



# *Negotiation Skills and Conflict Resolution*



# *What's Conflict?*

- ✿ Is 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.
- ✿ Encompasses a wide range of conflicts that people experience in organizations
  - ❑ Incompatibility of goals
  - ❑ Differences over interpretations of facts
  - ❑ Disagreements based on behavioral expectations



# *When Conflict Occurs?*



Conflict occurs whenever:-

- ✚ Disagreements exist in a social situation over issues of substance
- ✚ Emotional antagonisms cause frictions between individuals or groups



# *Transitions in Conflict Thought*

Traditional View



Interactionist View



Resolution Focused & HR  
View



# *Traditional View*

✚ The belief that all conflict is harmful and must be avoided.

## Causes:

- Poor communication
- Lack of openness
- Failure to respond to employee needs





# *Interactionist View*

- ✚ The belief that conflict is not only a positive force in a group but that it is absolutely necessary for a group to perform effectively.



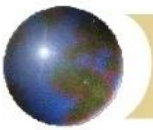


## *Resolution Focused View*

- ✚ Focused more on productive conflict resolution
- ✚ Encouraging limited levels of conflict
- ✚ Finding a method for resolving conflicts productively in order to decrease the disruptive influence
- ✚ The belief that conflict is a natural and inevitable outcome in any group







## *Intra-personal Conflict*

- ⊕ Actual or perceived pressures from incompatible goals or expectations.
  - ⊞ Approach-approach conflict.
  - ⊞ Avoidance-avoidance conflict.
  - ⊞ Approach-avoidance conflict.

## *Inter -personal Conflict*

- ⊕ Occurs between two or more individuals who are in opposition to one another



# *Intra- Organizational Conflicts*

## **Functional (or constructive) conflict**

- ✚ Results in positive benefits to individuals, the group, or the organization.

- ✚ Likely effects.

- Surfaces important problems so they can be addressed.
- Causes careful consideration of decisions.
- Causes reconsideration of decisions.
- Increases information available for decision making.

- ✚ Provides opportunities for creativity.

## **Dysfunctional (or destructive) conflict**

- ✚ Works to the disadvantage of individuals, the group, or the organization

- ✚ Likely effects:

