Chapter 11

Conflict and Negotiation in the Workplace

organizational behavior
sixth edition
Emerging Knowledge. Global Reality.
McShane | Von Glinow

Managing Intergenerational Conflict at L'Oreal Canada

L'Oreal Canada executive Marjolaine Rompré (left in this photo, with CEO Javier San Juan and Garnier brand director Sheila Morin) introduced educational seminars to help employees across generations improve their mutual understanding and thereby minimize conflict.

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 consequences of conflict

- Wastes time, energy, resources
- Less information sharing, productivity
- More organizational politics
- More job dissatisfaction, turnover, stress
- Weakens team cohesion (when conflict is within team)

Positive consequences of conflict

- Better decisions (tests logic, questions assumptions)
- Improves responsiveness to external environment
- Increases team cohesion (when conflict outside the team)

Emerging View: Constructive Versus Relationship Conflict

- **Constructive (task-oriented) conflict**
  - Parties focus on the issue while maintaining respect for people having other points of view.
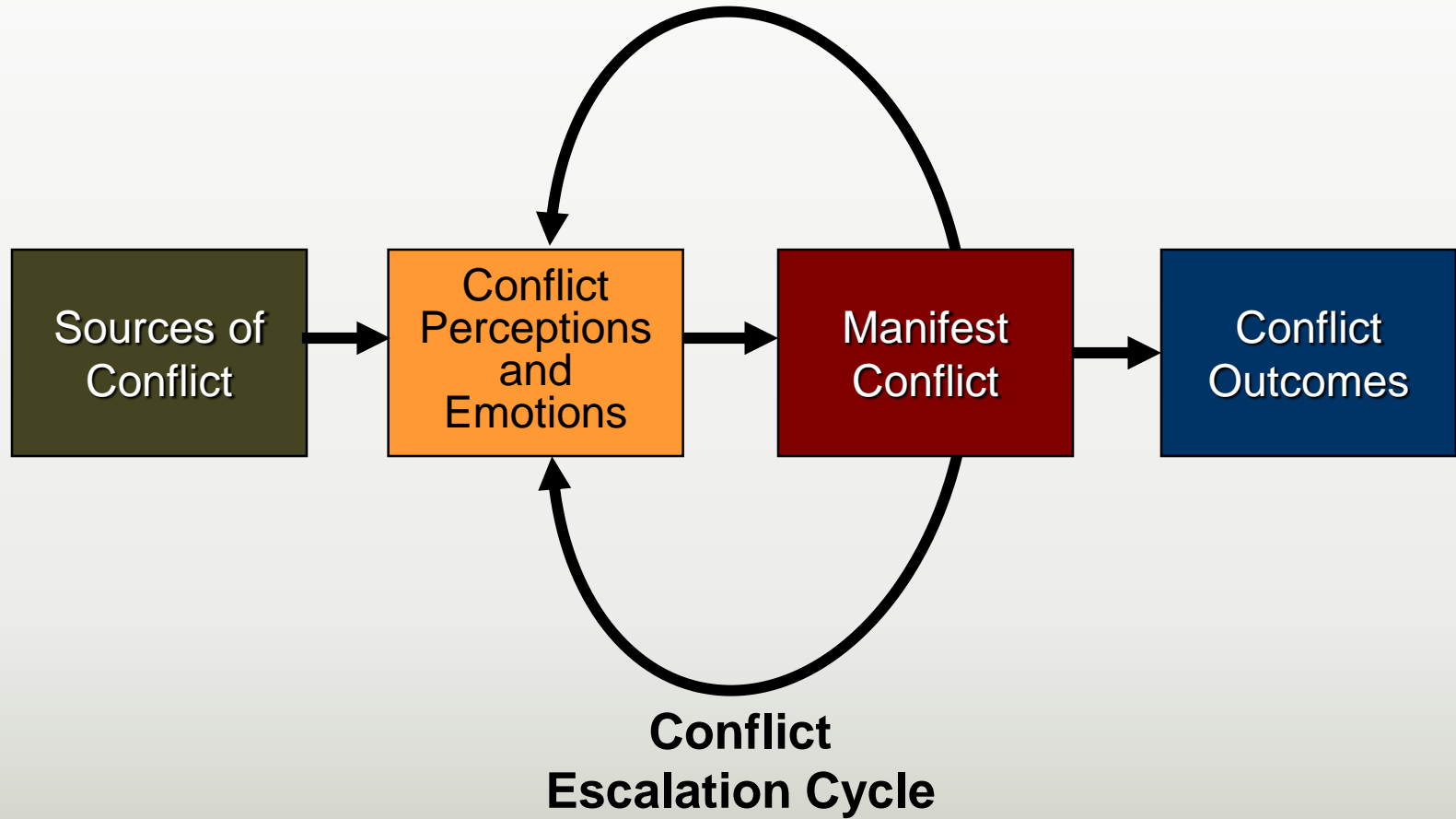 - Try to understand the logic and assumptions of each position

