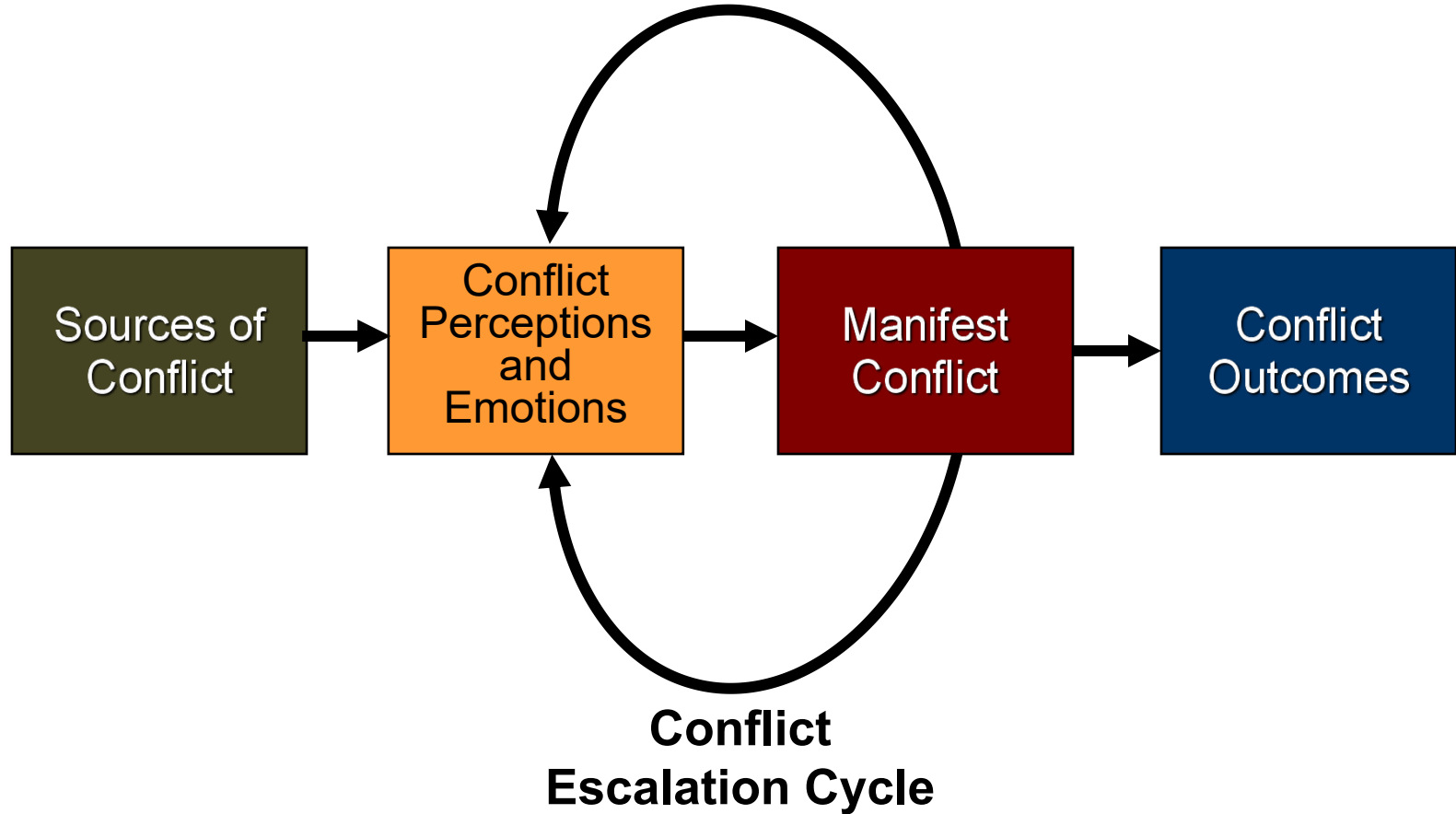


- Task (constructive) conflict
  - Parties focus on the issue, respect people with other points of view
  - Try to understand logic/assumptions of each position
- Relationship conflict
  - Focus on personal characteristics (not issues) as the source of conflict
  - Try to undermine each other's worth/competence
  - Accompanied by strong negative emotions

