



# Organization Behaviour

## Conflict Management

---

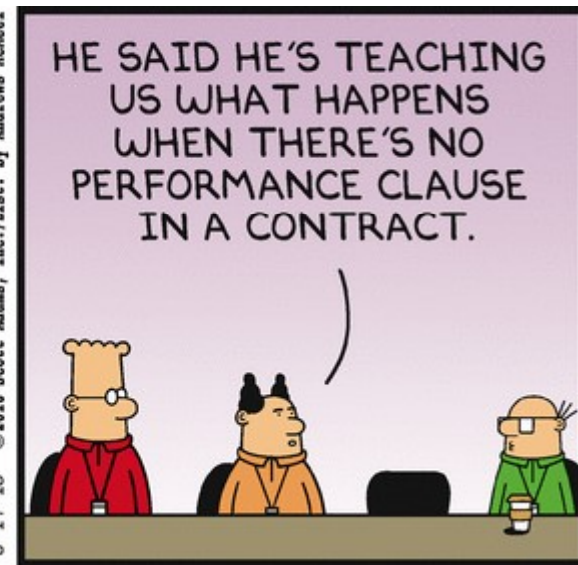
Prof. S. Patanjali  
E-MBA Sem I / 2019



DILBERT.COM @SCOTTADAMSSAYS



6-19-18 ©2018 Scott Adams, Inc./Dist. by Andrews McMeel





**SIB**  
**Bengal**  
Birthplace of Business

# Godrej cousins confirm hiring advisers to explore options for long-term plan

**Times News Network**

**Adi Godrej (L) & Jamshyd Godrej**

A day after reports about differences in the Godrej family over the 122-year-old group for the chairman Adi Godrej and his cousin Jamshyd Godrej, the two have been stating that they are in a terse state of mind. The group has been struggling to find a long-term strategy for the group for the past few months. Adi Godrej and Jamshyd Godrej are the two main shareholders of the group. Adi Godrej is the chairman of the group and Jamshyd Godrej is the managing director. The group has been struggling to find a long-term strategy for the group for the past few months. Adi Godrej and Jamshyd Godrej are the two main shareholders of the group. Adi Godrej is the chairman of the group and Jamshyd Godrej is the managing director. The group has been struggling to find a long-term strategy for the group for the past few months.

rate Godrej & Boyco is the largest private land owner in Mumbai with over 3,400 acres under its possession. One of the key points of contention between the family is the commercial family is not reconciling the

...the section of  
...that controls Go-  
... & Boyce, that owns  
...acre in Mumbai, ob-

not reconciled to the existing arrangement of land ownership and land development (under Godrej Properties). Since various factions have been unable to come to a mutually agreeable pact, they have referred the matter to the court to settle the issue.

**Ropes In Uday Kotak & Nimesh Kampani To Resolve Issue**

children are Jamsheed Godrej and Smitha Godrej Crishna. Jamsheed is the chairman of Godrej & Boyce, the unlisted holding company of the conglomerate. Smitha is not involved in the running of the business but her husband (Vijay Crishna) and daughter (Nitya Hoikar) are. Adil's children, Tanya, Nisaba and Prishna are involved with the business so are Nalini's two children except the youngest (Hemant). His eldest son (Burjis) is with Godrej Agave and the second one (Sohail) is with Godrej Industries. Jamsheed's son Navroz is an executive director of Godrej & Boyce while daughter Raika is yet to make a foray into the group.

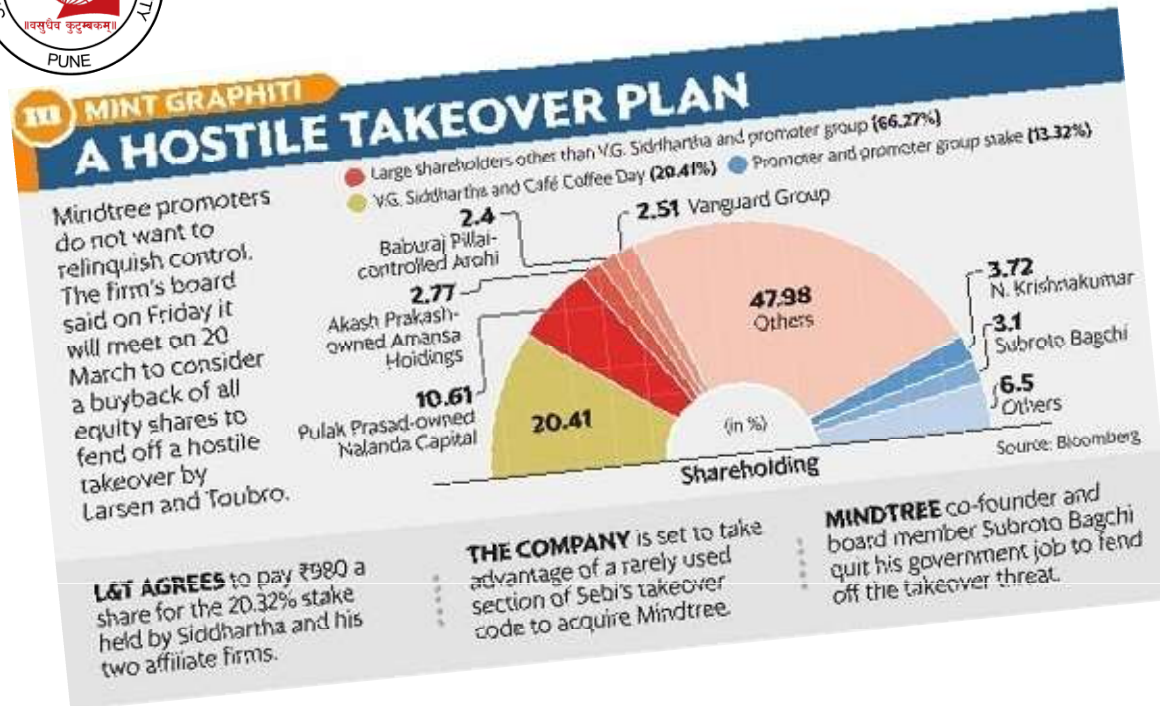
**Full report later.**

the decades, the group expanded into several areas including soaps (the enterprise is said to have produced the first soap in the world using vegetable oil), appliances and real estate.