- **Relationship (socioemotional) conflict**
  - Parties focus on personal characteristics (not issues) as the source of conflict.
  - Try to undermine each other's worth/competence
  - Accompanied by strong negative emotions (drive to defend)

Minimizing Relationship Conflict

- Goal: encourage constructive conflict, minimize relationship conflict

- Problem: relationship conflict often develops when engaging in constructive conflict

- Three conditions that minimize relationship conflict during constructive conflict:
  - Emotional intelligence
  - Cohesive team
  - Supportive team norms

The Conflict Process

Sources of Conflict → Conflict Perceptions and Emotions → Manifest Conflict → Conflict Outcomes

Conflict Escalation Cycle

Structural Sources of Conflict

Incompatible Goals	• One party's goals perceived to interfere with other's goals
Differentiation	• Different values/beliefs • Explains cross-cultural and generational conflict
Interdependence	• Conflict increases with interdependence • Parties more likely to interfere with each other

more

Structural Sources of Conflict

Scarce Resources	• Motivates competition for the resource

Ambiguous Rules	• Creates uncertainty, threatens goals • Without rules, people rely on politics

| Communication Problems	• Increases stereotyping • Reduces motivation to communicate • Escalates conflict when arrogant

Conflict Handling at Xerox

Xerox CEO Ursula Burns (left in this photo) warns that the company has too much avoidance conflict handling. "We are really, really, really nice," she emphasizes. "I want us to stay civil and kind, but we have to be frank."

