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Chapter Ten:

Conflict and Negotiation in the Workplace

Learning Objectives

1. Define conflict and debate its positive and negative consequences in the workplace.
2. Distinguish task conflict from relationship conflict and describe three strategies to minimize relationship conflict during task conflict episodes.
3. Diagram the conflict process model and describe six structural sources of conflict in organizations.
4. Outline the five conflict-handling styles and discuss the circumstances in which each would be most appropriate.
5. Apply the six structural approaches to conflict management and describe the three types of third-party dispute resolution.
6. Discuss activities in the negotiation preparation, process, and setting that improve negotiation effectiveness.

Conflict definition

Conflict defined — the process in which one party perceives that its interests are being opposed or negatively affected by another party.

Is Conflict Good or Bad?

Negative Outcomes

- Lower performance.
- Higher stress, dissatisfaction, turnover.
- Less information sharing and coordination.
- More organizational politics.
- Wasted resources.
- Weaker team cohesion (when conflict within team).

Positive Outcomes

- Better decision making.
 - Tests logic of arguments.
 - Questions assumptions.
 - Generates creative thinking.
- More responsive to the changing environment.
- Stronger team cohesion (when conflict with outside opponents).

Emerging View: Task versus Relationship Conflict

Task conflict:

- Focuses on quality of ideas/arguments (logic, evidence, assumptions).
- Shows respect for all participants.
- Avoids critiquing opponent's competence or power.

Relationship conflict:

- Focuses on (critiques) opponent's experience, intelligence, credibility.
- Invalidate ideas indirectly by attacking the opponent, not the idea.
- Relies on status, assertive behavior.
- Dysfunctional consequences:
 - Triggers defense mechanisms.
 - Reduces trust. Emphasizes differences in status/competence of parties.
 - Reduces motivation to communicate. Escalates conflict.

Minimizing Relationship Conflict during Task Conflict

Goal: encourage task conflict, minimize relationship conflict.

Emotional intelligence:

- Better at regulating emotions, less hostility.
- Better at reframing other's hostility.

Team development:

- Better mutual understanding.
- High cohesion: motivation to minimize relationship conflict.

Self-concept complexity.

- Perceived safety to constructively disagree.
- Norms encourage respect, show interest, open-minded.