Ardehsir died childless, while Pirojshah had three sons, Dosa, Hurjor and Navaldosa's son, Rishad, is not involved in the running of the enterprise, though he remains a shareholder. A wildlife enthusiast and photographer, he doesn't have any

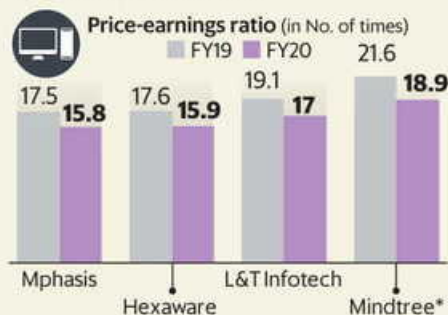
**1 Q.57**





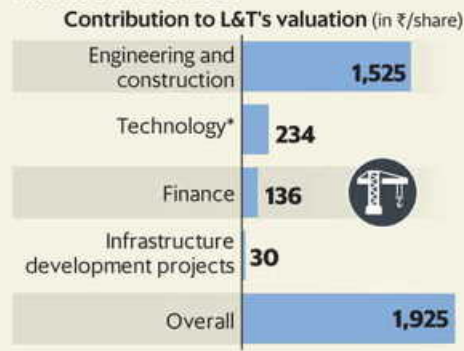
### Aiming too high?

At Larsen and Toubro's acquisition price, Mindtree is the most expensive mid-cap IT stock, so high returns may be challenging to come by.



### De-risking strategy

L&T's attempts to increase the share of non-core businesses isn't going down well with its shareholders.



# Holding Out

**VG Siddhartha** keen to monetise his 21% stake by month-end, had sought binding offers from potential investors this week

**He is said** to be negotiating for a price of ₹1,000 a share

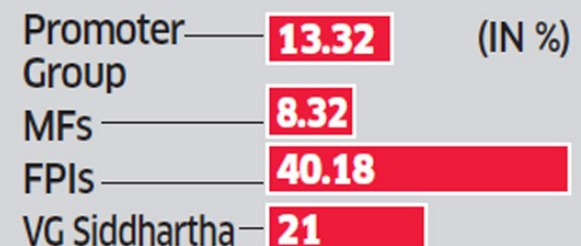
**KKR, Baring PE Asia, L&T Infotech** serious contenders for stake, may trigger open offer

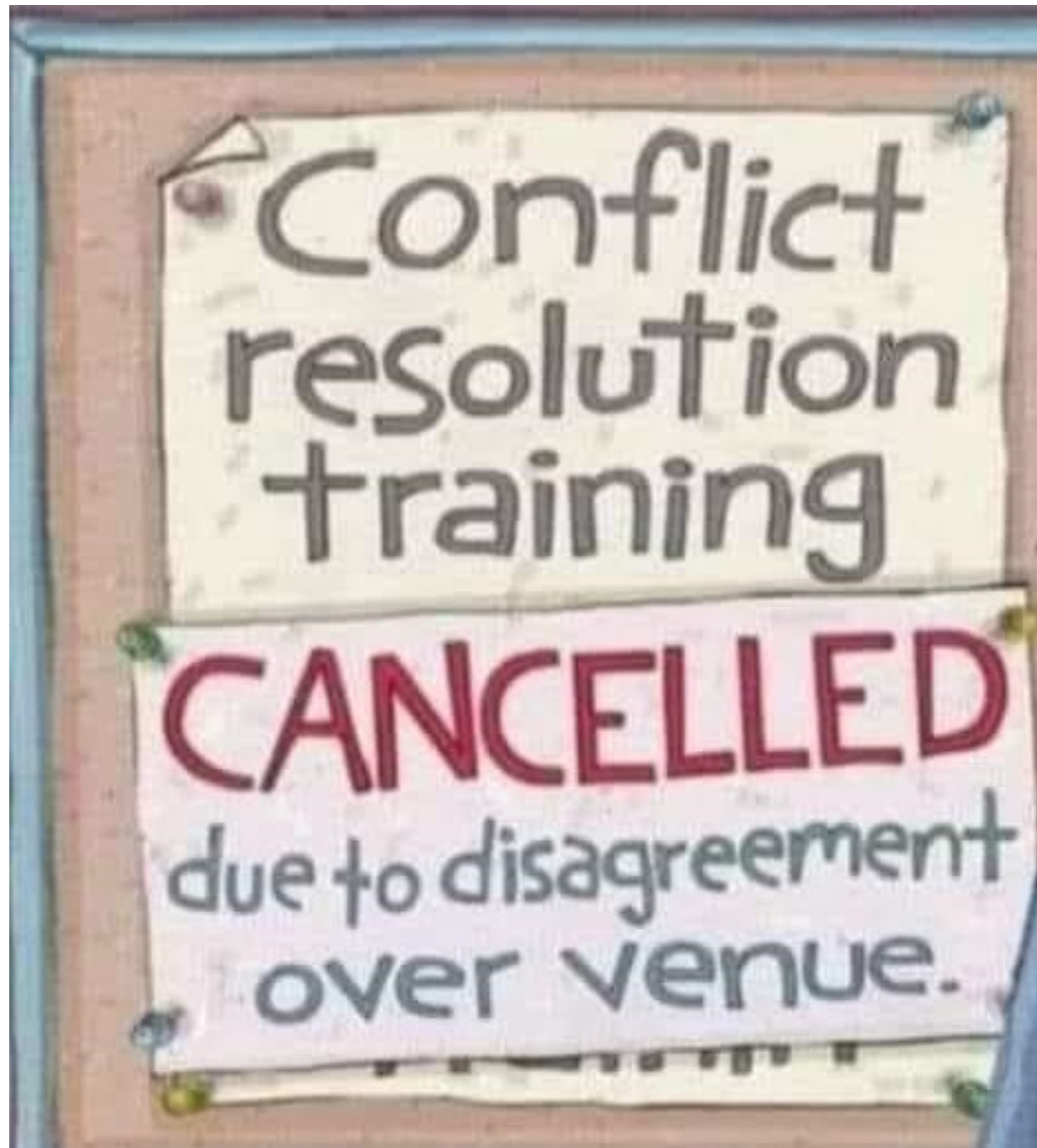
**Founders** have reached out to potential "friendly" investors such as KKR

**They are** exploring buyback option, may have to pledge shares to raise funds

**Chairman Natarajan** in Mumbai to drum up support

### Shareholders with more than 1%







# The 17 Camels : Look Beyond

A man willed his camels to his 3 children to be divided as:

- To the first child he left:  $1 / 2$  of the camels
- To the second child he left:  $1 / 3$  of the camels; &
- To the third child he left:  $1 / 9$  of the camels

There were 17 camels, and these could not be divided by any of the fractions!