Five Conflict Handling Styles
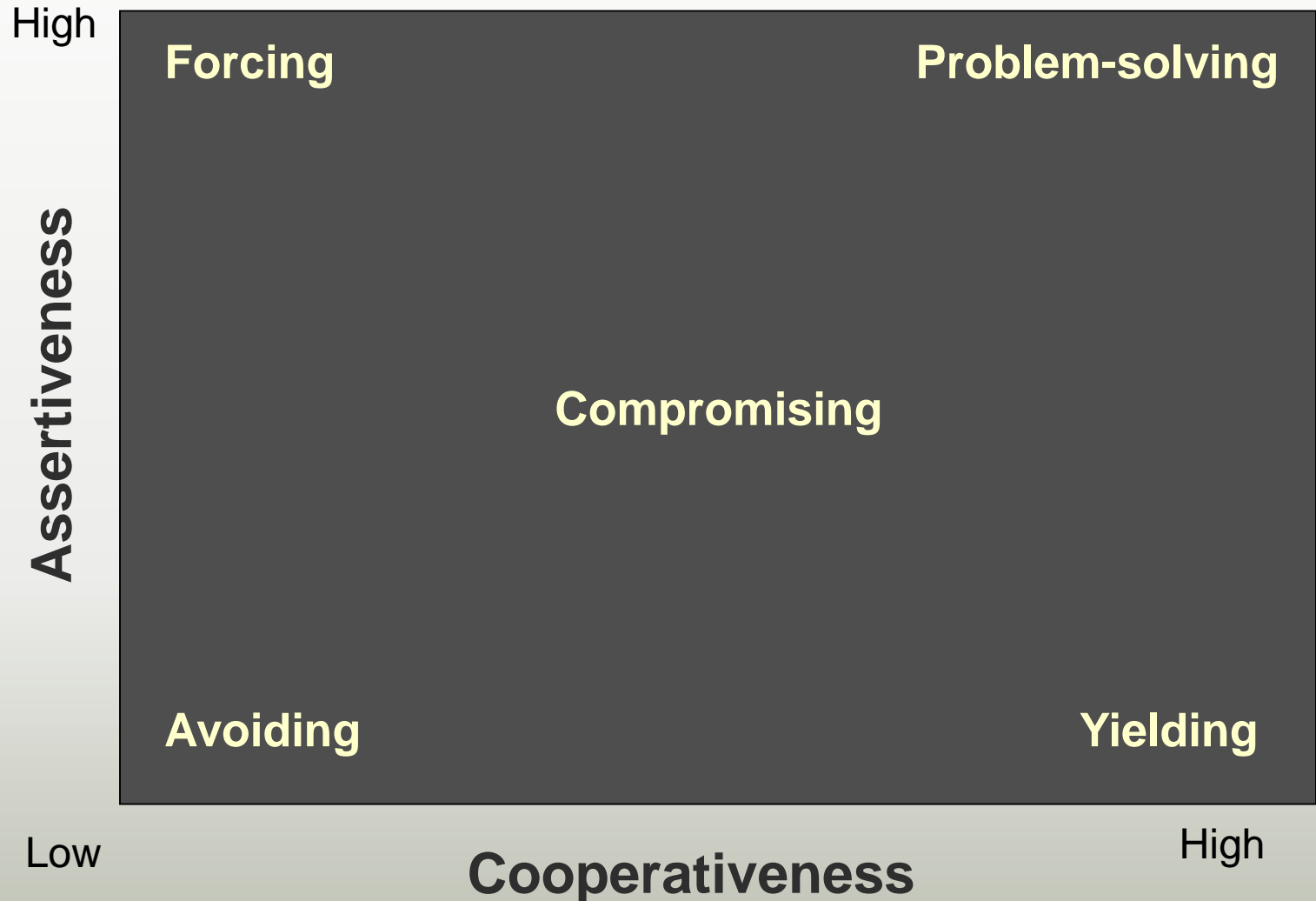
Conflict Handling Contingencies

- **Problem solving**
  - Best when:
    - Interests are not perfectly opposing
    - Parties have trust/openness
    - Issues are complex
  - Problem: other party may use information to its advantage

- **Forcing**
  - Best when:
    - you have a deep conviction about your position
    - quick resolution required
    - other party would take advantage of cooperation
  - Problems: relationship conflict, long-term relations

Conflict Handling Contingencies (con't)

- **Avoiding**
  - Best when:
    - conflict is emotionally-charged (relationship conflict)
    - conflict resolution cost is higher than benefits
  - Problems: doesn't resolve conflict, frustration

- **Yielding**
  - Best when:
    - other party has much more power
    - issue is much less important to you than other party
    - value/logic of your position is imperfect
  - Problems: increases other's expectations; imperfect solution

Conflict Handling Contingencies (con't)

- **Compromising**
  - Best when:
    - Parties have equal power
    - Quick solution is required
    - Parties lack trust/openness
  - Problem: Sub-optimal solution where mutual gains are possible

Organizational Approaches to Conflict Resolution

- Emphasize superordinate goals
  - Emphasize common objective rather than conflicting sub-goals
  - Reduces goal incompatibility and differentiation

