

## Study Note

# CONFLICT AND NEGOTIATION

**MGT213:** Management Practices and Organizational Behavior

**Conflict and Negotiation**

Topic 13 | Week 13

Instructor

**Nadia Afroze Disha (NAR)**

Lecturer

BRAC Business School

BRAC University

**BBA** Program

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Once upon a time, in a bustling office, there were two colleagues named Alice and Bob who worked in the marketing department of a prestigious company. Alice was known for her creative ideas and attention to detail, while Bob was admired for his strategic thinking and analytical skills. Initially, they collaborated seamlessly on various projects, complementing each other's strengths.

However, as the company faced tight deadlines and increased competition, tensions began to rise between Alice and Bob. Their different approaches to problem-solving led to clashes during brainstorming sessions, where Alice favored bold and innovative strategies, while Bob preferred cautious and data-driven approaches.

These opposing viewpoints created a sense of incompatibility between them. Despite their best efforts to maintain harmony, their interactions became fraught with subtle disagreements and unspoken resentments. Both Alice and Bob perceived the growing tension but were reluctant to address it directly, fearing it might escalate into a full-blown conflict.

One day, during a crucial client presentation, their conflicting ideas came to a head, resulting in a heated argument in front of their colleagues. The clash not only undermined their professional image but also jeopardized the success of the project.

Reflecting on the incident later, Alice and Bob realized that their failure to acknowledge the brewing conflict and communicate openly about their differences had exacerbated the situation. They resolved to approach future challenges with a spirit of collaboration and mutual respect, recognizing that conflict could be constructive when managed effectively.

## DEFINITION OF CONFLICT

There has been no shortage of definitions of conflict, but common to most is the idea that **conflict is a perception**. If no one is aware of a conflict, then it is generally agreed no conflict exists. Also needed to begin the conflict process are opposition or incompatibility and interaction.

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. Conflict describes the point in ongoing activity when interaction becomes interparty disagreement.

There is a wide range of conflicts people experience in organizations: **incompatibility of goals, differences over interpretations of facts, disagreements based on behavioral expectations**, and the like.

Following are some simple and broad definitions of conflict for your better understanding.

- ⊕ **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.

## **TYPES OF CONFLICT**

Contemporary perspectives on conflict recognize that not all conflicts are harmful; some can be beneficial depending on their effects. Conflicts are categorized into two main types: **functional** and **dysfunctional** conflict.

**Functional 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.

A good example of functional conflict in a business setting can be seen in a product design team at a technology company. Suppose the team is working on developing a new smartphone. Some members believe the focus should be on incorporating cutting-edge features like facial recognition, while others argue for prioritizing a longer battery life and durability, considering customer feedback. The disagreement sparks a healthy debate, with both sides presenting data and research to support their views. This constructive conflict pushes the team to analyze the market, consider customer needs, and ultimately design a smartphone that balances advanced features with practicality.

**Dysfunctional Conflict:** **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. Dysfunctional conflict often leads to stress, reduced collaboration, and poor decision-making.

For instance, if in a project team, members engage in personal arguments or refuse to cooperate because of unresolved tensions, it can derail the project's progress. In such cases, team members are more focused on defending their positions or attacking others than on solving problems, which hinders productivity.

One means of understanding conflict is to identify the type of disagreement, or what the conflict is about. Is it a disagreement about goals? Is it about people who just rub one another the wrong way? Or is it about the best way to get things done? Although each conflict is unique, researchers have classified conflicts into three categories: **task**, **relationship**, or **process**.

### 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**. Why? It appears that the friction and interpersonal hostilities inherent in relationship conflicts increase personality clashes and decrease mutual understanding, which hinders the completion of organizational tasks. **Of the three types, relationship conflicts also appear to be the most psychologically exhausting to individuals.** Because they tend to revolve around personalities, you can see how relationship conflicts can become destructive. After all, we can't expect to change our co-workers' personalities, and we would generally take offense at criticisms directed at who we are as opposed to how we behave.

**Example:** Imagine a team working together on a project at a software company. Two members of the team, let's call them Alex and Taylor, have always had a strained relationship. They often clash over small matters, and their disagreements frequently escalate into heated arguments. Alex finds Taylor's meticulous approach frustrating, while Taylor sees Alex as disorganized and unreliable. Their conflicts not only disrupt team meetings but also spill over into their interactions outside of work.