They argued for a long time on how to divide the camels;

Finally they went to a wise old woman of the village and asked her. She said I don't have a solution, but you can take the one camel I have and see what you can do.





# What is Conflict?

“Conflict is the perception of differences of interests among people”

“Conflict (is) a process of social interaction involving a struggle over claims to resources, power and status, beliefs, and other preferences and desires. The aims of the parties in conflict may extend from simply attempting to gain acceptance of a preference, or securing a resource advantage, to the extremes of injuring or eliminating opponents.”





# What is Conflict?

“A **conflict** is a struggle or an opposition. If you and your best friend both fall in love with the same person, you will have to find some way to resolve the **conflict**.

**Conflict** comes from the Latin word for striking, but it isn't always violent.

**Conflict** can arise from opposing ideas.

**Conflict** can also be a verb.”

Dictionary Definition : [Vocabulary.com](http://Vocabulary.com)

As a Verb:

“A disagreement or argument about something important.” or

“This behavior conflicts with our rules”





# What is Conflict?

**Conflict** – 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

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



# Requirements to be called a Conflict

- ✓ Conflict involves opposing interests, maybe in a zero sum situation
- ✓ Such opposing interests must be recognized
- ✓ Conflict includes beliefs by each side that the other will thwart (or has already thwarted) its interests
- ✓ Action by one of both sides, do in fact produce the thwarting of each other's goals
- ✓ Conflict is a process, it develops out of existing relationships and reflects past interactions



# Traditional View of Conflict

- ✓ The belief that all conflict is harmful and must be avoided
- ✓ Assumed all conflict was bad and to be avoided
- ✓ Viewed negatively and discussed with such terms as violence, destruction, and irrationality



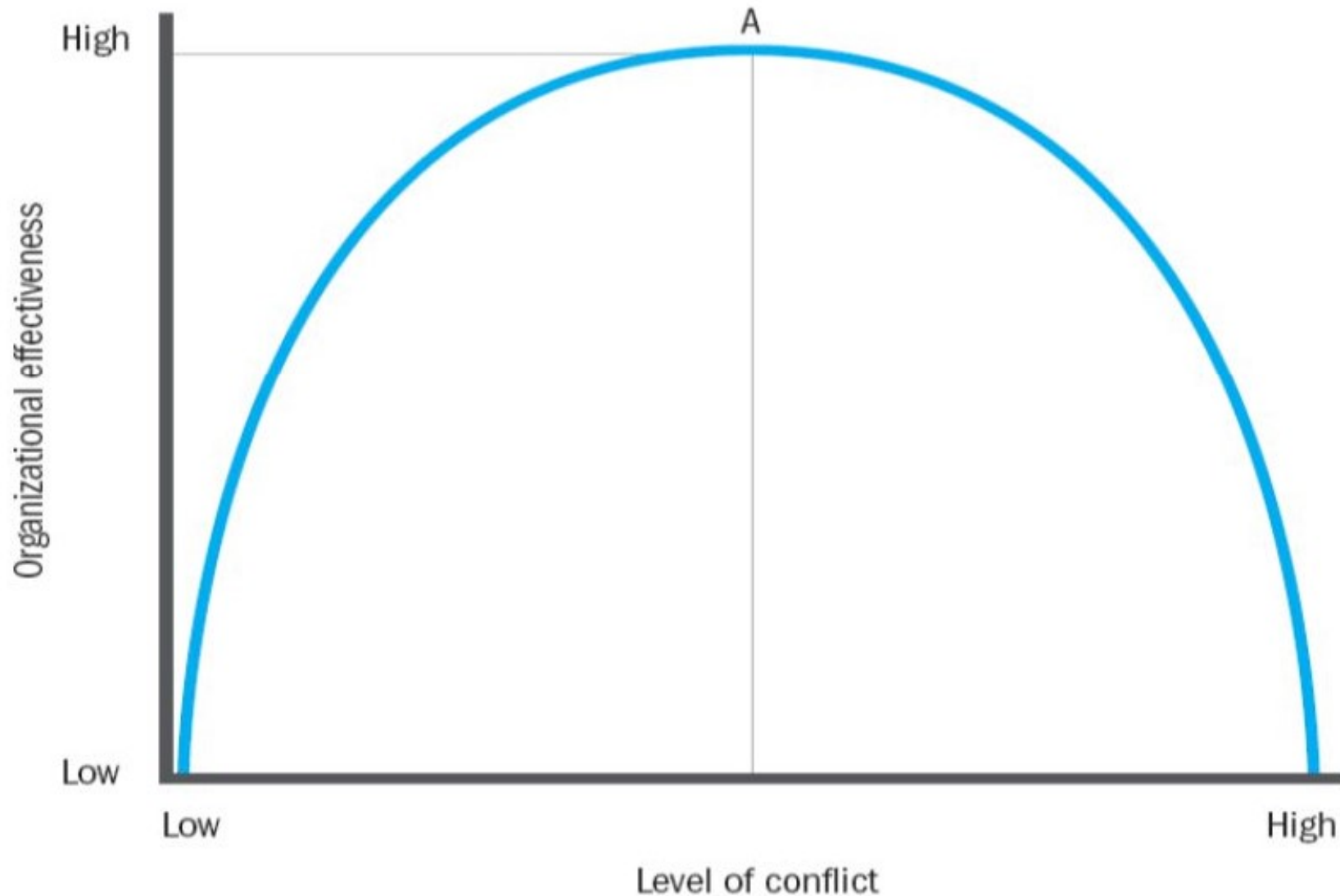
# Interactionist View of Conflict

- ✓ Some conflict should be encouraged
  - A harmonious group is prone to become **static, apathetic, and unresponsive**
- ✓ But not all conflicts are good
  - **Functional conflict** supports goals
  - Conflicts that hinder group performance are **dysfunctional** or destructive forms of conflict