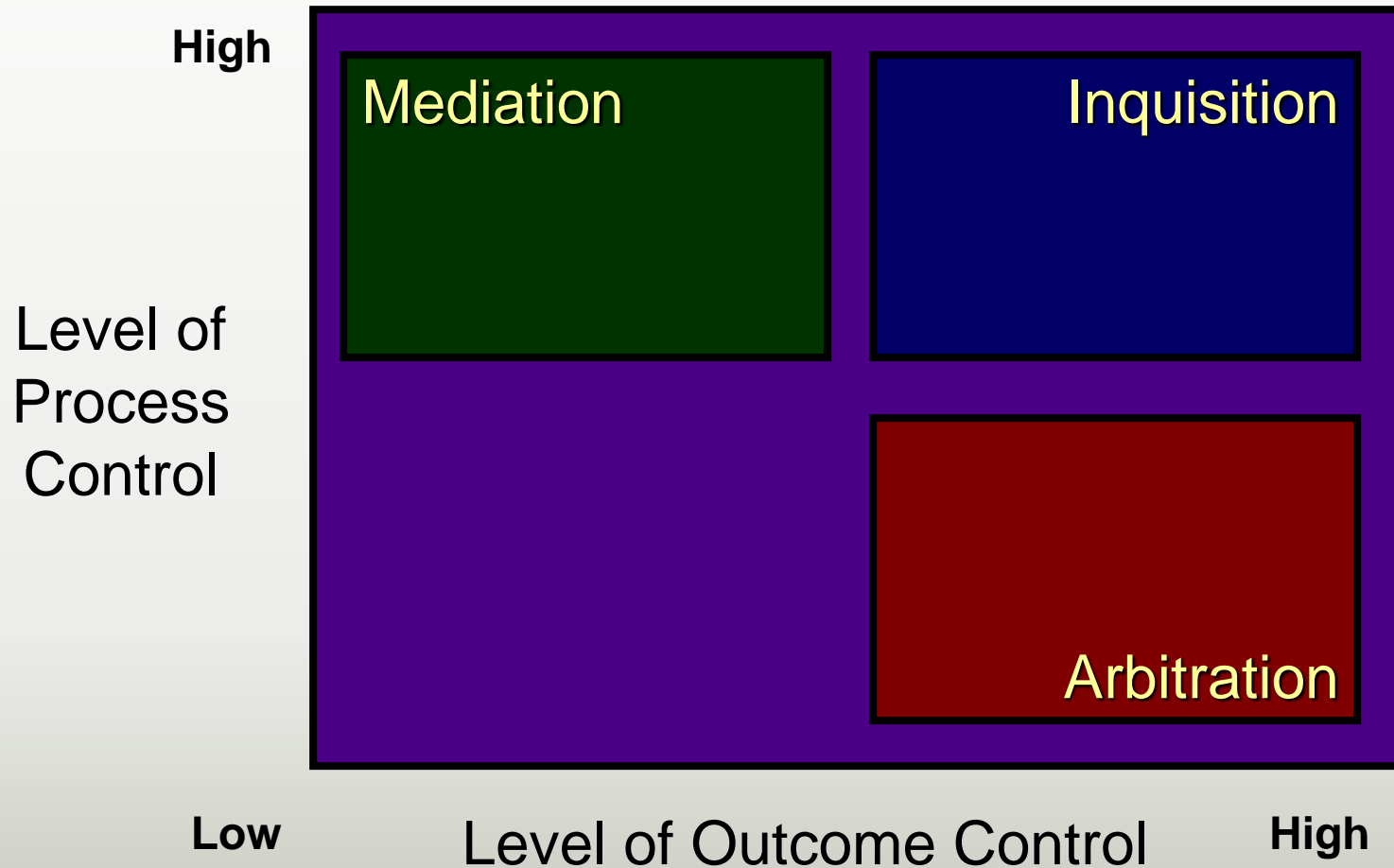# Organizational Approaches to Conflict Resolution (con't)

- Reduce differentiation
  - Remove differences that generate conflict
    - e.g. Move employees around to different jobs

- Improve communication/understanding
  - Employees understand and appreciate each other's views through communication
  - Relates to contact hypothesis
  - Warning: Apply communication/understanding after reducing differentiation