Recently, during a crucial project meeting, Alex and Taylor's disagreement over the project's direction became so intense that other team members felt uncomfortable. The tension between them created a negative atmosphere, affecting everyone's morale and productivity. Despite their best efforts to focus on the task at hand, the unresolved conflict between Alex and Taylor continued to loom over the team, making collaboration difficult.

In this example, the relationship conflict between Alex and Taylor has become dysfunctional for the team. Their personality clashes and inability to communicate effectively hinder the completion of organizational tasks, leading to decreased productivity and increased psychological exhaustion for everyone involved.

While scholars agree that relationship conflict is dysfunctional, there is considerably less agreement as to whether task and process conflicts are functional. **Early research suggested that task conflict within groups was associated with higher group performance, but a recent review of 116 studies found that task conflict was essentially unrelated to group performance.** However, there were factors that could create a relationship between conflict and performance.

One such factor was whether the conflict included top management or occurred lower in the organization. Task conflict among top management teams was positively associated with their performance, whereas conflict lower in the organization was negatively associated with group

performance. This review also found that it mattered whether other types of conflict were occurring at the same time. If task and relationship conflict occurred together, task conflict was more likely negative, whereas if task conflict occurred by itself, it more likely was positive. Finally, some scholars have argued that the strength of conflict is important — if task conflict is very low, people aren't really engaged or addressing the important issues. If task conflict is too high, however, infighting will quickly degenerate into personality conflict. **According to this view, moderate levels of task conflict are optimal.** Supporting this argument, one study in China found that moderate levels of task conflict in the early development stage increased creativity in groups, but high levels decreased team performance.

Finally, the personalities of the teams appear to matter. **A recent study demonstrated that teams made up of individuals who are, on average, high in openness and emotional stability are better able to turn task conflict into increased group performance.** The reason may be that open and emotionally stable teams can put task conflict in perspective and focus on how the variance in ideas can help solve the problem, rather than letting it degenerate into relationship conflicts.

What about process conflict? **Researchers found that process conflicts revolve around delegation and roles.** Conflicts over delegation often revolve around shirking, and conflicts over roles can leave some group members feeling marginalized. Thus, **process conflicts often become highly personalized and quickly devolve into relationship conflicts.** It's also true, of course, that arguing about how to do something takes time away from actually doing it. We've all been part of groups in which the arguments and debates about roles and responsibilities seem to go nowhere.

## LOCI OF CONFLICT

Conflict in organizations can emerge in various forms and settings. One effective way to analyze it is by looking at its **locus** — essentially, where the conflict takes place. Understanding the **loci** (plural of locus) of conflict helps managers and team members identify the root of issues and apply the appropriate resolution strategies.

There are three main types of conflict based on their locus: **dyadic, intragroup, and intergroup.**

### 1. Dyadic Conflict (Person-to-Person Conflict)

**Dyadic conflict** is the most basic and common form of conflict — it occurs between two individuals. The disagreement can be due to differences in personalities, communication styles, values, expectations, or work approaches.

**Example:** In a marketing team, a content writer may clash with a graphic designer. The writer wants more time to perfect the article, while the designer insists on sticking to strict deadlines for visual elements. Their conflicting work styles lead to tension and delays.

**Impact:** If not addressed, dyadic conflicts can harm working relationships, reduce collaboration, and affect productivity.

### 2. Intragroup Conflict (Within-Group Conflict)

**Intragroup conflict** happens within a single team or department. It can stem from role ambiguity, competition for resources, personality clashes, or differences in opinion about how to approach tasks.

**Example:** A project team in a tech firm may argue over how to prioritize features for a new app. Developers want to focus on backend stability, while product managers push for flashy features to attract users. This misalignment leads to frustration and delays.

**Impact:** A moderate level of intragroup conflict can actually improve outcomes by encouraging debate and creativity, but excessive conflict can paralyze teamwork and decision-making.

### 3. Intergroup Conflict (Group-to-Group Conflict)

**Intergroup conflict** arises between different groups or departments. These conflicts often emerge due to competition for resources, miscommunication, or differences in goals and priorities.

**Example:** The sales department might demand rapid production to meet customer orders, while the operations team insists on maintaining quality and compliance, which slows down delivery. Their conflicting priorities can result in delays, finger-pointing, and strained interdepartmental relationships.

**Impact:** Intergroup conflicts can lead to siloed behavior, reduced cooperation, and lower organizational efficiency if not managed effectively.