# Conflict & Organizational Effectiveness

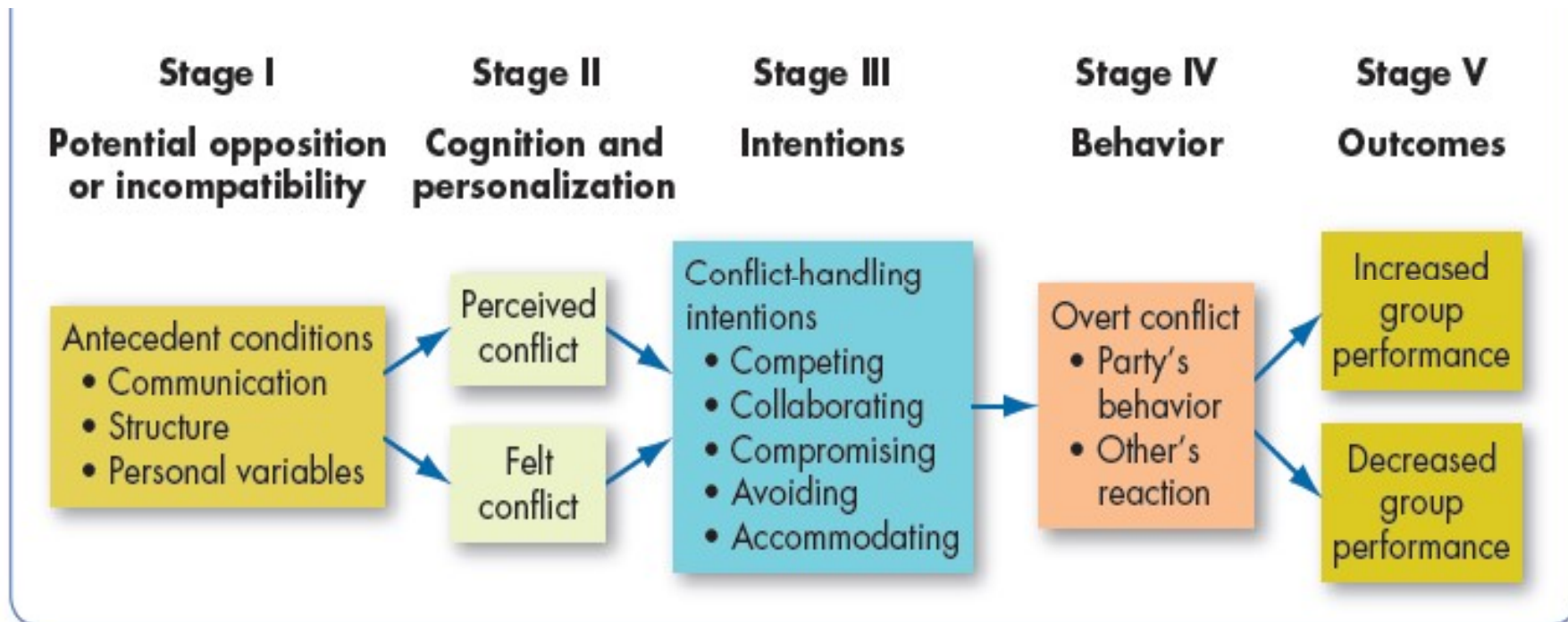




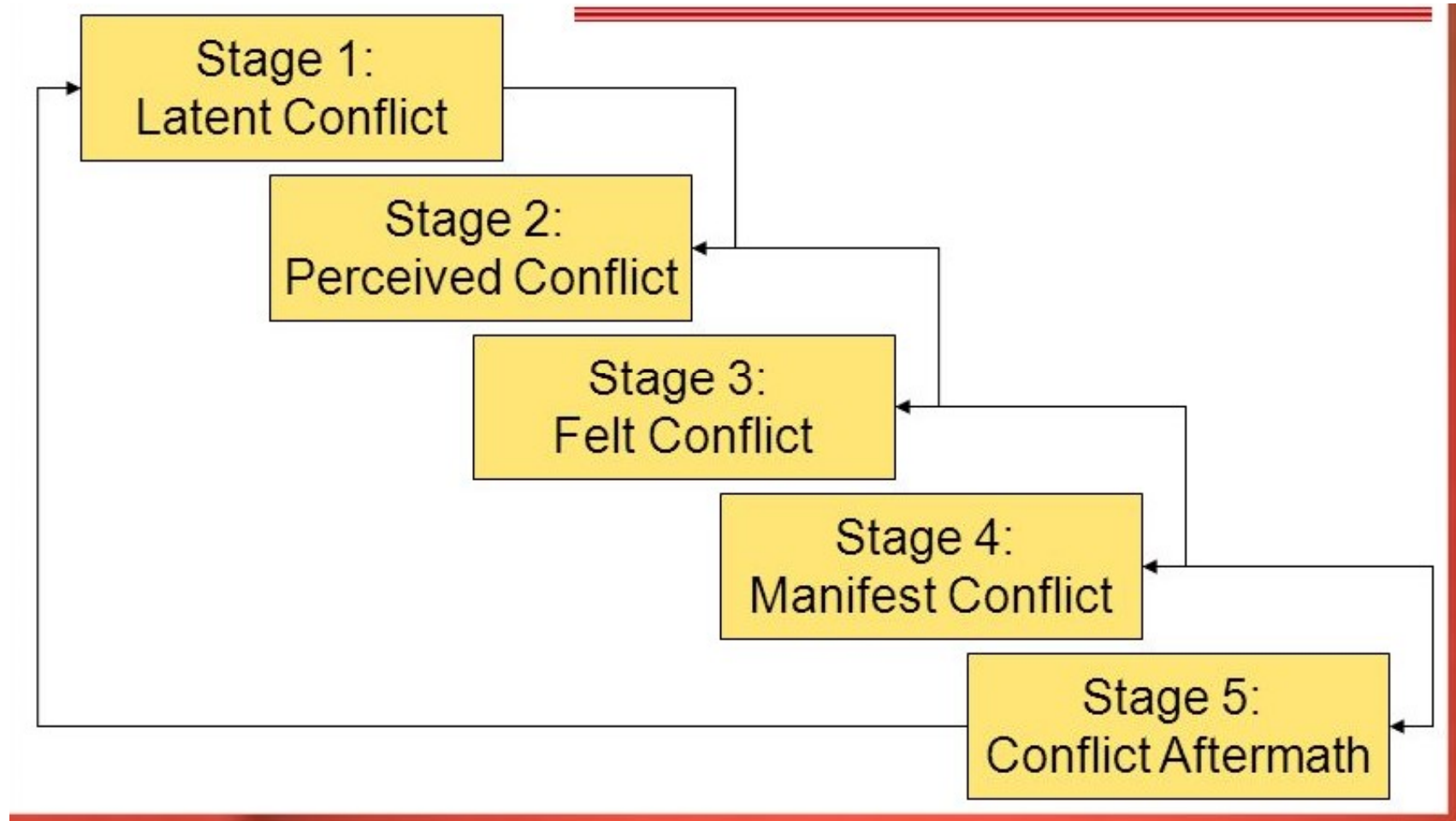
# Conflict & Organizational Effectiveness

- ✓ Too little of conflict can lead to stagnancy, mediocrity and group think
- ✓ Too much of conflict can lead to organization disintegration
- ✓ A moderate amount of conflict, handled in a constructive manner is essential for maintaining an optimal level of org conflict!