# Minimizing Relationship Conflict

- Goal: encourage task conflict, minimize relationship conflict
- Problem: relationship conflict often develops when engaging in task conflict
- Three conditions that minimize relationship conflict during task conflict:
  - Emotional intelligence
  - Cohesive team
  - Supportive team norms

# The Conflict Process



# Structural Sources of Conflict

## Incompatible Goals

- One party's goals perceived to interfere with other's goals

## Differentiation

- Different values/beliefs
- Explains cross-cultural, generational, merger conflict

## Interdependence

- Conflict increases with interdependence
- Parties more likely to interfere with each other

# Structural Sources of Conflict

Scarce Resources	<ul style="list-style-type: none"><li>• Motivates competition for the resource</li></ul>
Ambiguous Rules	<ul style="list-style-type: none"><li>• Creates uncertainty, threatens goals</li><li>• Encourages political behavior</li></ul>
Communication Problems	<ul style="list-style-type: none"><li>• Rely on stereotypes</li><li>• Less motivation to communicate</li><li>• Arrogant language escalates conflict</li></ul>

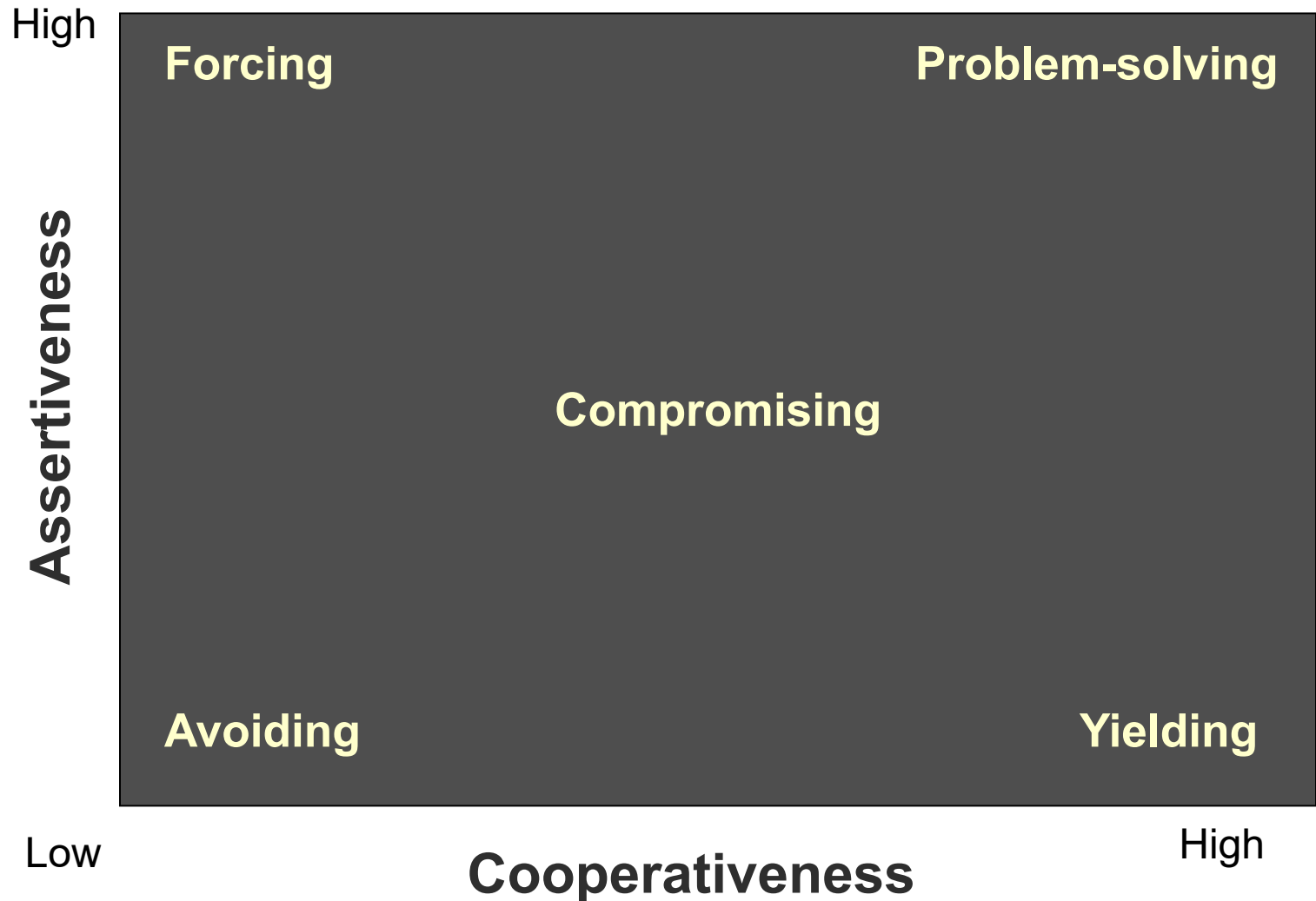


# Conflict Handling at Xerox



Xerox CEO Ursula Burns warns that the company has too much avoidance conflict handling. “We are really, really, really nice,” she emphasizes. “I want us to stay civil and kind, but we have to be frank.”

# Five Conflict Handling Styles



# Conflict Handling Contingencies



## ■ Problem solving

### ■ Best when:

- Interests are not perfectly opposing
- Parties have trust/openness