## CONFLICT MANAGEMENT TECHNIQUES

Conflict Resolution Techniques	
<b>Problem Solving</b>	Meeting face to face for the purpose of identifying the problem and resolving it through open discussion.
<b>Superordinate Goals</b>	Creating a shared goal that cannot be attained without the cooperation of each of the conflicting parties.
<b>Expansion of Resources</b>	Expanding the supply of a scarce resource (for example, money, promotion, opportunities, office space).
<b>Avoidance</b>	Withdrawing from or suppressing the conflict.
<b>Smoothing</b>	Playing down differences while emphasizing common interests between the conflicting parties.
<b>Compromise</b>	Having each party to the conflict give up something of value.
<b>Authoritative Command</b>	Letting management use its formal authority to resolve the conflict and then communicating its desires to the parties involved.
<b>Altering the Human Variable</b>	Using behavioral change techniques such as human relations training to alter attitudes and behaviors that cause conflict.
<b>Altering the Structural Variables</b>	Changing the formal organization structure and the interaction patterns of conflicting parties through job redesign, transfers, creation of coordinating positions, and the like.

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

## NEGOTIATION

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

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



boss, negotiation skills are critical.

Negotiation permeates the interactions of almost everyone in groups and organizations.

There's the obvious: Labor bargains with management.

There's the not-so-obvious: Managers negotiate with employees, peers, and bosses; salespeople negotiate with customers; purchasing agents negotiate with suppliers.

And there's the subtle: An employee agrees to cover for a colleague for a few minutes in exchange for future benefit.

In today's loosely structured organizations, in which members work with colleagues over whom they have no direct authority and with whom they may not even share a common

We can define **negotiation** as a process that occurs when two or more parties decide how to allocate scarce resources. Although we commonly think of the outcomes of negotiation in one-shot economic terms, like negotiating over the price of a car, every negotiation in organizations also affects the relationship between negotiators and the way negotiators feel about themselves. Depending on how much the parties are going to interact with one another, sometimes maintaining the social relationship and behaving ethically will be just as important as achieving an immediate outcome of bargaining. **Note that we use the terms negotiation and bargaining interchangeably.**

## BARGAINING STRATEGIES

There are two general approaches to negotiation — **distributive bargaining** and **integrative bargaining**. As Exhibit 14-5 shows, they differ in their goal and motivation, focus, interests, information sharing, and duration of relationship.

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	<b>Win-lose</b>	<b>Win-win</b>
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

**Exhibit 14-5.** Distributive Versus Integrative Bargaining

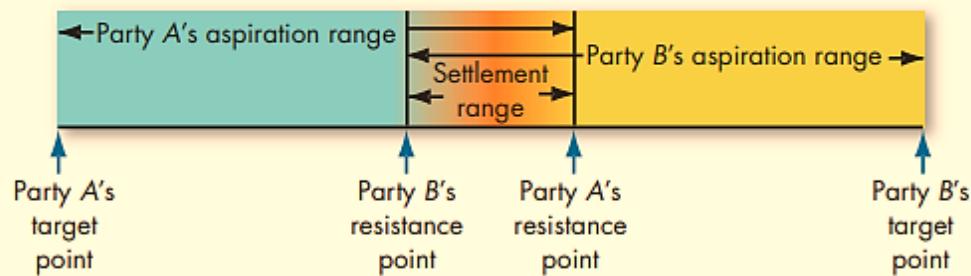
### 1. Distributive Bargaining

You see a used car advertised for sale online that looks great. You go see the car. It's perfect, and you want it. The owner tells you the asking price. You don't want to pay that much. The two of you negotiate. The negotiating strategy you're engaging in is called **distributive bargaining**. Its identifying feature is that **it operates under zero-sum conditions** — that is, **any gain I make is at your expense**, and vice versa. Every dollar you can get the seller to cut from the car's price is a dollar you save, and every dollar the seller can get from you comes at your expense.

The essence of distributive bargaining is negotiating over who gets what share of a fixed pie. By **fixed pie**, we mean a set amount of goods or services to be divvied up. When the pie is fixed, or the parties believe it is, they tend to bargain distributively.

**The most widely cited example of distributive bargaining may be labor-management negotiations over wages.** Typically, labor's representatives come to the bargaining table determined to get as much money as possible from management. Because every cent labor negotiates increases management's costs, each party bargains aggressively and treats the other as an opponent to defeat.

