NOVA

NOVA SCHOOL OF
BUSINESS & ECONOMICS

PERSUASION & NEGOTIATION

Effective conflict management

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Introduction

Topics:

1. Types of conflict;

2. Is conflict good or bad?

3. Effective conflict management;

4. Should we always negotiate?

Types of conflict

- Disagreements are common in negotiation

- *Intrapersonal conflict*

  e.g., I want to buy a new car but I know that the loan might have an impact on my family's budget
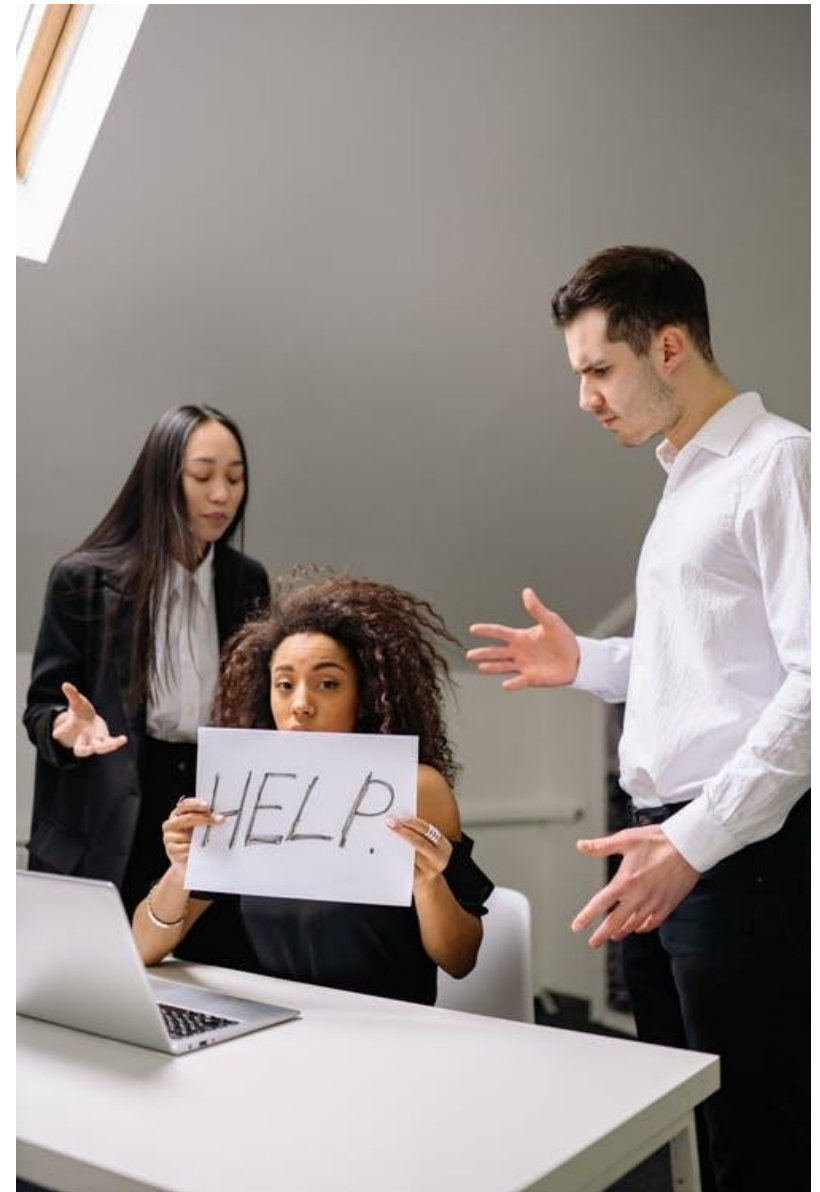
- *Interpersonal conflict*

  e.g., I want a contract but my boss wants to give it to a colleague

- *Intragroup conflict*

  e.g. football team members disagree on who is to blame for a goal suffered

- *Intergroup conflict*

  e.g. Israelis vs. Palestinians

Dysfunctions of conflict

1. Competitive, win-lose goals;
2. Misperception and bias;
3. Emotionality;
4. Decreased communication;
5. Blurred issues (generalization);
6. Rigid commitments;
7. Magnified differences, minimized similarities;
8. Escalation of conflict.