- Issues are complex

- Problem: other party may use information to its advantage

## ■ Forcing

### ■ Best when:

- you have a deep conviction about your position
- quick resolution required
- other party would take advantage of cooperation

- Problems: relationship conflict, long-term relations

# Conflict Handling Contingencies

## ■ Avoiding

### ■ Best when:

- conflict is emotionally-charged (relationship conflict)
- conflict resolution cost is higher than benefits

### ■ Problems: doesn't resolve conflict; causes frustration

## ■ Yielding

### ■ Best when:

- other party has much more power
- issue is much less important to you than other party
- value/logic of your position is imperfect

### ■ Problems: increases other's expectations; imperfect solution

# Conflict Handling Contingencies



- Compromising

- Best when:

- Parties have equal power
    - Quick solution is required
    - Parties lack trust/openness

- Problem: Sub-optimal solution where mutual gains are possible

# Structural Approaches to Conflict Management



1. Emphasize superordinate goals
  - Emphasize common objective not conflicting sub-goals
  - Reduces goal incompatibility and differentiation
  
2. Reduce differentiation
  - Reduce differences in values, attitudes, and experiences
    - e.g. Move employees around to different jobs



# Structural Approaches to Conflict Management



3. Improve communication/understanding
  - Use dialogue to improve mutual understanding
  - Contact hypothesis, Johari window
  - Warning: Apply communication and understanding after reducing differentiation