# The Conflict Process



# Conflict Model







# Types of Conflict

- ✓ **Task conflict** relates to the content and goals
- ✓ **Relationship conflict** focuses on interpersonal relationships
- ✓ **Process conflict** is about how the work gets done
- ✓ **Dyadic conflict** is conflict between two people
- ✓ **Intra-group conflict** occurs within a team
- ✓ **Inter-group conflict** is conflict between teams



# Sources of Conflict

1. **Affective Conflict** or psychological conflict, relationship conflict, interpersonal conflict . . . marked by frustration, anger, other negative feelings where feelings and emotions are not compatible
2. **Substantive Conflict** . . . disagreement amongst group members about ideas or opinions . . . largely business or activity related
3. **Conflict of Interest** . . . when each party, for the same goal, presents two different or incompatible alternatives . . . for example, two people vying for the same senior role/ promotion



# Sources of Conflict

4. Conflict or Values . . . an ideological conflict between two or more parties, for the same goal, present conflicting Value offerings
5. Goal Conflict . . . when there are divergent preferences . . . maybe a zero sum game . . . For example, when one of two designs have to be finally chosen
6. Non-realistic conflicts . . . when the conflict itself becomes the end in itself . . . For example, when a union leader precipitates a conflict to prove he has a majority



# Sources of Conflict

7. Retributive Conflict . . . where one party draws out the conflict in order to punish the other party . . . each party trying to inflict costs on the other
8. Misattributed Conflict . . . where cases may be incorrectly assigned due to lack of or improper communication . . . for example, an employee thinks he got the pink slip for one reason, while it was another
9. Displaced Conflict . . . conflicting parties direct their frustrations at another entity which are not involved in the conflict . . . Or where parties argue on issues which are secondary and not the main issue





# Conflict Resolution Techniques

## Conflict-Resolution Techniques

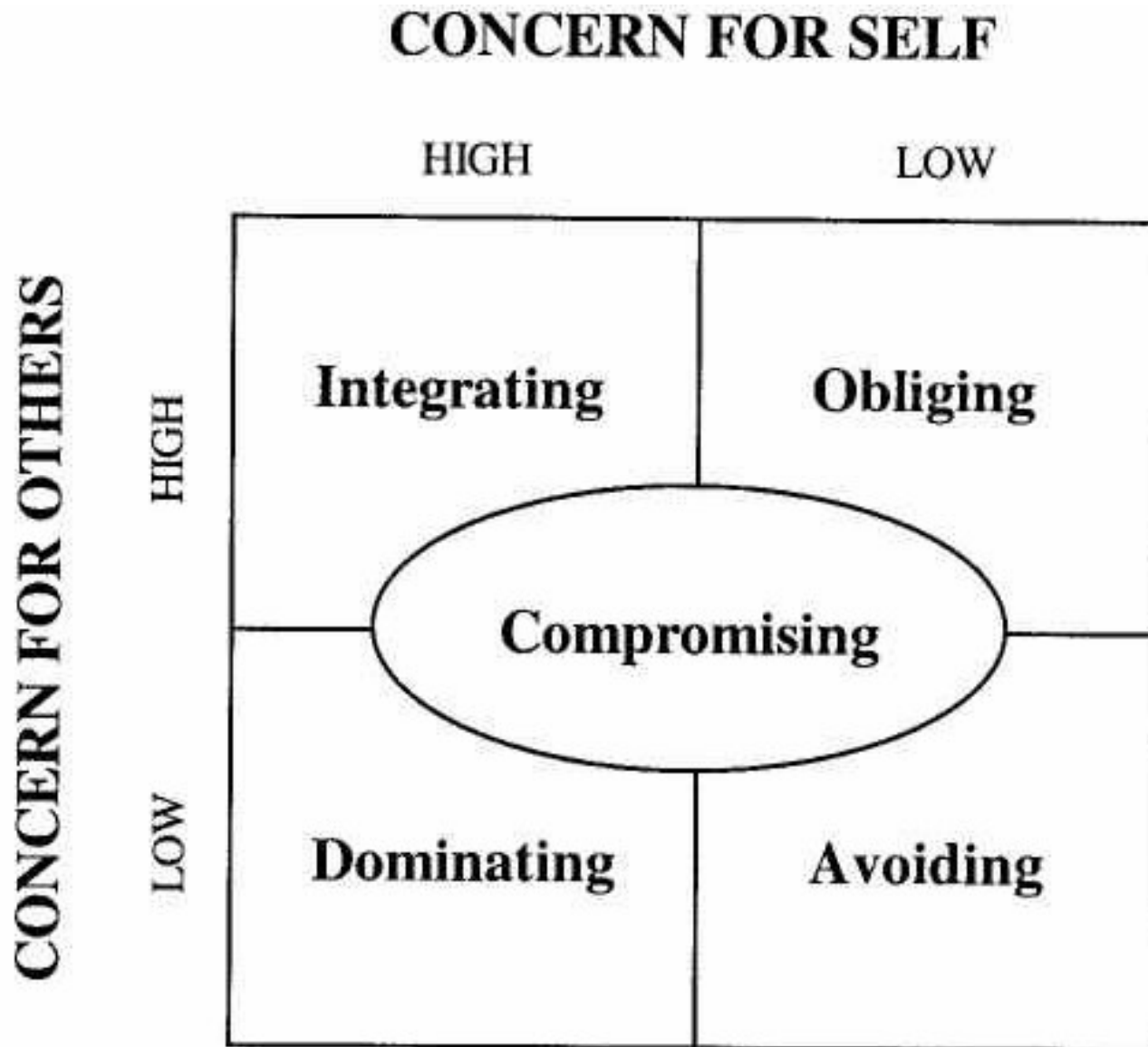
<i>Problem solving</i>	Face-to-face meeting of the conflicting parties for the purpose of identifying the problem and resolving it through open discussion.
<i>Superordinate goals</i>	Creating a shared goal that cannot be attained without the cooperation of each of the conflicting parties.
<i>Expansion of resources</i>	When a conflict is caused by the scarcity of a resource (for example, money, promotion, opportunities, office space), expansion of the resource can create a win-win solution.
<i>Avoidance</i>	Withdrawal from or suppression of the conflict.
<i>Smoothing</i>	Playing down differences while emphasizing common interests between the conflicting parties.
<i>Compromise</i>	Each party to the conflict gives up something of value.
<i>Authoritative command</i>	Management uses its formal authority to resolve the conflict and then communicates its desires to the parties involved.
<i>Altering the human variable</i>	Using behavioral change techniques such as human relations training to alter attitudes and behaviors that cause conflict.
<i>Altering the structural variables</i>	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