Organizational Approaches to Conflict Resolution (con't)

- Reduce interdependence
  - Create buffers
  - Use integrators
  - Combine jobs

- Increase resources
  - Increase amount of resources available

- Clarify rules and procedures
  - Establish rules and procedures
  - Clarify roles and responsibilities

Types of Third Party Intervention

High

Mediation   Inquisition

Level of
Process
Control

                                    Arbitration

Low   Level of Outcome Control   **High**

Choosing the Best 3rd Party Strategy

- Managers prefer inquisitional strategy, but not usually best approach

- Mediation potentially offers highest satisfaction with process and outcomes

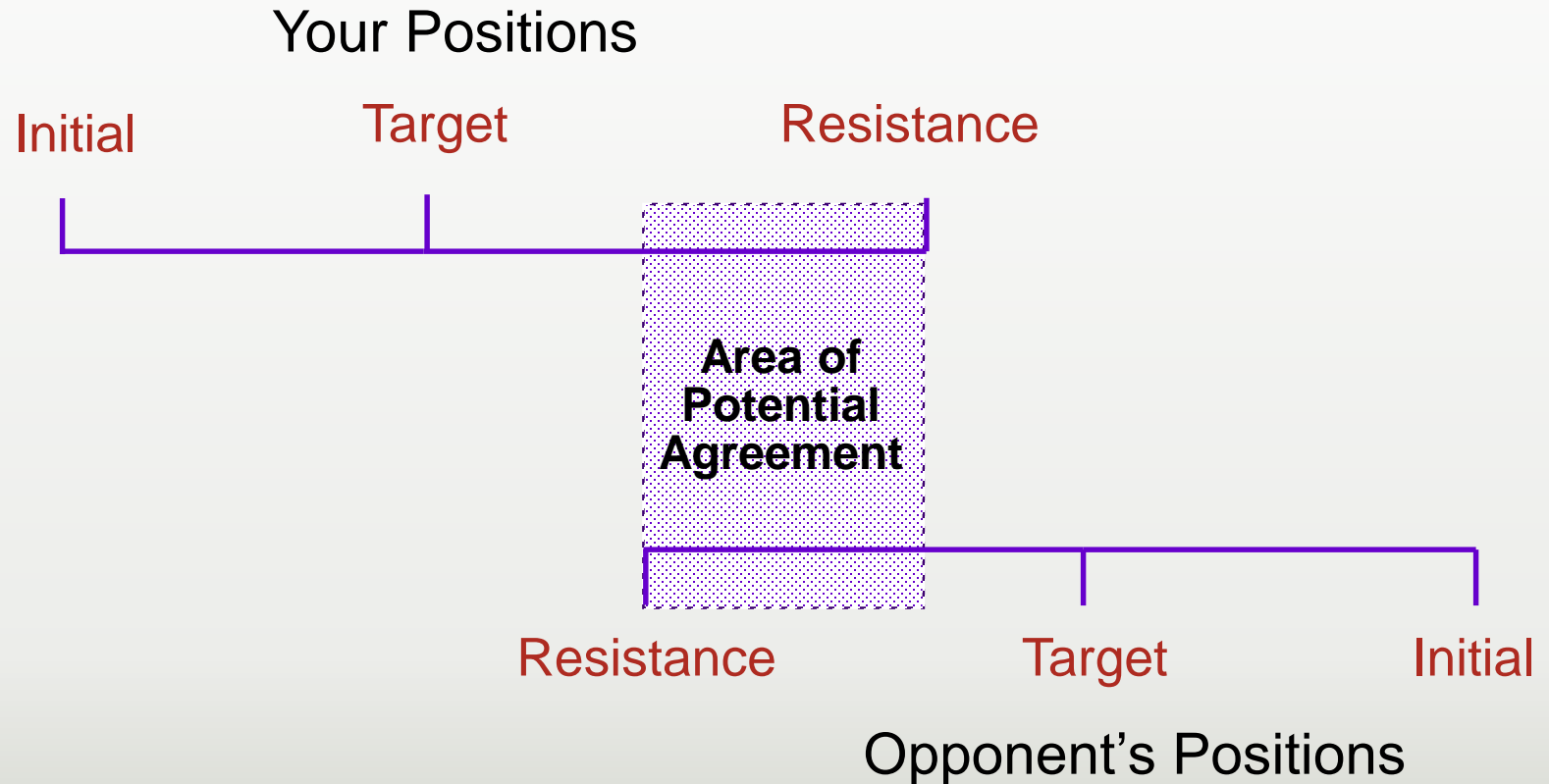- Use arbitration when mediation fails

Resolving Conflict Through Negotiation

- Negotiation -- conflicting parties attempt to resolve their divergent goals by redefining the terms of their interdependence.

- Need to balance collaborative behaviors (create value) and competitive behaviors (claim value)

Bargaining Zone Model

Your Positions