# Structural Approaches to Conflict Management



## 4. Reduce interdependence

- Create buffers
- Use integrators
- Combine jobs

## 5. Increase resources

- Increase amount of resources available

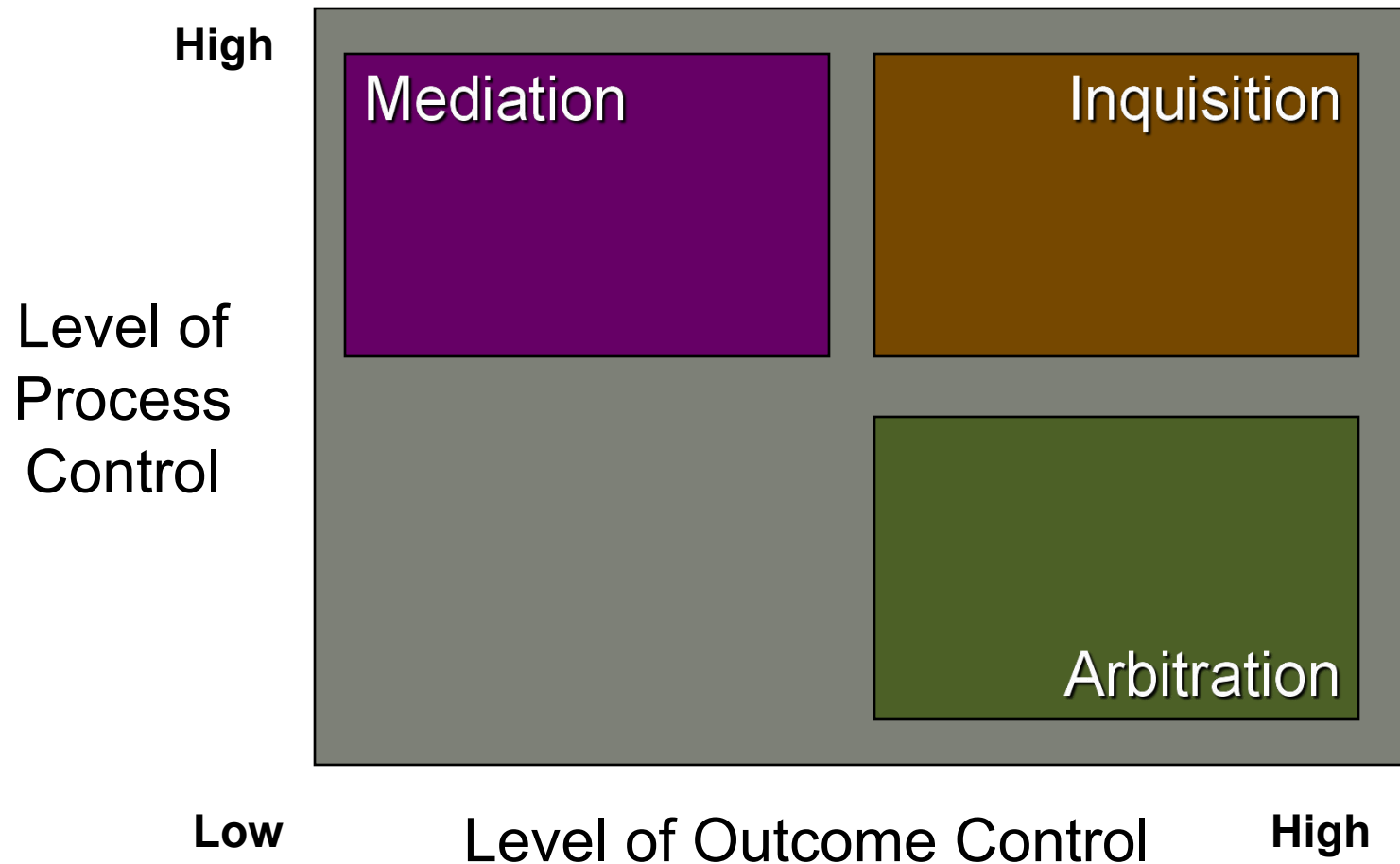
## 6. Clarify rules and procedures

- Establish rules and procedures
- Clarify roles and responsibilities