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

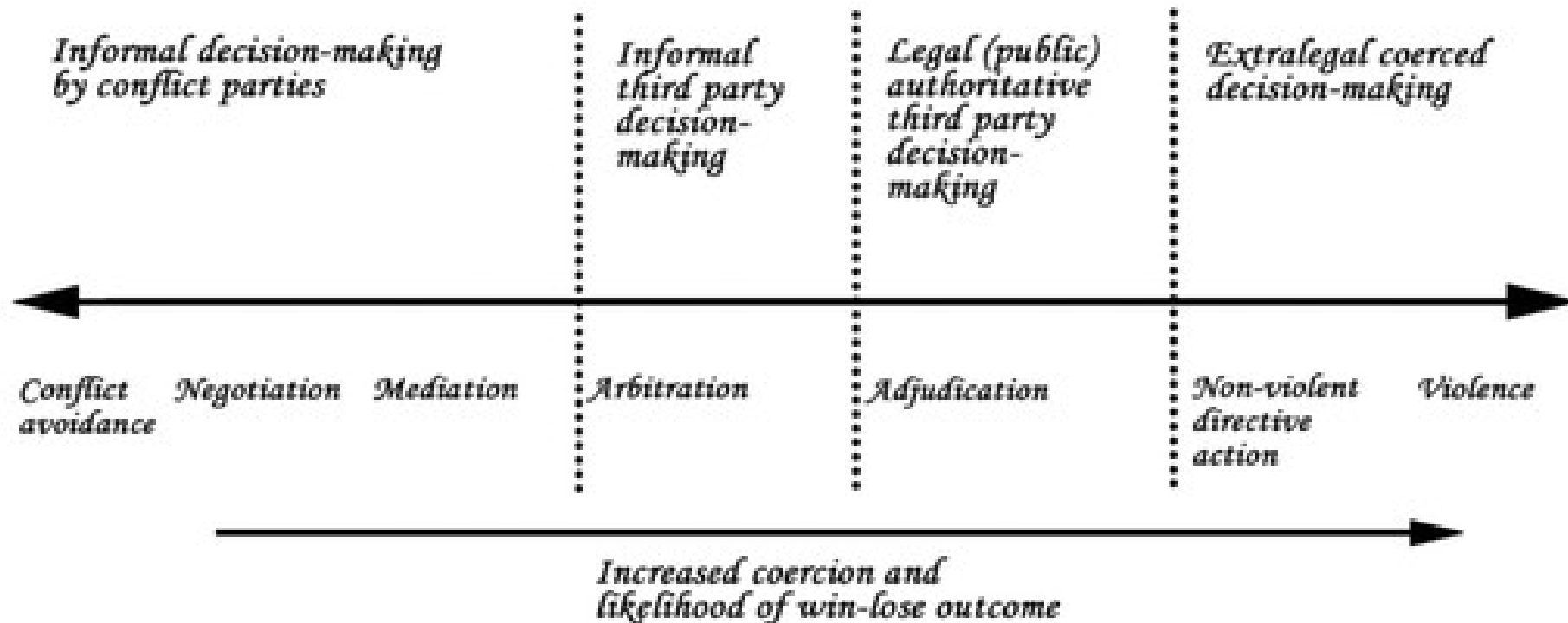


# Handling Conflict





# Decision Making & Conflict





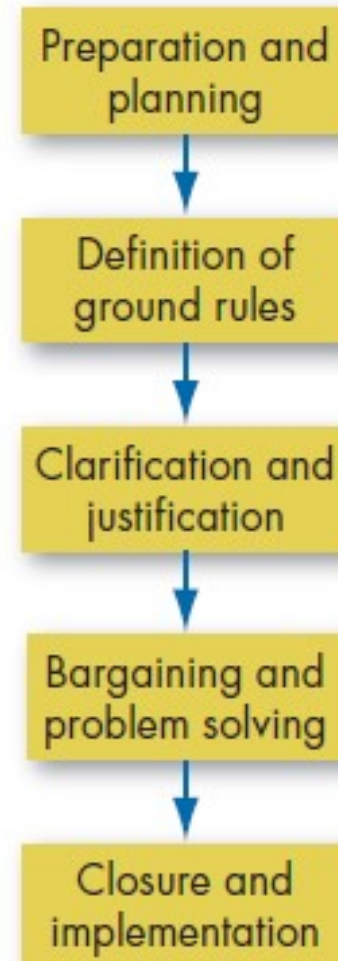
# Negotiation

- ✓ Negotiation or Bargaining
  - A process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them
  
- ✓ Two General Approaches:
  - Distributive Bargaining: Negotiation that seeks to divide up a fixed amount of resources; a win-lose situation
  - Integrative Bargaining: Negotiation that seeks one or more settlements that can create a win-win solution