The Conflict Process

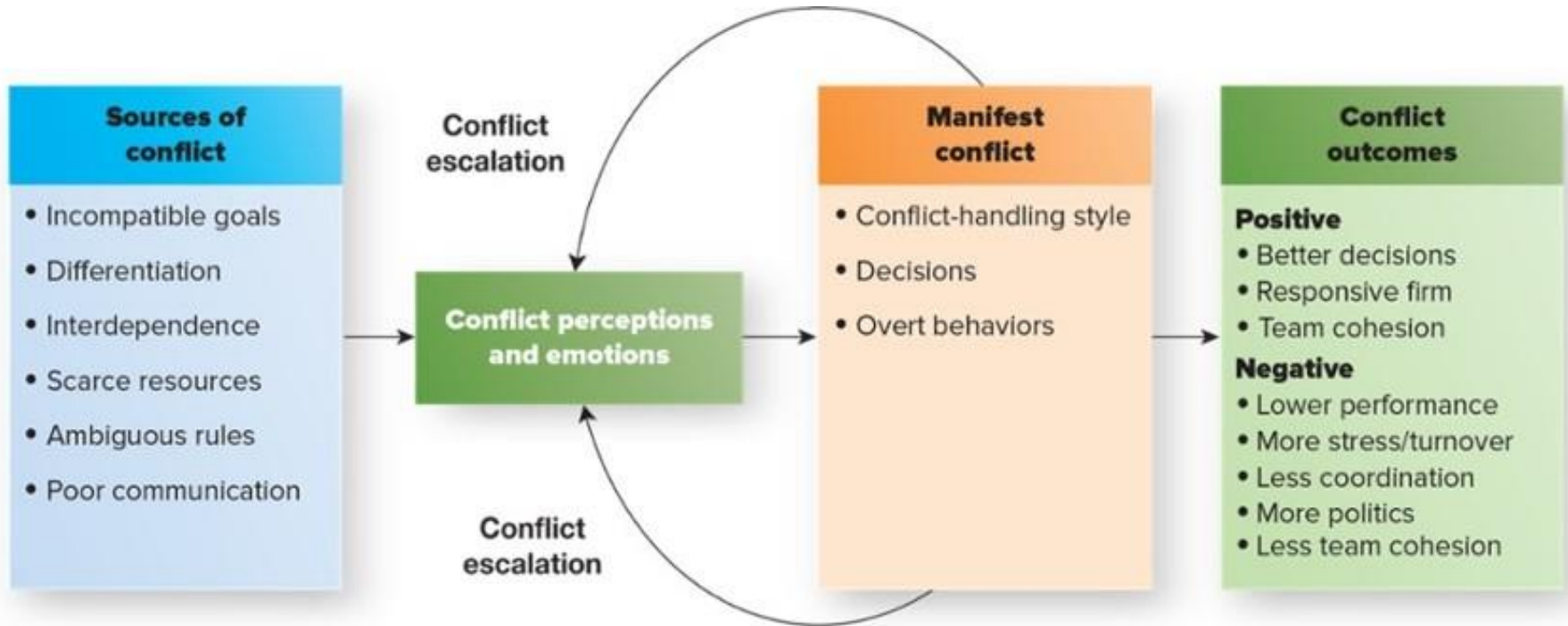


Exhibit 10.2. Model of the Conflict Process.

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Structural Sources of Conflict ¹

1. Incompatible goals.

- One party's goals seem to interfere with other's goals.

2. Differentiation.

- Different training, values, beliefs, and experiences.

3. Interdependence.

- All conflict requires interdependence.
- Risk of conflict increases with level of interdependence.

Structural Sources of Conflict ²

4. Scarce resources.

- Creates competition for the resource.