- Diverts energies.
- Harms group cohesion.
- Promotes interpersonal hostilities

- ✚ Creates overall negative environment for workers

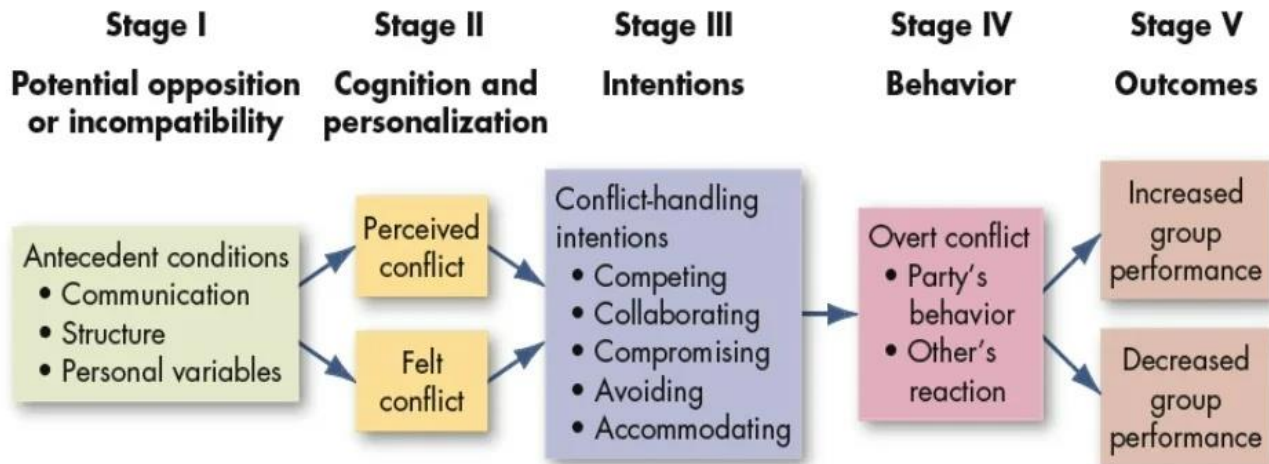


# *Inter-organizational conflict*

- ✚ Occurs in the competition and rivalry that characterize firms operating in the same markets.
- ✚ Occurs between unions and organizations employing their members.
- ✚ Occurs between government regulatory agencies and organizations subject to their surveillance.
- ✚ Occurs between organizations and suppliers of raw materials.



# *The Conflict Process*





## *Stage I: Potential Opposition or Incompatibility*

### ✚ Communication

- ✚ Semantic difficulties, misunderstandings, and “noise”

### ✚ Structure

- ✚ Size and specialization of jobs
- ✚ Jurisdictional clarity/ambiguity
- ✚ Member/goal incompatibility
- ✚ Leadership styles (close or participative)
- ✚ Reward systems (win-lose)
- ✚ Dependence/interdependence of groups

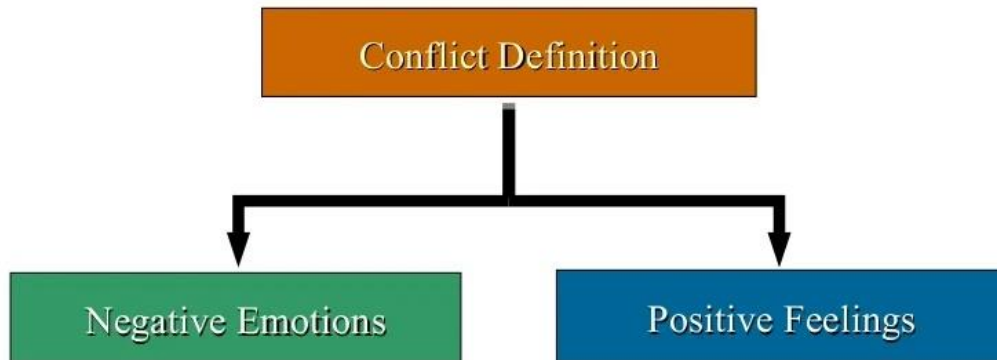
### ✚ Personal Variables

- ✚ Differing individual value systems
- ✚ Personality types



## *Stage II: Cognition and Personalization*

- ✚ Perceived Conflict
- ✚ Felt Conflict





## *Stage III: Intentions*

### **Intentions:**

- ✦ Decisions to act in a given way.

### **Cooperativeness:**

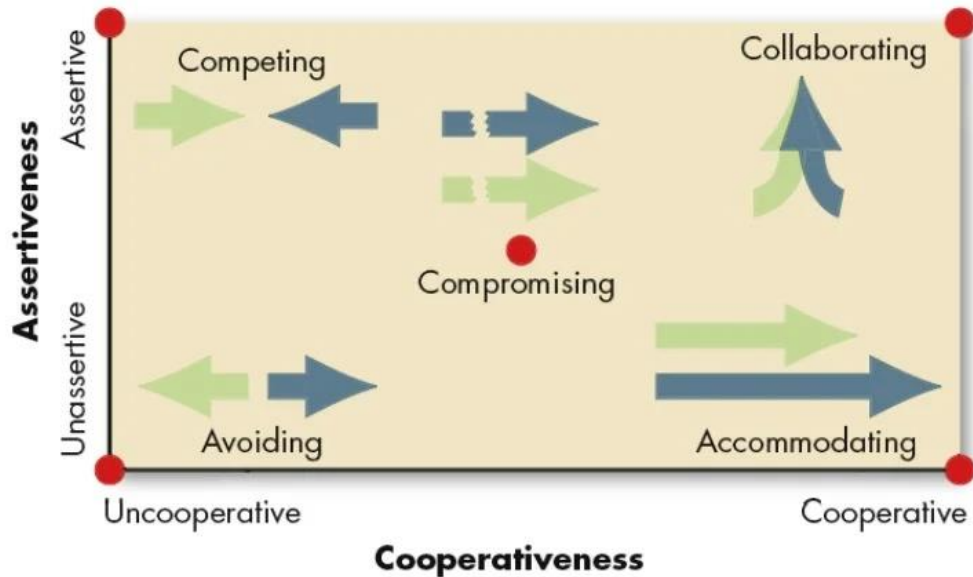
- ✦ Attempting to satisfy other party's concerns

