**Chapter 12**

**Conflict-** a process in which one party perceives that its interests are being opposed or negatively affected by another party; **dysfunctional conflict-** interferes with performance; **functional conflict-** conflict that is beneficial- including facilitation of change, improved problem solving, enhanced moral and cohesion, more spontaneity, stimulation of creativity

**Personal conflict-** conflict that arises due to personal differences between people; **substantive conflict-** conflict that involves work content and goals; **procedural conflict-** concerns responsibilities and how work should be completed

**Causes of conflict-**

**Structural Factors-** increased specialization, interdependency, physical layout, centralization vs. decentralization

**Communication-** lead to misunderstandings and allow barriers to be erected

**Cognitive factors-** differing expectations, perceptions of the other party

**Individual characteristics-** personality, value differences, goals

**History-** Past performance, previous interactions

**Conflict escalation-** process whereby a conflict grows increasingly worse over time

**Conflict outcomes-** lose- lose, win-lose, lose-win, compromise, win-win

**Responses to conflict-** competing, accommodating, avoiding, compromising, collaborating

**Negotiation-** process by which the parties with different preferences and interests attempt to agree on a solution

**Distributive bargaining-** a negotiation where one party’s goals are in direct conflict with the goals of another party

**Integrative bargaining-** negation strategy where the nature of the problem permits a solution that is attractive to both parties – in other words a win-win outcome

**Negotiation process-** preparation, determining the negotiation process, negotiating the agreement, closing the deal

**Power-** generally defined as the ability to achieve desired outcomes

**Bases of individual power-** legitimate power, reward power, coercive power, expert power, referent power

**Strategic contingencies model of power-** model holding that people and organizational units gain power by being able to address the major problems and issues faced by the organization

**Organization politics-** involve behavior that is directed toward furthering one’s own self interest without concern for the interest or well being of others

**Coalitions-** a group whose members act together to pursue a common interest

**Tactics-** rational persuasion, consultation, personal appeal, ingratiation, inspirational appeal, exchange, coalition, legitimizing, pressure

**Whole Foods**

1. Whole foods “Declaration of independence” states that two of the company’s core values are “creating wealth through profits and growth” and “caring about our communities and the environment.” Often, these two values are in conflict for many companies. How does Whole Foods resolve this conflict?

Whole foods resolves this conflict by collaborating between the two cores. Through Mackey’s campaign centered on loving the worker, and not the union, Whole Foods has created a culture where workers feel valued, and therefore the employees are more willing to give back to communities and the environment. This in turn helps resolve the conflict between the two cores because they are able to create growth and wealth from their employees giving back, and being more productive in the work place due to Mackey’s campaign.

1. Compared to the industry average, Whole Foods has a low turnover rate and is consistently ranked as a great place to work. Why do you think Whole Foods’ associates are so satisfied and committed to the organization?

As mentioned in the previous question, John Mackey is a great leader in the fact that he leads a campaign centered based on loving the worker, and not the union. By treating his employees like they all matter to the organization’s success, employees feel more invested in their job, and making the organization succeed.