**Exhibit 14-6** Staking Out the Bargaining Zone



The essence of distributive bargaining is depicted in Exhibit 14-6. Parties A and B represent two negotiators. Each has a **target point** that defines what he or she would like to achieve. Each also has a **resistance point**, which marks the lowest acceptable outcome — the point below which the party would break off negotiations rather than accept a less favorable settlement. The area between these two points makes up each party's **aspiration range**. As long as there is some overlap between A's and B's aspiration ranges, there exists a settlement range in which each one's aspirations can be met.

- ⊕ **Distributive Bargaining – Making the First Offer:** When you are engaged in distributive bargaining, one of the best things you can do is **make the first offer, and make it an aggressive one. Making the first offer shows power**; individuals in power are much more likely to make initial offers, speak first at meetings, and thereby gain the advantage. Another reason this is a good strategy is the **anchoring bias**. People tend to fixate on initial information. Once that anchoring point is set, they fail to adequately adjust it based on subsequent information. A savvy negotiator sets an anchor with the initial offer, and scores of negotiation studies show that such anchors greatly favor the person who sets them.

Say you have a job offer, and your prospective employer asks you what sort of starting salary you'd want. You've just been given a gift — you have a chance to set the anchor, meaning you should ask for the highest salary you think the employer could reasonably offer. Asking for a million dollars is only going to make most of us look ridiculous, which is why we suggest being on the high end of what you think is reasonable. Too often, we err on the side of caution, afraid of scaring off the employer and thus settling for far too little. It is possible to scare off an employer, and it's true employers don't like candidates to be assertive in salary negotiations, but liking isn't the same as doing what it takes to hire or retain someone. **What happens much more often is that we ask for less than we could have obtained.**

- ⊕ **Distributive Bargaining – Revealing a Deadline:** Another distributive bargaining tactic is **revealing a deadline**. Erin is a human resources manager. She is negotiating salary with Ron, who is a highly sought-after new hire. Because Ron knows the company needs him, he plays hardball and asks for an extraordinary salary and benefit package. Erin tells Ron the company can't meet his requirements. Ron tells Erin he is going to have to think things over. Worried the company is going to lose Ron to a competitor, Erin tells Ron she is under time pressure and needs to reach an agreement with him immediately, or she will have to offer the job to another candidate. Would you consider Erin to be a savvy negotiator? Well, she is. Negotiators who reveal deadlines speed concessions from their negotiating counterparts, making them reconsider their position. Even though negotiators don't think this tactic works, in reality, negotiators who reveal deadlines do better.

## 2. Integrative Bargaining

Jake is a 5-year-old Chicago luxury boutique owned by Jim Wetzel and Lance Lawson. In the early days of the business, Wetzel and Lawson moved millions of dollars of merchandise from many up-and-coming designers. They developed such a good rapport that many designers would send allotments to Jake without requiring advance payment. When the economy soured in 2008, Jake had trouble selling inventory, and designers were not being paid for what they had shipped to the store. Despite the fact that many designers were willing to work with the store on a delayed payment plan, Wetzel and Lawson stopped returning their calls. Lamented one designer, Doo-Ri Chung, "You kind of feel this familiarity with people who supported you for so long. When they have cash-flow issues, you want to make sure you are there for them as well." Ms. Chung's attitude shows the promise of integrative bargaining.

In contrast to distributive bargaining, **integrative bargaining** assumes that **one or more of the possible settlements can create a win-win solution**. Of course, as the Jake example shows, both parties must be engaged for integrative bargaining to work.

**In terms of intraorganizational behavior, integrative bargaining is preferable to distributive bargaining because the former builds long-term relationships.**

Integrative bargaining bonds negotiators and allows them to leave the bargaining table feeling they have achieved a victory. Distributive bargaining, however, leaves one party a loser. It tends to build animosity and deepen divisions when people have to work together on an ongoing basis. Research shows that over repeated bargaining episodes, a losing party who feels positive about the negotiation outcome is much more likely to bargain cooperatively in subsequent negotiations. This points to **an important advantage of integrative negotiations: Even when you win, you want your opponent to feel good about the negotiation.**

Why, then, don't we see more integrative bargaining in organizations? The answer lies in the conditions necessary for it to succeed. These include opposing parties who are open with information and candid about concerns, are sensitive to the other's needs and trust, and maintain flexibility. Because these conditions seldom exist in organizations, negotiations often take a win-at-any-cost dynamic.