### **Assertiveness:**

- ✦ Attempting to satisfy one's own concerns



## *Dimensions of Conflict-Handling Intentions*





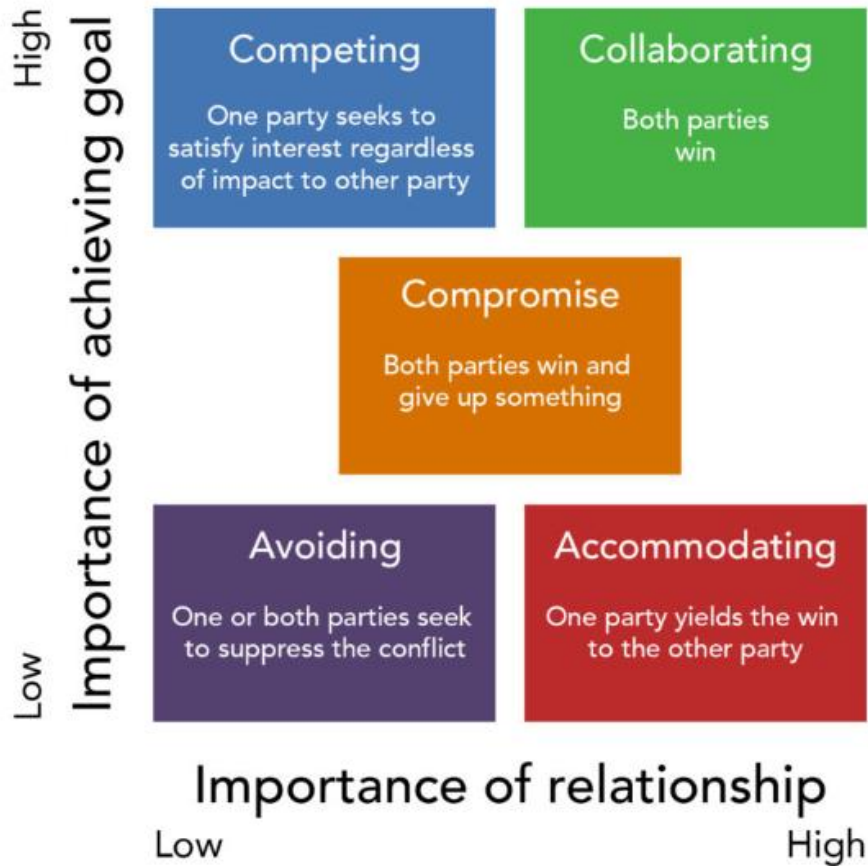


Figure 1. Five primary styles of conflict management



## *Stage III: Intentions (cont'd)*

### **Competing**

A desire to satisfy one's interests, regardless of the impact on the other party to the conflict.

### **Collaborating**

A situation in which the parties to a conflict each desire to satisfy fully the concerns of all parties.

### **Avoiding**

The desire to withdraw from or suppress a conflict.



## *Stage III: Intentions (cont'd)*

### **Accommodating**

The willingness of one party in a conflict to place the opponent's interests above his or her own.

### **Compromising**

A situation in which each party to a conflict is willing to give up something.