# The Negotiation Process





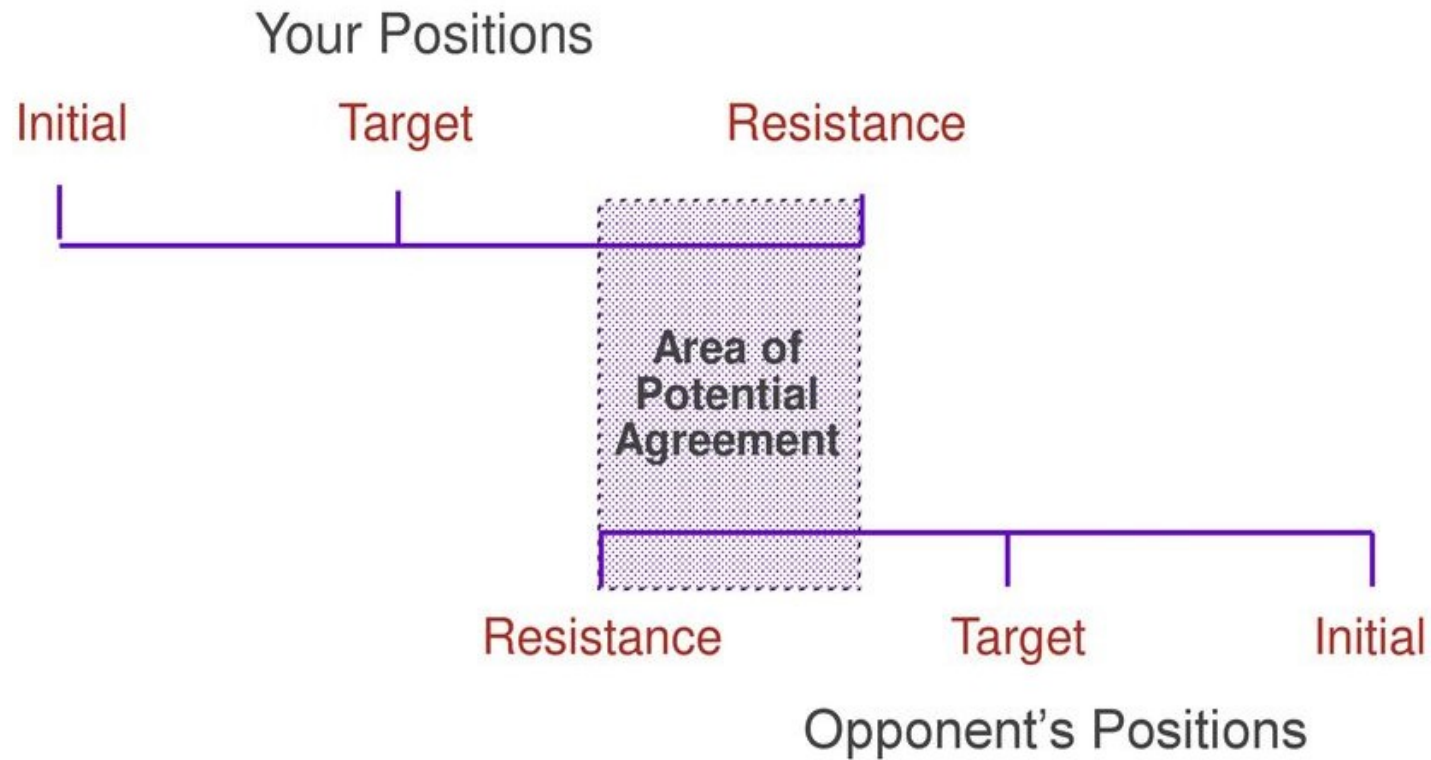
# Three Key Factors in Every Negotiation



1. Power
2. Trust
3. Understand total value / opportunities



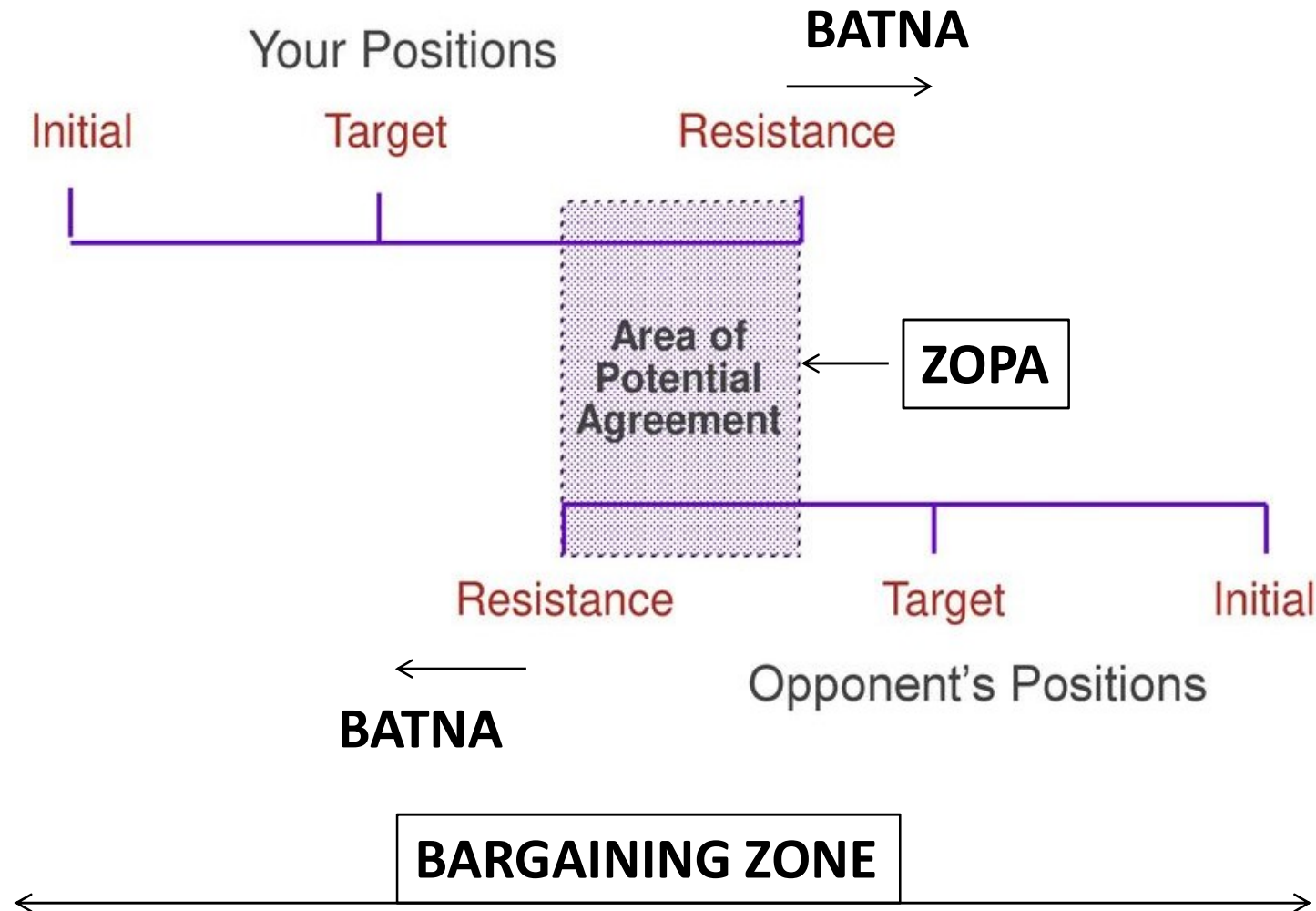
# Bargaining Zone Model





# Bargaining Zone Model

## ZOPA: Zone of Possible Agreement





# **BATNA: Best Alternative to a Negotiated Agreement**



Also known as:

## **Best Alternative to No Agreement**

The better your BATNA, the more power you have

Viable alternative gives greater leverage in negotiations

Always keep a BATNA in your pocket – it is reassuring!

But be realistic – is it really a Best or even a Very Good Alternative?

Know the BATNA – of the other side - it will make you better prepared



# Key Words in Negotiations



- ✓ **BATNA:** Best Alternative to a Negotiated Agreement
- ✓ **ZOPA:** Zone of Possible Agreement
- ✓ **WATNA:** Worst Alternative to a Negotiated Agreement

Then there are spin offs like:

- ✓ **MLATNA:** Most Likely Alternative to a . . .
- ✓ **LLATNA:** Least Likely Alternative to a . . . .





# Negotiation Gyan

1. Don't Bargain Over Positions
2. Separate the People from the Problem
3. Focus on Interests. Not Positions
4. Invent Options for Mutual Gains
5. Insist on Using Objective Criteria
6. What if they are more Powerful? Develop Your BATNA
7. What is They Won't Play?
8. What is They Use Dirty Tricks?
9. Prepare, Prepare, Prepare, . . .
10. Go to the Balcony



# Negotiation and Personality Traits



- ✓ Can you predict an opponent's negotiating tactics if you know something about his/her personality?
- ✓ The evidence suggests that overall agreeableness is weakly related to negotiation outcomes
  - The degree to which personality affects negotiation outcomes depends on the situation
  - For example: being successful of being Extraverted will depend on how the other party reacts to someone who is assertive and enthusiastic
  - A recent study suggested that Agreeable individuals reacted more positively and felt less stress in integrative negotiations
    - Low levels of stress, in turn, made for more effective negotiation outcomes.
- ✓ Research also suggests intelligence predicts negotiation effectiveness, but, as with personality, the effects aren't especially strong.



# Negotiation and Moods / Emotions

**SIBM**  
Bengaluru  
Birthplace of Business Leaders

- ✓ Moods and emotions influence negotiation, but the way they do depends on the type of negotiation
- ✓ Anxiety also appears to have an impact on negotiation
  - In distributive bargains, one study found that anxious negotiators expect lower outcomes from negotiations, respond to offers more quickly, and exit the bargaining process more quickly, which leads them to obtain worse outcomes
  - In integrative negotiations, in contrast, positive moods and emotions appear to lead to more integrative agreements



# Negotiation & Culture



- ✓ People from different cultures negotiate differently
- ✓ People generally negotiate more effectively within cultures than between them
  - For example, an Indian would, generally, do better negotiating with an Indian than with, say, a Sri Lankan
- ✓ In cross-cultural negotiations, it is especially important that the negotiators be high in Openness
- ✓ Negotiators need to be aware of the emotional dynamics because emotions are culturally sensitive



# Gender & Negotiation

Research studies indicate that:

- ✓ When selecting metaphors for the process of negotiation, men pick “winning a - - - - (football/ cricket) game,” while women pick “going to the dentist”
- ✓ Men are more likely than women to lie in a Negotiation
- ✓ A woman who is negotiating on behalf of someone else will lie at roughly the same rate as her male counterpart
- ✓ But, if she is negotiating on her own behalf, she is much less likely to deceive
- ✓ When women represented a male partner, they lied 68 percent of the time, compared to lying 42 percent of the time on behalf of a female partner
- ✓ Men’s deceptive behavior did not change based on the gender of their partner – or while negotiating on a client’s behalf or their own
- ✓ Men report lower personal ethical standards while negotiating than women do
- ✓ Women feel compelled to negotiate less assertively based on society’s expectations of women - and a fear of being disliked



# Gender & Negotiation

Therefore:

- ✓ Organizational culture plays a role :
  - If the culture encourages a competitive model, gender stereotypes will increase: men negotiating competitively and women negotiating cooperatively
  - There may be a backlash to any anti-stereo type behavior
  - You cannot control stereotypes – you can learn to negotiate better!
- ✓ Women can act though you are negotiating on behalf of someone
- ✓ Where possible make that “someone”, a male!
- ✓ Prepare well
- ✓ Boost your Emotional Intelligence





# Threats in Negotiations

- ✓ Often times there are threats held out in a Negotiation
- ✓ These could be in the form of:
  - A Walk out
  - Going to the courts
  - Damage to reputation
  - Maybe even violence
- ✓ You Could:
  - Threaten to, or, counter attack
  - Concede to the opponents demands



# Threats in Negotiations

- ✓ Problems:
  - Your threat may not be credible or powerful
  - Could go into a spiral, out of your control
  - Threat of being dominated for ever
  
- ✓ The Option: DEAL (**D**iscover the threat, **E**xpress Understanding, **A**sk Questions, **L**abel the Threat)
  
- ✓ If all your efforts do not work:
  - ✓ A counter attack may be the only option
  - ✓ Followed immediately with a conciliatory approach to come to a mutual settlement



# Managerial Implications

- ✓ Analyze the org structure to identify potential sources of conflicts - change or redesign as needed
- ✓ Build trust by accommodating others when you find you're wrong, when you need to demonstrate reasonableness, etc.
- ✓ Avoid an issue when it is trivial, symptomatic of other issues, when more important issues are pressing, when you perceive no chance of satisfying everyone's concerns, etc.
- ✓ Consider compromising when goals are important but not worth potential disruption
- ✓ If conflict cannot be eliminated/ avoided, intervene quickly and early to find a solution
- ✓ Try for a good "aftermath" so that cooperation can be ensured



Any Questions?