**How to Achieve Higher Joint-Gain Settlements Through an Integrative Bargaining?**

- ⊕ **Bargaining in Teams:** Individuals who bargain in teams reach more integrative agreements than those who bargain individually because more ideas are generated when more people are at the bargaining table.
- ⊕ **Introducing More Issues:** Another way to achieve higher joint-gain settlements is to put more issues on the table. The more negotiable issues introduced into a negotiation, the more opportunity for "**logrolling**," where issues are traded off according to individual different preferences. This creates better outcomes for each side than if they negotiated each issue individually.
- ⊕ **Focus on the Underlying Interests:** Focus also on the underlying interests of both sides rather than on issues. In other words, it is better to concentrate on why an employee wants a raise rather than to focus just on the raise amount — some unseen potential for integrative outcomes may arise if both sides concentrate on what they really want rather than on specific items they're bargaining over.

**Compromise may be your worst enemy in negotiating a win-win agreement.**

Compromising reduces the pressure to bargain integratively. After all, if you or your opponent caves in easily, no one needs to be creative to reach a settlement. People then settle for less than they could have obtained if they had been forced to consider the other party's interests, trade off issues, and be creative. Consider a classic example in which two sisters are arguing over who gets an orange. Unknown to them, one sister wants the orange to drink the juice, whereas the other wants the orange peel to bake a cake. If one sister capitulates and gives the other sister the orange, they will not be forced to explore their reasons for wanting the orange, and thus they will never find the win-win solution: They could each have the orange because they want different parts.

## INDIVIDUAL DIFFERENCES IN NEGOTIATION EFFECTIVENESS

Are some people better negotiators than others? The answer is complex. Four factors influence how effectively individuals negotiate: **personality**, **mood/emotions**, **culture**, and **gender**.

Personality

Mood/  
Emotions

Culture

Gender

### 1. Personality Traits in Negotiation

Can you predict an opponent's negotiating tactics if you know something about his or her personality? Because personality and negotiation outcomes are related but only weakly, the answer is, at best, "sort of." Most research has focused on the Big Five trait of **agreeableness**, for obvious reasons — agreeable individuals are cooperative, compliant, kind, and conflict-averse. We might think such characteristics make agreeable individuals easy prey in negotiations, especially distributive ones. The evidence suggests, however, that overall agreeableness is weakly related to negotiation outcomes. Why is this the case?

It appears that **the degree to which agreeableness, and personality more generally, affects negotiation outcomes depends on the situation**. The importance of being extraverted in negotiations, for example, will very much depend on how the other party reacts to someone who is assertive and enthusiastic. One complicating factor for agreeableness is that it has two facets: The tendency to be cooperative and compliant is one, but so is the tendency to be warm and empathetic. It may be that while the former is a hindrance to negotiating favorable outcomes, the latter helps. Empathy, after all, is the ability to take the perspective of another person and to gain insight/understanding of them. We know so-called perspective-taking benefits integrative negotiations, so perhaps the null effect for agreeableness is due to the two tendencies pulling against one another. If this is the case, then the best negotiator is a competitive but empathetic one, and the worst is a gentle but empathetic one.

A recent study suggested that the type of negotiations matter as well. In this study, **agreeable individuals reacted more positively and felt less stress (measured by their cortisol levels) in integrative negotiations than in distributive ones**. Low levels of stress, in turn, made for more effective negotiation outcomes. Similarly, **in "hard-edged" distributive negotiations, where giving away information leads to a disadvantage, extraverted negotiators do less well because they tend to share more information than they should**.

### 2. Moods/Emotions in Negotiation

Do moods and emotions influence negotiation? They do, but the way they work depends on the emotion as well as the context. **A negotiator who shows anger generally induces concessions**, for instance, because the other negotiator believes no further concessions from the angry party are possible.

- ⊕ One factor that governs this outcome, however, is power — **you should show anger in negotiations only if you have at least as much power as your counterpart**. If you have less, showing anger actually seems to provoke "hardball" reactions from the other side.

- ⊕ Another factor is how genuine your anger is — “faked” anger, or anger produced from so-called surface acting, is not effective, but showing anger that is genuine (so-called deep acting) does.
- ⊕ It also appears that having a history of showing anger, rather than sowing the seeds of revenge, actually induces more concessions because the other party perceives the negotiator as “tough.”
- ⊕ Finally, **culture seems to matter**. For instance, one study found that when East Asian participants showed anger, it induced more concessions than when the negotiator expressing anger was from the United States or Europe, perhaps because of the stereotype of East Asians as refusing to show anger.

