CONFLICT AND NEGOTIATION

MGT213
MANAGEMENT PRACTICES AND ORGANIZATIONAL BEHAVIOR
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NADIA AFROZE DISHA (NAR)
Lecturer
BBS, BRAC University

TOPICS TO LEARN

- ❑ Definition of Conflict
- ❑ Types of Conflict
- ❑ Loci of Conflict
- ❑ Conflict Management Techniques
- ❑ Negotiation
- ❑ Bargaining Strategies
- ❑ Individual Differences in Negotiation Effectiveness

DEFINITION OF CONFLICT

Conflict is a perception.

If no one is aware of a conflict, then it is generally agreed no conflict exists.

We define **conflict** broadly as a process that begins when one party perceives another party has or is about to negatively affect something the first party cares about.

DEFINITION OF CONFLICT

- ❑ **Conflict** is a disagreement or clash between two or more individuals or groups with opposing interests, opinions, or needs.
- ❑ **Conflict** occurs when there is a struggle or tension arising from incompatible goals, values, or beliefs.
- ❑ **Conflict** is a situation where people perceive a threat to their interests or sense of well-being due to differences in perspectives or objectives.
- ❑ **Conflict** involves a state of discord or contention characterized by opposing viewpoints or actions.
- ❑ **Conflict** is a natural and inevitable part of human interaction, arising from divergent interests, perceptions, or expectations.

There is a wide range of conflicts people experience in organizations such as –

- ❑ incompatibility of goals,
- ❑ differences over interpretations of facts,
- ❑ disagreements based on behavioral expectations, and
- ❑ the like.

TYPES OF CONFLICT

Functional conflict is constructive and helps the group or organization improve performance. This type of conflict arises when team members engage in healthy debates, challenge ideas, and seek better solutions, ultimately supporting the group's goals.

Dysfunctional conflict, on the other hand, is destructive and negatively impacts group performance. It typically involves personal attacks, misunderstandings, or power struggles that distract from the group's goals.

Task Conflict

Task conflict relates to the content and goals of the work.

Relationship Conflict

Relationship conflict focuses on interpersonal relationships.

Process Conflict

Process conflict is about how the work gets done.

Studies demonstrate that relationship conflicts, at least in work settings, are almost always dysfunctional.

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Process conflicts often become highly personalized and quickly devolve into relationship conflicts.

True/False?
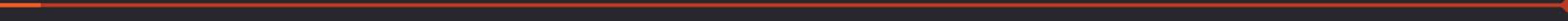
Which of the following type of conflicts is the most damaging to goal accomplishment in organizations?

A. Task conflict
B. Process conflict
C. Relationship conflict
D. All of them

LOCI OF CONFLICT

Dyadic conflict

Conflict between two people

Intragroup conflict

Conflict within a group or team

Intergroup conflict

Conflict between groups or teams

CONFLICT MANAGEMENT TECHNIQUES

Conflict-Resolution Techniques	
Problem Solving	Meeting face to face for the purpose of identifying the problem and resolving it through open discussion.
Superordinate Goals	Creating a shared goal that cannot be attained without the cooperation of each of the conflicting parties.
Expansion of Resources	Expanding the supply of a scarce resource (for example, money, promotion, opportunities, office space).
Avoidance	Withdrawing from or suppressing the conflict.
Smoothing	Playing down differences while emphasizing common interests between the conflicting parties.

CONFLICT MANAGEMENT TECHNIQUES

Conflict-Resolution Techniques	
Compromise	Having each party to the conflict give up something of value.
Authoritative Command	Letting management use its formal authority to resolve the conflict and then communicating its desires to the parties involved.
Altering the Human Variable	Using behavioral change techniques such as human relations training to alter attitudes and behaviors that cause conflict.
Altering the Structural Variables	Changing the formal organization structure and the interaction patterns of conflicting parties through job redesign, transfers, creation of coordinating positions, and the like.

CONFLICT MANAGEMENT TECHNIQUES

Conflict-Stimulation Techniques	
Communication	Using ambiguous or threatening messages to increase conflict levels.
Bringing in Outsiders	Adding employees to a group whose backgrounds, values, attitudes, or managerial styles differ from those of present members.
Restructuring the Organization	Realigning work groups, altering rules and regulations, increasing interdependence, and making similar structural changes to disrupt the status quo.
Appointing a Devil's Advocate	Designating a critic to purposely argue against the majority positions held by the group.

NEGOTIATION

We can define **negotiation** as a process that occurs when two or more parties decide how to allocate scarce resources.

Note that we use the terms **negotiation** and **bargaining** interchangeably.

Your salary and equity position won't be great at the beginning, okay?

My performance won't be great at the beginning, okay?

BARGAINING STRATEGIES

Bargaining Characteristics	Distributive Bargaining	Integrative Bargaining
Goal	Get as much of the pie as possible	Expand the pie so that both parties are satisfied
Motivation	Win–lose	Win–win
Focus	Positions ("I can't go beyond this point on this issue.")	Interests ("Can you explain why this issue is so important to you?")
Interests	Opposed	Congruent
Information Sharing	Low (Sharing information will only allow other party to take advantage.)	High (Sharing information will allow each party to find ways to satisfy interests of each party.)
Duration of Relationship	Short term	Long term

Distributive Bargaining

Negotiating strategy under zero-sum conditions, aiming to get the largest share of a fixed pie.

Example: Used car negotiation, labor-management negotiations over wages.

Characteristics: Each party aims for maximum gain, operates with target and resistance points.

Distributive Bargaining

Tactics for Achieving Higher Settlements

- ❑ **Making the First Offer:** Sets power dynamic, utilizes anchoring bias.
- ❑ **Revealing a Deadline:** Speeds concessions, prompts reconsideration of positions.

Integrative Bargaining

Negotiating strategy aiming for win-win solutions, assumes multiple settlements can benefit both parties.

Example: Jake boutique case, delayed payment negotiation with designers.

Characteristics: Builds long-term relationships, leaves both parties feeling victorious.

Integrative Bargaining

Tactics for Achieving Higher Joint-Gain Settlements
- ❑ **Bargaining in Teams:** Generates more ideas, increases likelihood of integrative agreements.
- ❑ **Introducing More Issues:** Enables logrolling, creates better outcomes.
- ❑ **Focus on Underlying Interests:** Concentrates on needs rather than specific issues.

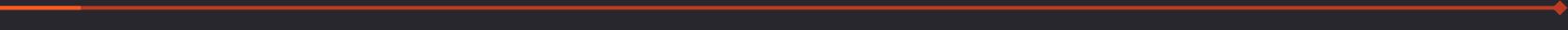Integrative bargaining operates under zero-sum conditions.

True/False?

Which of the following is an example of distributive bargaining?

A. Labor–management negotiations over wages
B. Used smartphone sell negotiation
C. Employee salary negotiations
D. All of them

Four factors influence how effectively individuals negotiate.

Personality	Mood/ Emotions	Culture	Gender

THANK YOU