## *Stage IV: Behavior*

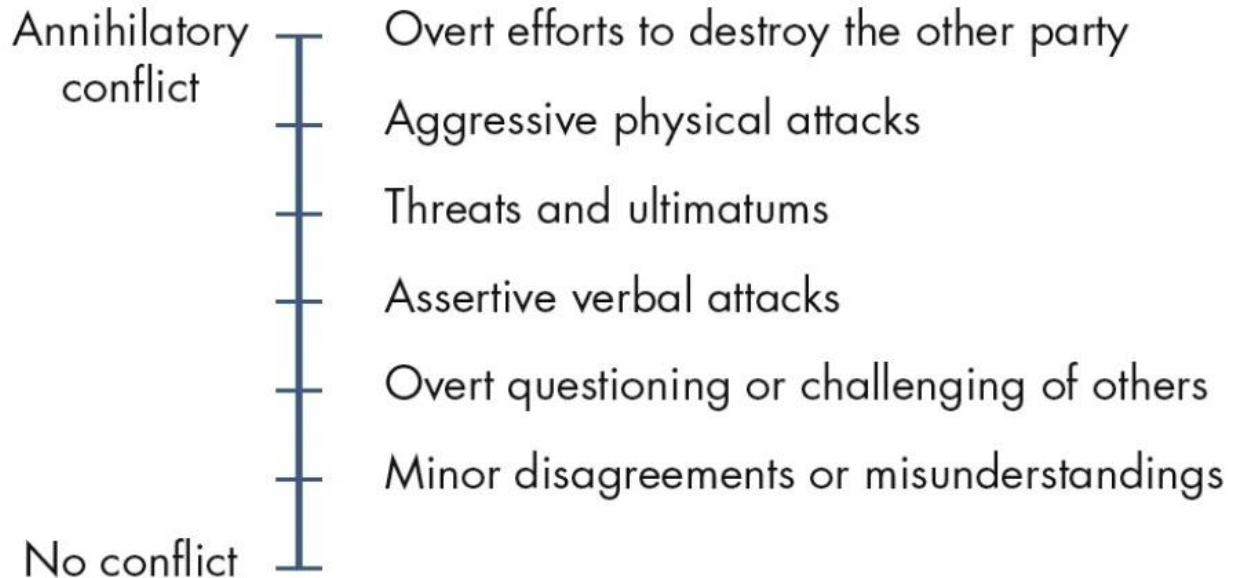
### **Conflict Management**

The use of resolution and stimulation techniques to achieve the desired level of conflict.





## *Conflict-Intensity Continuum*





## *Stage V: Outcomes*

### ⊕ Functional Outcomes from Conflict

- ⊠ Increased group performance
- ⊠ Improved quality of decisions
- ⊠ Stimulation of creativity and innovation
- ⊠ Encouragement of interest and curiosity
- ⊠ Provision of a medium for problem-solving
- ⊠ Creation of an environment for self-evaluation and change

### ⊕ Creating Functional Conflict

- ⊠ Reward dissent and punish conflict avoiders.



## *Stage V: Outcomes*

### ✚ Dysfunctional Outcomes from Conflict

- ✚ Development of discontent
- ✚ Reduced group effectiveness
- ✚ Retarded communication
- ✚ Reduced group cohesiveness
- ✚ Infighting among group members overcomes group goals



# Negotiation

## *DEFINITION*

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

- ✓ A give-and-take decision-making process
- ✓ It is a collection of behaviours that involves *communication, sales, marketing, psychology, sociology, assertiveness and conflict resolution*.





# ***Types of Negotiation***

➤ ***DISTRIBUTIVE***

➤ ***INTEGRATIVE***



## *Distributive Negotiation*

- When two parties with opposing goals compete over set value

The key question  
in a distributed negotiation  
is  
**“Who will claim the  
most value?”**



A Zero Sum exchange in which whatever one side gains, the other side loses



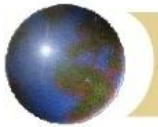
# *Integrative Negotiation*

- When two groups integrate interests, create value, invest in the agreement (win-win scenario).