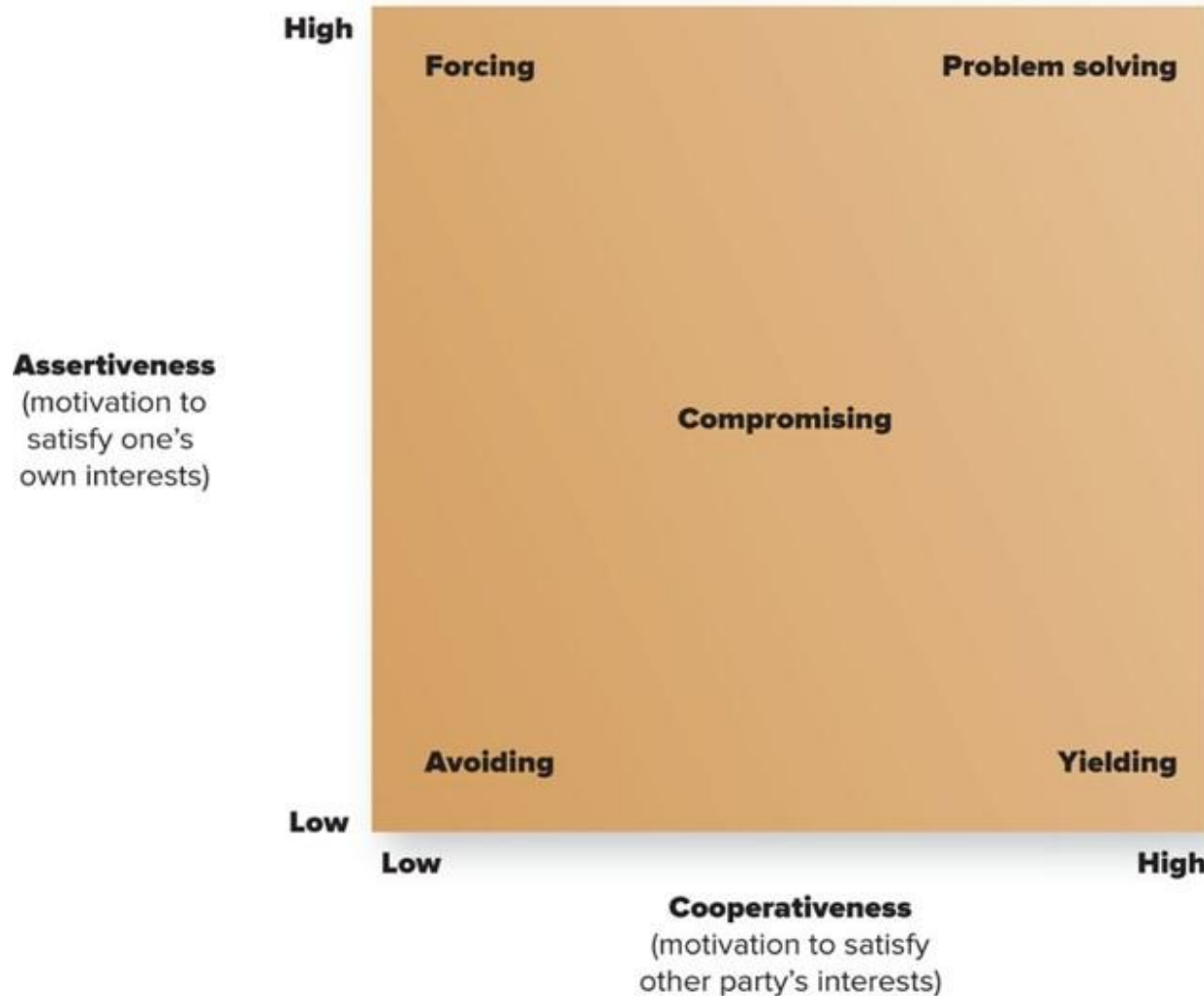
5. Ambiguous rules.

- Creates uncertainty, politics.

6. Communication problems.

- Poorly stated messages escalate conflict.
- Conflict causes emotive messages.
- Less communication amplifies conflict.

Interpersonal Conflict Handling Styles



Source: C.K.W. de Dreu, A. Evers, B. Beersma, E.S. Kluwer, and A. Nauta, "A Theory-Based Measure of Conflict Management Strategies in the Workplace," *Journal of Organizational Behavior* 22 (2001): 645–68. Reprinted with permission of John Wiley & Sons, Inc.

Exhibit 10.3. Interpersonal Conflict-Handling Styles.

[Access text alternatives for slide image.](#)

Conflict-Handling Styles Contingencies ¹

Problem solving.

Best when:

- Interests are not perfectly opposing.
- Parties have trust/openness.
- Issues are complex.

Problems: takes time; information increases other's power.

Forcing.

Best when:

- Quick resolution required.
- Your position has stronger logical or moral foundation.
- Other party would take advantage of cooperation.

Problems: relationship conflict, long-term relations.

Conflict-Handling Styles Contingencies ²

Avoiding.

Best when:

- Conflict is emotionally-charged (relationship conflict).
- Parties want to maintain harmony.
- Cost of resolution outweighs its benefits.

Problems: conflict unresolved; causes frustration/uncertainty.

Yielding.

Best when:

- Issue is less important to you than other party.
- Value/logic of your position is imperfect.
- Parties want to maintain harmony.
- Other party has much more power.

Problems: increases other's expectations.

Conflict-Handling Styles Contingencies ³

Compromising.

Best when:

- Single issue conflict with opposing interests.
- Parties lack time or trust for problem solving.
- Parties want to maintain harmony.
- Parties have equal power.