Benefits of conflict

1. Makes organizational members more aware and able to cope with problems through discussion;

2. Promises organizational change and adaptation;

3. Strengthens relationships and heightens morale;

4. Promotes awareness of self and others;

5. Enhances personal development;

6. Encourages psychological development- it helps people become more accurate and realistic in their self-appraisals;

7. Can be stimulating and fun.

Is conflict good or bad?

FIGURE 1.2 | Conflict Diagnostic Model

Dimension	Viewpoint Continuum	
	Difficult to Resolve	**Easy to Resolve**
Issue in question	Matter of "principle"—values, ethics, or precedent a key part of the issue	Divisible issue—issue can be easily divided into small parts, pieces, units
Size of stakes—magnitude of what can be won or lost	Large—big consequences	Small—little, insignificant consequences
Interdependence of the parties—degree to which one's outcomes determine the other's outcomes	Zero sum—what one wins, the other loses	Positive sum—both believe that *both* can do better than simply distributing current outcomes
Continuity of interaction—will they be working together in the future?	Single transaction—no past or future	Long-term relationship—expected interaction in the future
Structure of the parties—how cohesive, organized they are as a group	Disorganized—uncohesive, weak leadership	Organized—cohesive, strong leadership
Involvement of third parties—can others get involved to help resolve the dispute?	No neutral third party available	Trusted, powerful, prestigious third party available
Perceived progress of the conflict—balanced (equal gains and equal harm) or unbalanced (unequal gain, unequal harm)	Unbalanced—one party feels more harm and will want revenge and retribution whereas stronger party wants to maintain control	Balanced—both parties suffer equal harm and equal gain; both may be more willing to call it a "draw"