**Another relevant emotion is disappointment.** Generally, a negotiator who perceives disappointment from his or her counterpart concedes more because disappointment makes many negotiators feel guilty. In one study, Dutch students were given 100 chips to bargain over. Negotiators who expressed disappointment were offered 14 more chips than those who didn’t. In a second study, showing disappointment yielded an average concession of 12 chips. Unlike a show of anger, the relative power of the negotiators made no difference in either study.

**Anxiety also appears to have an impact on negotiation.** For example, one study found that individuals who experienced more anxiety about a negotiation used more deceptions in dealing with others. Another study found that anxious negotiators expect lower outcomes, respond to offers more quickly, and exit the bargaining process more quickly, leading them to obtain worse outcomes.

As you can see, **emotions — especially negative ones — matter to negotiation. Even emotional unpredictability affects outcomes**; researchers have found that negotiators who express positive and negative emotions in an unpredictable way extract more concessions because it makes the other party feel less in control.

### 3. Culture in Negotiations

Do people from different cultures negotiate differently? The simple answer is the obvious one: Yes, they do. However, there are many nuances in the way this works. It isn’t as simple as “U.S. negotiators are the best”; indeed, success in negotiations depends on the context.

#### So what can we say about culture and negotiations?

- ⊕ **First**, it appears that people generally negotiate more effectively within cultures than between them. For example, a Colombian is apt to do better negotiating with a Colombian than with a Sri Lankan.
- ⊕ **Second**, it appears that in cross-cultural negotiations, it is especially important that the negotiators be high in openness. This suggests choosing cross-cultural negotiators who are high on openness to experience, but also avoiding factors — such as time pressures — that tend to inhibit learning to understand the other party.
- ⊕ **Finally**, because emotions are culturally sensitive, negotiators need to be especially aware of the emotional dynamics in cross-cultural negotiation. One study, for example, explicitly compared how U.S. and Chinese negotiators react to an angry counterpart. Chinese negotiators increased their use of distributive negotiating tactics, whereas U.S. negotiators decreased their use of these tactics. That is, Chinese negotiators began to drive a harder bargain once they saw that their negotiation partner was becoming angry, whereas U.S.

negotiators actually capitulated somewhat in the face of angry demands. Why the difference? It may be that individuals from East Asian cultures feel that using anger to get their way in a negotiation is not a legitimate tactic, so they respond by refusing to cooperate when their opponents become upset.

#### **4. Gender Differences in Negotiations**

There are many areas of organizational behavior in which men and women are not that different. Negotiation is not one of them. It now seems fairly clear that **men and women negotiate differently, and these differences affect outcomes.**

A popular stereotype is that women are more cooperative and pleasant in negotiations than are men. Though this is controversial, there is some merit to it. **Men tend to place a higher value on status, power, and recognition, whereas women tend to place a higher value on compassion and altruism.** Moreover, **women do tend to value relationship outcomes more than men, and men tend to value economic outcomes more than women.**

These differences affect both negotiation behavior and negotiation outcomes. Compared to men, women tend to behave in a less assertive, less self-interested, and more accommodating manner. As one recent review concluded, **women “are more reluctant to initiate negotiations, and when they do initiate negotiations, they ask for less, are more willing to accept [the] offer, and make more generous offers to their negotiation partners than men do.”**

A study of MBA students at Carnegie-Mellon University found that male MBA students took the step of negotiating their first offer 57 percent of the time, compared to 4 percent for female MBA students. The net result? A \$4,000 difference in starting salaries.

However, the disparity goes even further than that. Because of the way women approach negotiation, other negotiators seek to exploit female negotiators by, for example, making lower salary offers. As a result, “female negotiators obtain poorer individual outcomes than male negotiators do, and two women negotiating together build less total value than do two male negotiators.”

##### **This is not a “fix the woman” problem for two reasons.**

- ⊕ **First**, as is the case with any stereotype that has some validity, we always find individual variation. There are average differences between men and women in negotiation, but this hardly means that every man’s behavior is more assertive than every woman’s in negotiation.
- ⊕ **Second**, there is some evidence that men hold a gender double standard — when women behave stereotypically, men are more likely to take advantage of the cooperative behavior, but when women behave assertively, their assertive behavior is viewed more negatively than if the same behavior were demonstrated by men.