The key questions  
is

**“How can the resource  
best be utilized?”**





# *Characteristics of Negotiation*

- *It requires two parties*
- *It is a continuous process*
- Needs **EFFECTIVE** communication



# *Types Of Negotiation In Organizations*





# *Managerial Negotiations*

<u><b>Types</b></u>	<u><b>Parties Involved</b></u>	<u><b>Examples</b></u>
Day-to-day/ Managerial Negotiations	<ol style="list-style-type: none"><li>1. Different levels of Management</li><li>2. In between colleagues</li><li>3. Trade unions</li><li>4. Legal advisers</li></ol>	<ol style="list-style-type: none"><li>1. Negotiation for pay, terms and working conditions.</li><li>2. Description of the job and fixation of responsibility.</li><li>3. Increasing productivity.</li></ol>



# *Commercial Negotiations*

<u><b>Types</b></u>	<u><b>Parties Involved</b></u>	<u><b>Examples</b></u>
Commercial Negotiations	<ol style="list-style-type: none"><li>1. Management</li><li>2. Suppliers</li><li>3. Government</li><li>4. Customers</li><li>5. Trade unions</li><li>6. Legal advisors</li><li>7. Public</li></ol>	<ol style="list-style-type: none"><li>1. Striking a contract with the customer.</li><li>2. Negotiations for the price and quality of goods to be purchased.</li><li>3. Negotiations with financial institutions as regarding the availability of capital</li></ol>



# *Legal Negotiations*

## Types

Legal Negotiations

## Parties Involved

1. Government
2. Management
3. Customers

## Examples

1. Adhering to the laws of the local and national government.





## *10 Techniques for Better Negotiation*

- 1) Prepare, prepare, prepare
- 2) Pay attention to timing
- 3) Leave behind your ego.
- 4) Ramp up your listening skills.
- 5) If you don't ask, you don't get





6. Anticipate compromise
7. Offer and expect commitment
8. Don't absorb their problems
9. Stick to your principles
10. Close with confirmation.





- Speak more quietly than them.
- Have more space in between your words than them.
- If they interrupt, pause for a few seconds after they finish.
- Be critical of foul language.
- Do not rise to a bait if they attack or blame you.
- Ignore all threats.



# *Negotiation Ethics*





# *The Negotiation Process*



# *The Process*





## *Phase 1: Prep and Plan*

- ✚ Do your Home work
- ✚ Focus on the objective
- ✚ Develop Strategy
- ✚ Identify your BANTA (the best alternative to a negotiated agreement)



## *Phase 2: Definition of ground rules*

- ✚ Define rules and procedures

eg:

- ✚ Who will do the negotiation

- ✚ What constraints are applicable

- ✚ What procedure to follow if an impasse is reached





## *Phase 3: Clarification and Justification*

- ✚ After the Exchange of information in the form of demands
- ✚ Need not be confrontational
- ✚ Addressing the importance and the genesis of their needs



## *Phase 4: Bargaining and Problem Solving*

- ⊕ Actual give and take
- ⊕ Both parties try to hash out an agreement
- ⊕ Concessions will have to be made



## *Phase 5: Closure and Implementation*

- ✚ Formalizing the agreement
- ✚ Hammering out the specifics in a formal contract
- ✚ In short just end it with a smile and a handshake



## *Do's and Don'ts*

- ✚ Don't appear needy
- ✚ Don't take it personally
- ✚ Don't force it
- ✚ Be prepared to walk away
- ✚ Do your research
- ✚ Ask for what you feel is yours
- ✚ Practice, Practice, Practice



## ***CHARACTERISTICS OF AN EFFECTIVE NEGOTIATOR***

- ⊕ He should be a good learner and observer.
- ⊕ Should know the body language of the people at the negotiation process.
- ⊕ Should be open and flexible and yet firm.
- ⊕ Exercise great patience, coolness and maturity.
- ⊕ Should possess leadership qualities.