# Types of Third Party Intervention

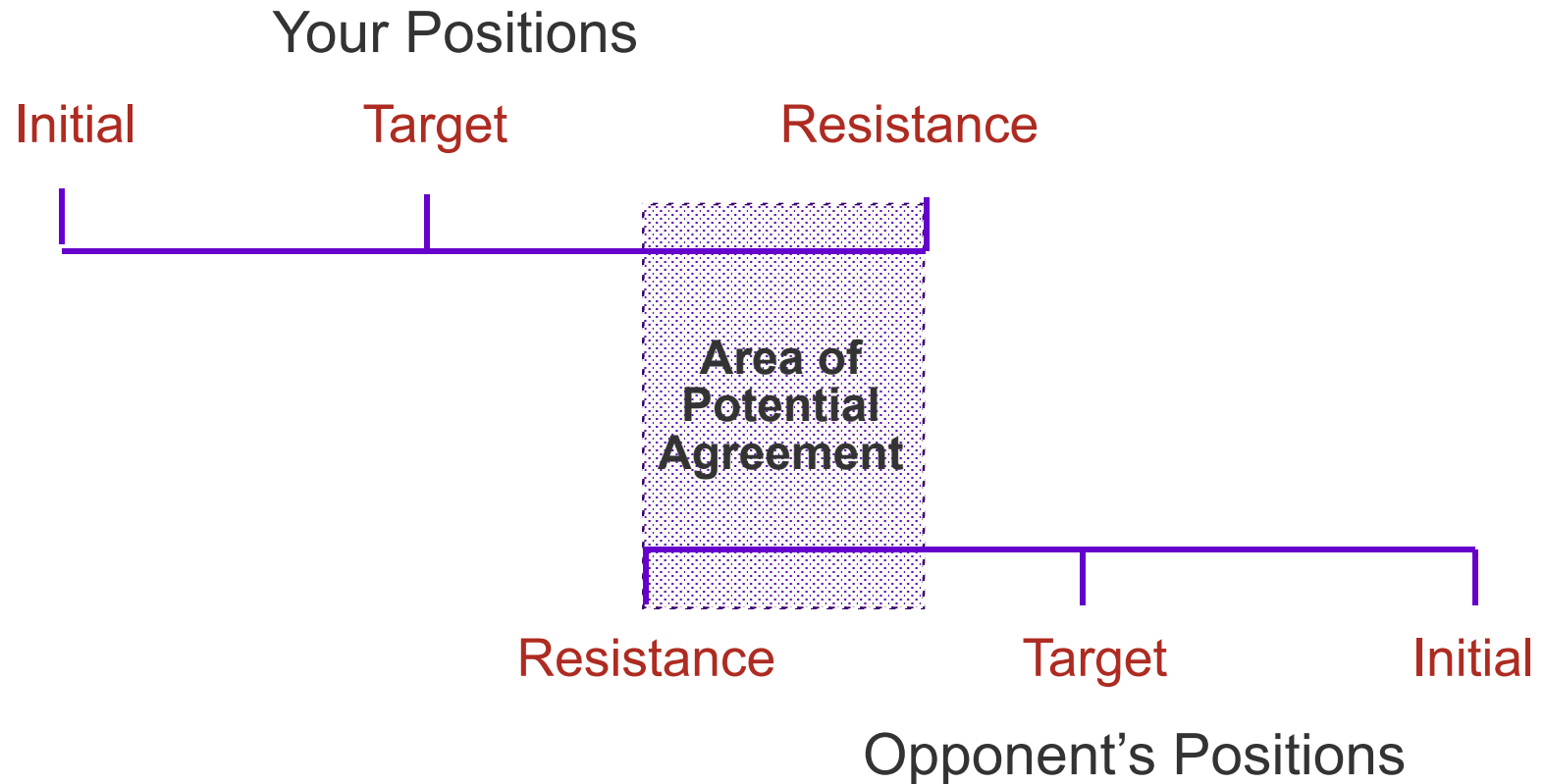


# Choosing the Best 3rd Party Strategy



- Managers prefer inquisitional strategy, but not usually best approach
- Mediation potentially offers highest satisfaction with process and outcomes
- Use arbitration when mediation fails