##### **So what can be done to change this troublesome state of affairs?**

- ⊕ **First**, organizational culture plays a role here. If an organization, even unwittingly, encourages a predominantly competitive model for negotiators, this will tend to increase gender-stereotypic behaviors (men negotiating competitively, women negotiating cooperatively), and it will also increase backlash when women go against stereotype. Men and women need to know that it is acceptable for each to show a full range of negotiating behaviors. Thus, a female negotiator who behaves competitively and a male negotiator who behaves cooperatively need to know that they are not violating expectations.

- ⊕ **Second**, at an individual level, women cannot directly control male stereotypes of women. Fortunately, such stereotypes are fading. However, women can control their own negotiating behavior. Does this mean they should always behave aggressively and in a self-interested manner in negotiations? If economic outcomes are valued, then the answer, in general, is yes. And, of course, the shoe can be put on the other foot — if men value social outcomes, they should consider behaving in a more cooperative manner.

Sometimes the change can be fairly simple. Take the example of freelance writer Alina Tugend. She decided that, when given an offer for her work, she would simply say, "I expected more." Although Tugend initially found this strategy difficult, it became easier when she found that it earned her a few hundred extra dollars per story. Also, do your homework. When web designer Kate Gilbert wondered whether her \$30/hour fee was too low, she started asking around. She found she was asking too little — way too little. She now starts her rate at \$80/hour.

Research is less clear as to whether women can improve their outcomes even further by showing some gender-stereotypic behaviors. An article by Laura Kray and colleagues suggested that **female negotiators who were instructed to behave with "feminine charm" (be animated in body movements, make frequent eye contact with their partner, smile, laugh, be playful, and frequently compliment their partner) did better in negotiations than women not so instructed**. These behaviors didn't work for men regardless of the gender of their negotiating partner.

Other researchers disagree and argue that what can best benefit women is to break down gender stereotypes on the part of individuals who hold them. It's possible this is a short-term/long-term situation: **In the short term, women can gain an advantage in negotiation by being both assertive and flirtatious, but in the long term, their interests are best served by eliminating these sorts of sex role stereotypes.**

## **REVIEW AND DISCUSSION QUESTIONS**

### **A. Theoretical/Conceptual Questions**

1. What is conflict?
2. Explain the different kinds of conflicts.
3. What kind of conflicts, at least in work settings, is almost always dysfunctional? Justify with examples.
4. A recent study demonstrated that teams made up of individuals who are, on average, high in openness and emotional stability are better able to turn task conflict into increased group performance. Can you explain how? Provide examples.
5. "Process conflicts often become highly personalized and quickly devolve into relationship conflicts" - do you agree with this statement? Justify your stance with reasoning and examples.
6. Define negotiation.
7. Explain the two different kinds of negotiation strategies with examples.
8. Write about the two tactics to increase one's winning chances in a distributive bargaining.
9. "In terms of intraorganizational behavior, integrative bargaining is preferable to distributive bargaining" - do you agree with this statement? Justify your stance with reasoning and examples.
10. How can one achieve higher joint-gain settlements through an integrative bargaining?
11. "Compromise may be your worst enemy in negotiating a win-win agreement." - do you agree with this statement? Justify your stance with reasoning and examples.
12. Explain the influence of personality traits on negotiations.
13. Explain the influence of moods on negotiations.
14. Explain the influence of emotions on negotiations.
15. Explain the influence of culture on negotiations.
16. Explain the influence of gender differences on negotiations.

### **B. Situational/Contextual Questions**

17. Describe a situation where a prolonged relationship conflict has led to significant stress and burnout for an employee. How does this impact their overall job performance and well-being?
18. A high-performing team begins to experience interpersonal tension. How can this relationship conflict affect the team's ability to achieve its goals and maintain productivity?
19. A department with a history of relationship conflicts has a high turnover rate. How does this conflict climate impact the overall organizational culture and morale?
20. A team member is consistently criticized for their work style, leading to a tense relationship with colleagues. What strategies can be employed to address this conflict without focusing on personality differences?
21. A manager is faced with a conflict between two key employees. How can the manager effectively intervene to resolve the conflict without taking sides or exacerbating the situation?
22. How can team building activities be designed to foster positive relationships and prevent the development of relationship conflicts?
23. A used car salesperson is negotiating with a customer over the price of a vehicle. What tactics might the salesperson use to achieve the highest possible price?
24. Two roommates are arguing over who will pay the higher rent for a larger bedroom. How might they use distributive bargaining strategies to reach an agreement?
25. A company is negotiating a contract with a labor union. What strategies can both parties use to find a mutually beneficial agreement that addresses the needs of both the company and its employees?
26. A small business owner is trying to negotiate a lease for a new office space. How can they use integrative bargaining to create value for both themselves and the landlord?
27. A buyer is interested in purchasing a house. Under what conditions would they use distributive bargaining, and when might integrative bargaining be more appropriate?
28. A project manager is negotiating with a subcontractor on a project timeline. How can they determine whether a distributive or integrative approach would be more effective?
29. An introverted individual is negotiating a salary increase with an extroverted manager. How might their personality differences impact the negotiation process?
30. A highly competitive person is negotiating a joint venture with a cooperative partner. What potential challenges might arise due to their differing personalities?