Problem: Sub-optimal solution where mutual gains are possible.

Cultural and Gender Differences in Conflict-Handling Styles

Cultural differences.

- Conflict-handling preferences vary across cultures.
- Example: more avoidance style in collectivist cultures.

Gender differences.

- Men use more (women less) forcing style.
- Female managers use more avoiding style.
- Women use slightly more problem solving, compromising, yielding.
- Reasons: motivation or expectations to protect relationships.

Structural Approaches to Conflict Management ₁

1. Emphasize superordinate goals.

- Focus on common goals.
- Reduces goal incompatibility and may reduce differentiation.

2. Reduce differentiation.

- Create common experiences.
- Methods: meaningful interaction, rotating staff through departments/regions, build a strong culture.

3. Improve communication and understanding.

- Opportunities to communicate and understand each other.
- Methods: daily interaction, Johari Window, intergroup mirroring.
- Warning: Need to first reduce differentiation.

Structural Approaches to Conflict Management ₂

4. Reduce interdependence.

- Create buffers.
- Use integrators.
- Combine jobs into one.

5. Increase resources.

- Weigh costs versus conflict.

6. Clarify rules/procedures.

- Establish rules.
- Clarify roles, responsibilities, schedules, etc.

Types of Third-Party Intervention

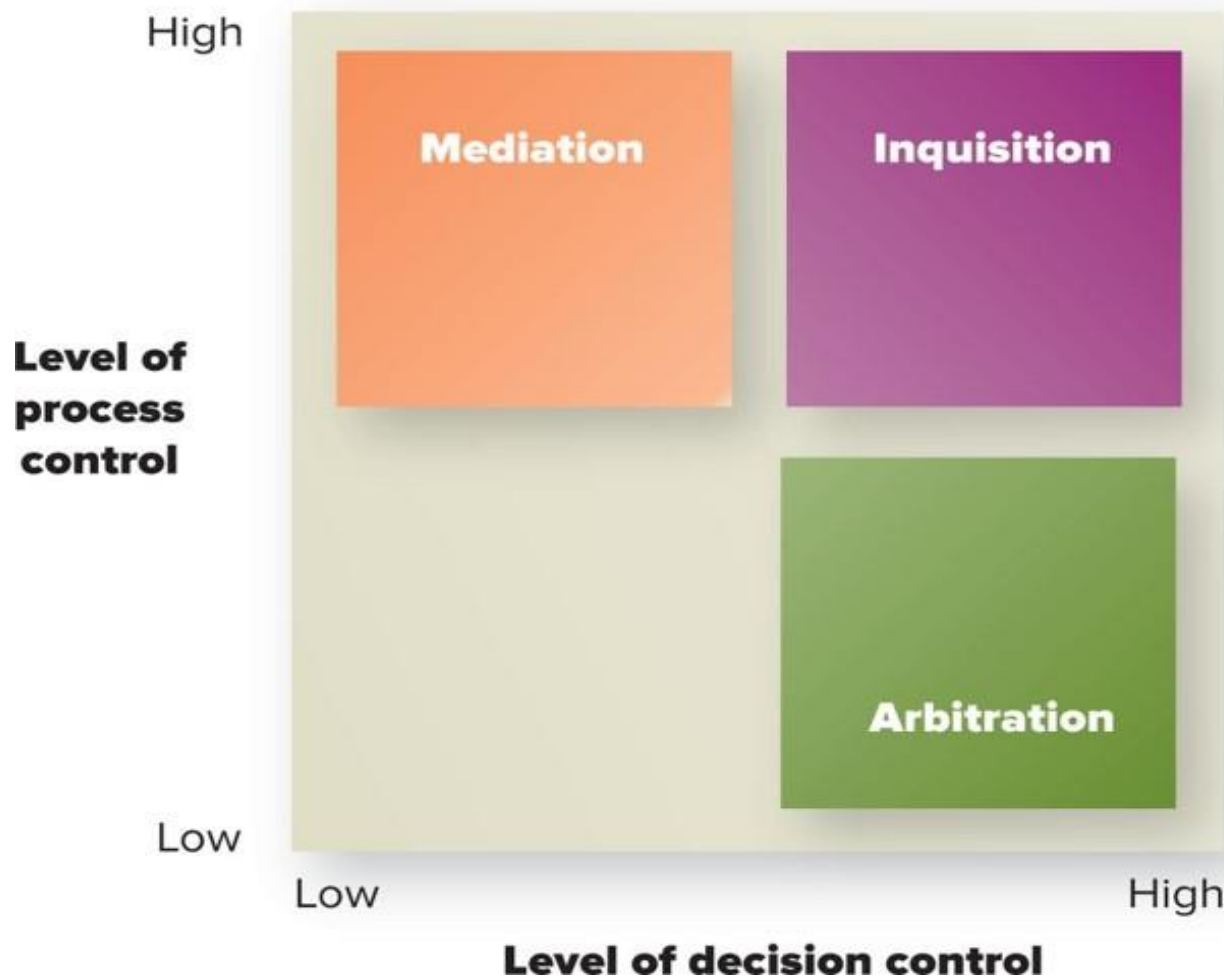


Exhibit 10.5. Types of Third-Party Intervention.

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Choosing the Best Third-Party Intervention Strategy

Managers prefer inquisitional strategy.

- Problem: Usually is the least effective strategy.
- Problem: Conflicts with procedural justice.

Mediation:

- Highest potential satisfaction with process and outcomes.

Arbitration:

- Use when mediation fails.

Negotiation: Definitions and Approaches

Interdependent parties with divergent beliefs or goals attempt to reach agreement on issues that mutually affect them.

Distributive approach.

- Win–lose orientation.
- Most common when the parties have only one item to resolve.

Integrative (mutual gains) approach.

- Win–win orientation.
- Better with multiple issues of different value to each party.

Develop Goals and Understand Needs

Successful negotiators develop goals.

- Three goal setting positions in bargaining zone model.

Successful negotiators focus on their own needs.

- They actively consider various goals that may achieve needs.

Successful negotiators also anticipate the other party's goals and their underlying needs.