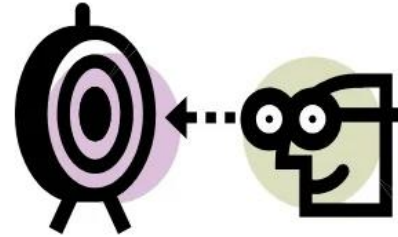




- ✚ Should control emotions and not show his weaknesses.
- ✚ Should bargain from the position of strength.
- ✚ Should know and anticipate the pros and cons of his each move and its repercussions.
- ✚ Should know how to create the momentum for the negotiations and must know when to exit and where to exit by closing the talks successfully.



- Should build trust and confidence.
- Should be confident and optimist.
- Should have clear cut goals and objectives.
- If necessary, he should provide a face saving formula for his counter party.
- Should be able to grasp the situation from many dimensions.
- Should know human psychology and face reading





- ✦ Should not be a doubting Thomas.
- ✦ Should plan and prepare thoroughly with relevant data and information to avoid blank mind in the process.
- ✦ Should radiate energy and enthusiasm and must be in a position to empathize with his opponents.
- ✦ Should be a patient listener.







*To develop these skills and use them effectively, you must know:*

- ⊕ what negotiation means and the various forms it can take
- ⊕ that negotiating, in the fullest sense, means forging long-term relationships
- ⊕ the role that the individual personalities play in negotiating
- ⊕ that you must take a variety of approaches to negotiation, since no single set of principles will suffice in all circumstances



# *Negotiating and long-term relationships*

Good negotiators are the people who understand

- ❖ how to build key relationships
- ❖ how to identify what people need
- ❖ how to give them what they need and
- ❖ how to get what they want in return, all in a way that seems effortless.





## *Negotiating and individual personalities*

**Autocratic** managers typically hold the view that they are going to get what they want when they interact with subordinates, because their inherent authority precludes the need to negotiate.

These managers do not realize that, in the process of handing out orders, they are engaged in a kind of one-sided negotiation that can antagonize others, with the result that the tasks they wish to see completed may be carried out improperly or not at all.



The ***Accommodating*** manager is more concerned with what others want than with their own needs.

In order to avoid conflict, they do not negotiate at all and often end up overriding their own interests.





# *Issues in Negotiation*

## The Role of Mood & Personality Traits in Negotiation

- ✚ Positive moods positively affect negotiations
- ✚ Traits do not appear to have a significantly direct effect on the outcomes of either bargaining or negotiating processes (except extraversion, which is bad for negotiation effectiveness)





## Gender Differences in Negotiations

- ❖ Women negotiate no differently from men, although men apparently negotiate slightly better outcomes.
- ❖ Men and women with similar power bases use the same negotiating styles.
- ❖ Women's attitudes toward negotiation and their success as negotiators are less favorable than men's.





# *NEGOTIATION TIPS*

- 1) Do not underestimate your power.
- 2) Do not assume that other party knows your weaknesses.
- 3) It is a mistake to assume you know what the other party wants.
- 4) Never accept the 1st offer.
- 5) Don't fear to negotiate.
- 6) Listen !!

## JOBS V SCULLEY

Apple is a global brand; in fact, its reach is so prevalent you're most likely in the same room as at least one Apple product. However, it wasn't always such a strong contender in the market.

When Macintosh sales didn't meet expectations during the 1984 holiday shopping season, then-CEO of Apple John Sculley demanded that Steve Jobs be relieved of his position as vice president of the Macintosh division. Cue interpersonal conflict. As Steve Jobs was still chairman of Apple's board, it was Sculley's wish that Jobs represent Apple to the outside world without any influence on the internal business. Steve Jobs got wind of this and tried to sway the board in his favor. The conflict was put to an end by the board when they voted in favor of Sculley's plan. Jobs ended up leaving the company, disclosing that hiring Sculley for the CEO position was the worst mistake he ever made.

However, Jobs went on to found the company NeXT (a computer platform development company), and when in 1997 NeXT and Apple merged, Jobs retook control of Apple as its CEO, where he remained until he resigned in 2011 because of health issues. Steve Jobs was largely responsible for revitalizing Apple and bringing it to be one of the "Big Four" of technology, alongside Google, Amazon, and Facebook.