Initial   Target   Resistance

Area of Potential Agreement

Resistance   Target   Initial

Opponent's Positions

Strategies for Claiming Value

Claiming value – aiming for the best possible outcomes for yourself and your constituents.

1. Prepare and set goals

2. Know your BATNA
   - cost of ending negotiation; best outcome through another means)

3. Manage time
   - avoid time pressure on you; avoid escalation of commitment effect

4. Manage first offers and concessions

Strategies for Creating Value

Creating value – use problem solving to help both parties reach the best outcomes.

1. Gather information
   - Understand other party's needs/expectations

2. Discover priorities through offers and concessions
   - Make multi-issue proposals

3. Build the relationship (trustworthiness)
   - Common backgrounds, manage first impressions, maintaining positive emotions, act reliably
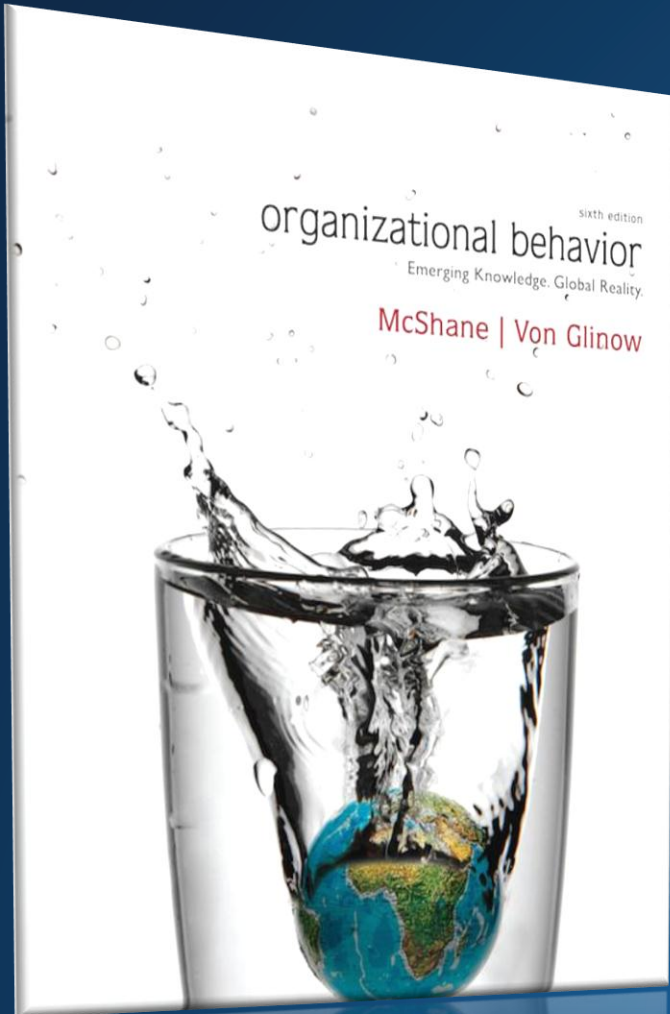
Situational Influences on Negotiation

- Location

- Physical setting

- Audience

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