Bargaining Zone Model

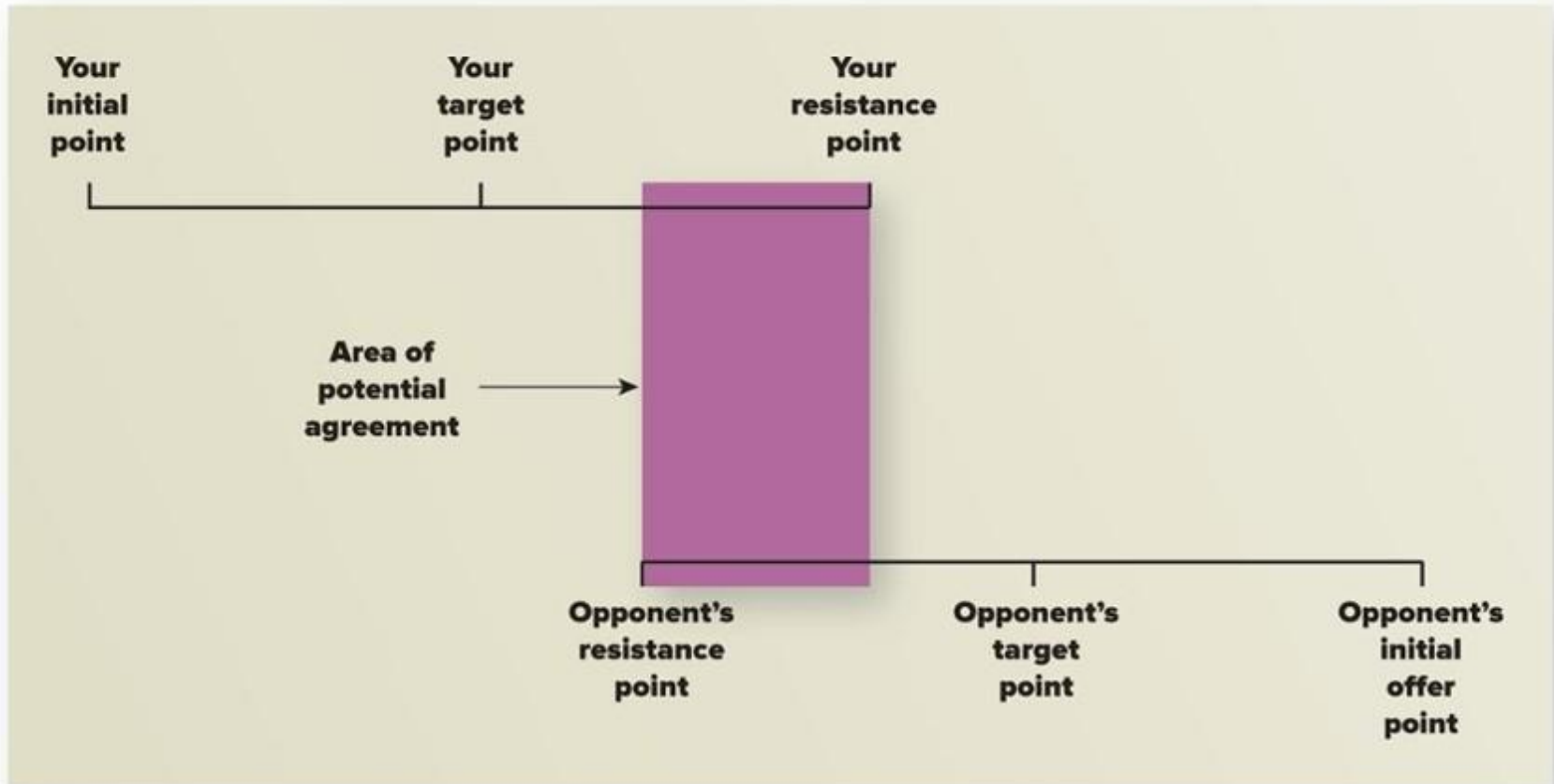


Exhibit 10.6. Bargaining Zone Model of Negotiations.

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Know Your BATNA and Power

Best alternative to a negotiated agreement (BATNA).

- Represents the estimated cost to you of walking away.
- Having more than one BATNA to a negotiation increases your power.

Negotiation power.

- Higher with favorable sources and contingencies of power.
- Sources and contingencies of power also improve BATNA.

Negotiation Process: Gather Information

Information is the cornerstone of effective negotiations.

- Discover other party's needs, multiple dimensions.

Information gathering strategies:

- Listen closely to the other party.
- Ask open-ended and probe questions.
- Pay attention to nonverbal communication.
- Summarize other party's statements.
- Communicate inner thoughts/reactions to other's proposals.

Negotiation Process: Manage Concessions

Concessions communicate priorities and motivation.

Successful negotiators:

- Clearly label each concession as a concession.
- State that the other party should reciprocate.
- Make fewer, smaller, and clearly-labeled concessions.

Negotiation Process: Time and Relationships

Manage time.

- Deadline effect, exploding offers, escalation of time commitment.

Build the Relationship (trustworthiness).

- Discover common backgrounds and interests.
- Manage first impressions.
- Signal trustworthiness.
- Show awareness of shared negotiation norms and expectations.
- Use emotional intelligence.

Negotiation Setting

Location:

- Easier to negotiate on your own turf.

Physical setting:

- Seating arrangements, spacing, formality.

Audience:

- Negotiators are more competitive, make fewer concessions when audience is watching.



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