31. A negotiator is feeling stressed and anxious about an upcoming negotiation. How might these emotions affect their negotiation style and outcomes?
32. A salesperson is in a particularly good mood after closing a large deal. How might this positive mood influence their negotiation with a potential customer?
33. A Western businessperson is negotiating a contract with an Asian counterpart. How might cultural differences in communication styles and negotiation approaches impact the process?
34. A company is expanding into a new market with a culture that emphasizes collectivism and relationship building. How should they adapt their negotiation strategies to fit this cultural context?
35. A female negotiator is facing gender stereotypes in a male-dominated industry. How might she overcome these challenges and achieve a successful negotiation?
36. A male negotiator is working with a female counterpart who is perceived as assertive. How might this impact their negotiation dynamics?

## C. Case Study

### Conflict and Negotiation at Innovatech

Innovatech, a burgeoning technology firm, has carved a niche for itself in the competitive software landscape through its innovative solutions. As the company has expanded rapidly, so too have the complexities of its internal dynamics. A perfect storm of departmental clashes, resource constraints, and strategic disagreements has begun to erode the once-cohesive organizational culture.

At the heart of the issue lies a persistent conflict between the Marketing and Sales departments. Marketing contends that they generate high-quality leads, only to see them squandered by an underperforming sales team. Conversely, Sales argues that they are burdened with low-quality leads and unrealistic sales quotas imposed by Marketing. This ongoing tension has created a toxic environment, with each department resorting to defensive posturing and finger-pointing.

Compounding the problem is the increasing strain on resources. The Research and Development (R&D) department, the lifeblood of Innovatech's innovation, is demanding increased funding for ambitious new projects. Simultaneously, the Finance department is under pressure to reduce costs and improve profitability. This clash of priorities has led to tense negotiations and resentment between the two departments.

The company's rapid growth has also brought about challenges in cross-functional collaboration. The Development and Product Management teams, once closely aligned, are now at loggerheads over product roadmaps and priorities. Development argues that they are overburdened with unrealistic deadlines, while Product Management insists on delivering features that meet customer demands. This disconnect has resulted in delayed product launches and suboptimal product performance.

Furthermore, Innovatech is facing increasing pressure from competitors. To maintain its market leadership, the company must adapt quickly to changing market dynamics. However, internal conflicts and inefficiencies are hindering its ability to respond effectively.

To address these challenges, Innovatech must prioritize conflict resolution and effective negotiation. This will require a concerted effort from leadership to foster a culture of collaboration and open communication. It is crucial to establish clear roles and responsibilities, define performance metrics, and create incentives for cross-functional teamwork.

Additionally, the company must invest in leadership development programs that equip managers with the skills to mediate conflicts and facilitate productive negotiations. Conflict resolution training can empower employees to address disagreements constructively and find common ground. By effectively managing conflicts and fostering a collaborative environment, Innovatech can unlock its full potential, improve employee morale, and achieve long-term success.

### Questions

1. Identify the primary conflict styles exhibited by the Marketing and Sales departments. How do these conflict styles contribute to the ongoing tension?

2. Develop a negotiation strategy to address the resource allocation conflict between Finance and R&D. How can integrative bargaining be used to find a mutually beneficial solution?
3. Propose initiatives to improve collaboration between Development and Product Management. How can role-clarification and shared goals contribute to a more productive working relationship?
4. Outline a leadership development program focused on conflict resolution and negotiation skills. What competencies should be emphasized?
5. Develop a plan to foster a culture of collaboration and open communication at Innovatech. How can leadership model desired behaviors and create a supportive environment?