# Bargaining Zone Model

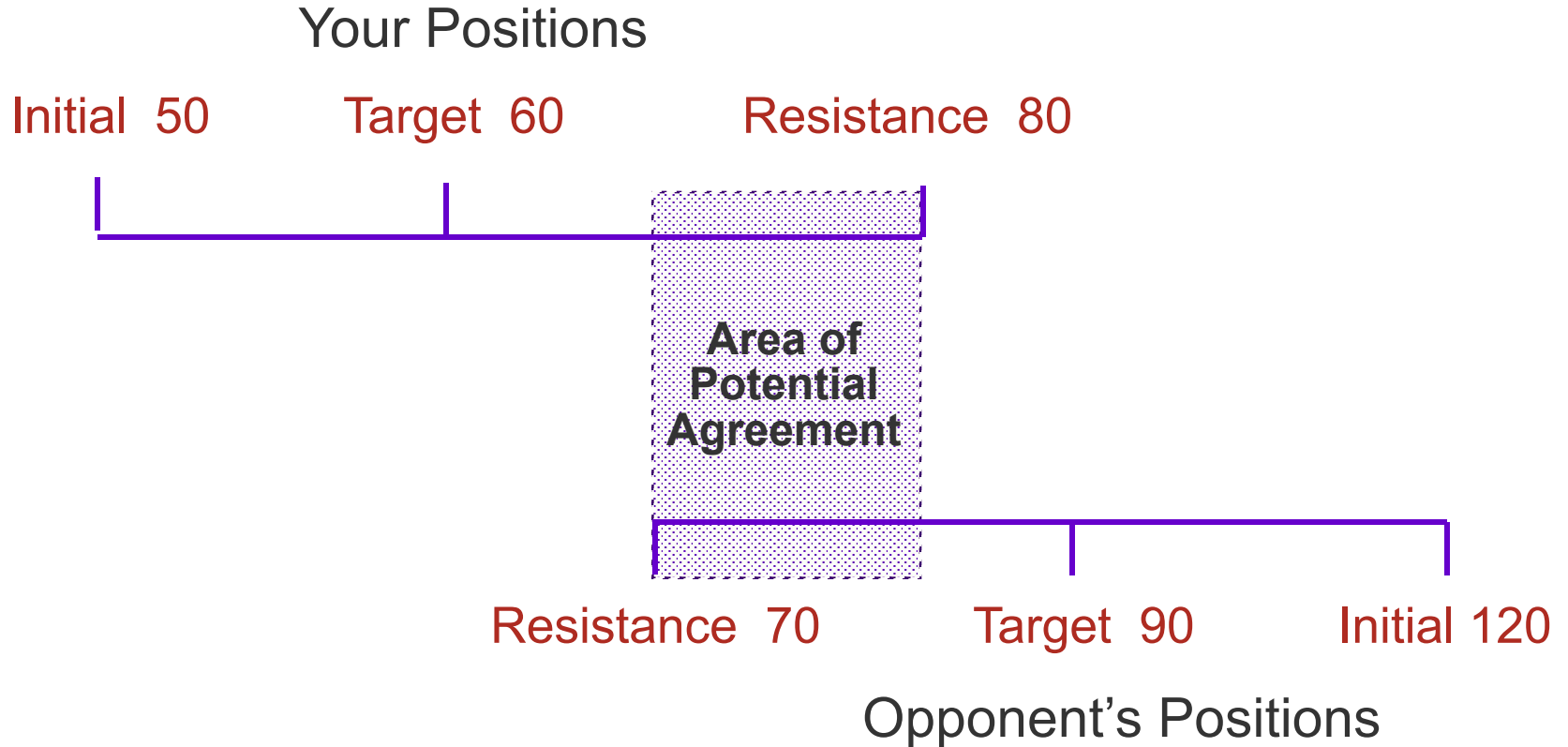


# Negotiation exercise



- On the bookstall of the night market, you see a book titled for ***Yixing teapot***. You go through the price, two hundred and fifty yuan. you ask boss: "how much is this book?" The boss said, "120 yuan." cheap! But when you look back, everyone is bargaining. It's normal to bargain at night market bookstall. will you bargain? How much is the final transaction price?

# Bargaining Zone Model



# Strategies for Claiming Value



Claiming value – aiming for the best possible outcomes for yourself and your constituents.

1. Prepare and set goals
2. Know your BATNA
3. Manage time
4. Manage first offers and concessions

# Strategies for Creating Value

Creating value – use problem solving to help both parties reach the best outcomes.

1. Gather information
2. Discover priorities through offers and concessions
3. Build the relationship (trustworthiness)



# Situational Influences on Negotiations

- Location – easier to negotiate on your own turf
- Physical setting –seating arrangements, etc.
- Audience – negotiators are more competitive, make fewer concessions when audience is watching