Subjective Value Inventory

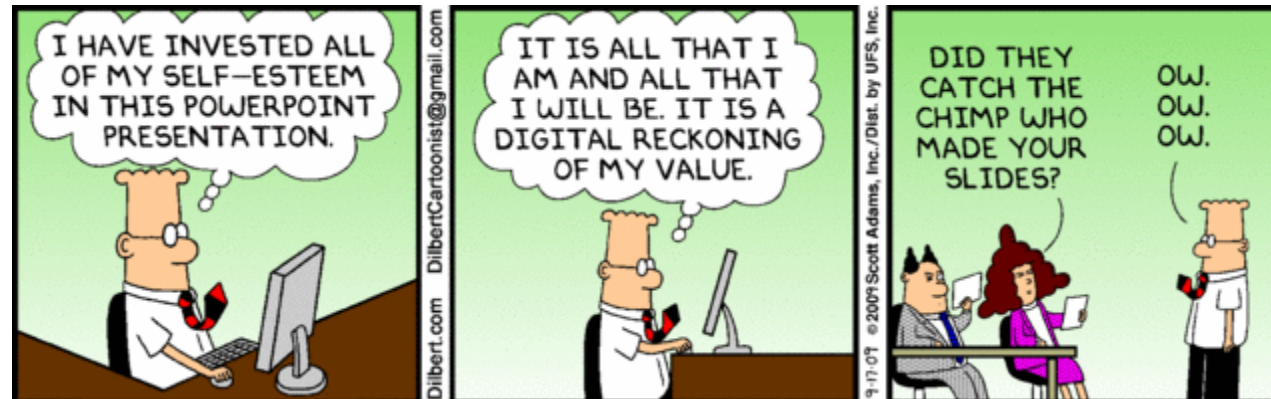# Subjective Value Inventory
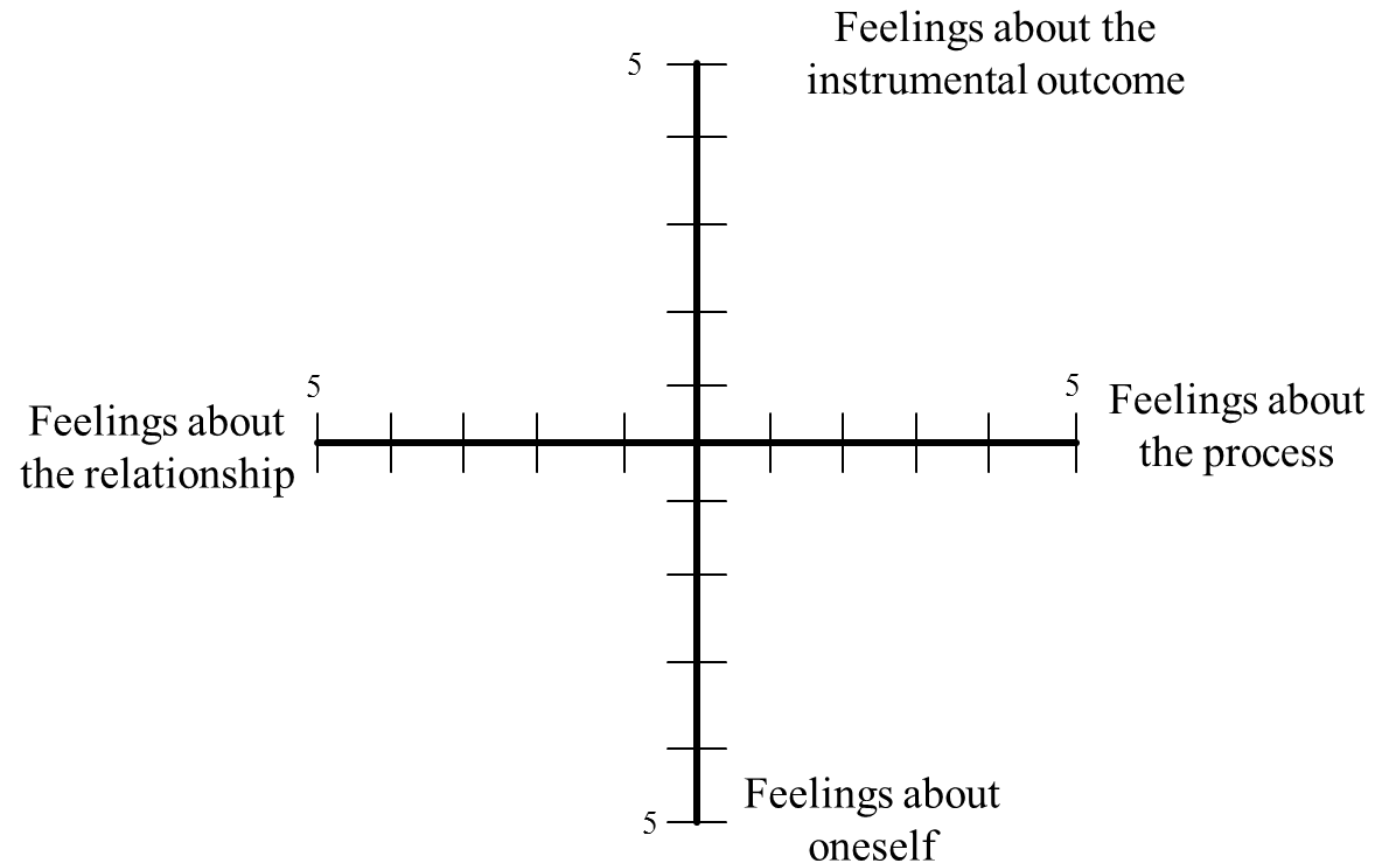
Some ideas for discussion:

- Which dimensions do you think are more important?

- Are there differences within your team's SVs?

- Compare how you felt / how the other party felt

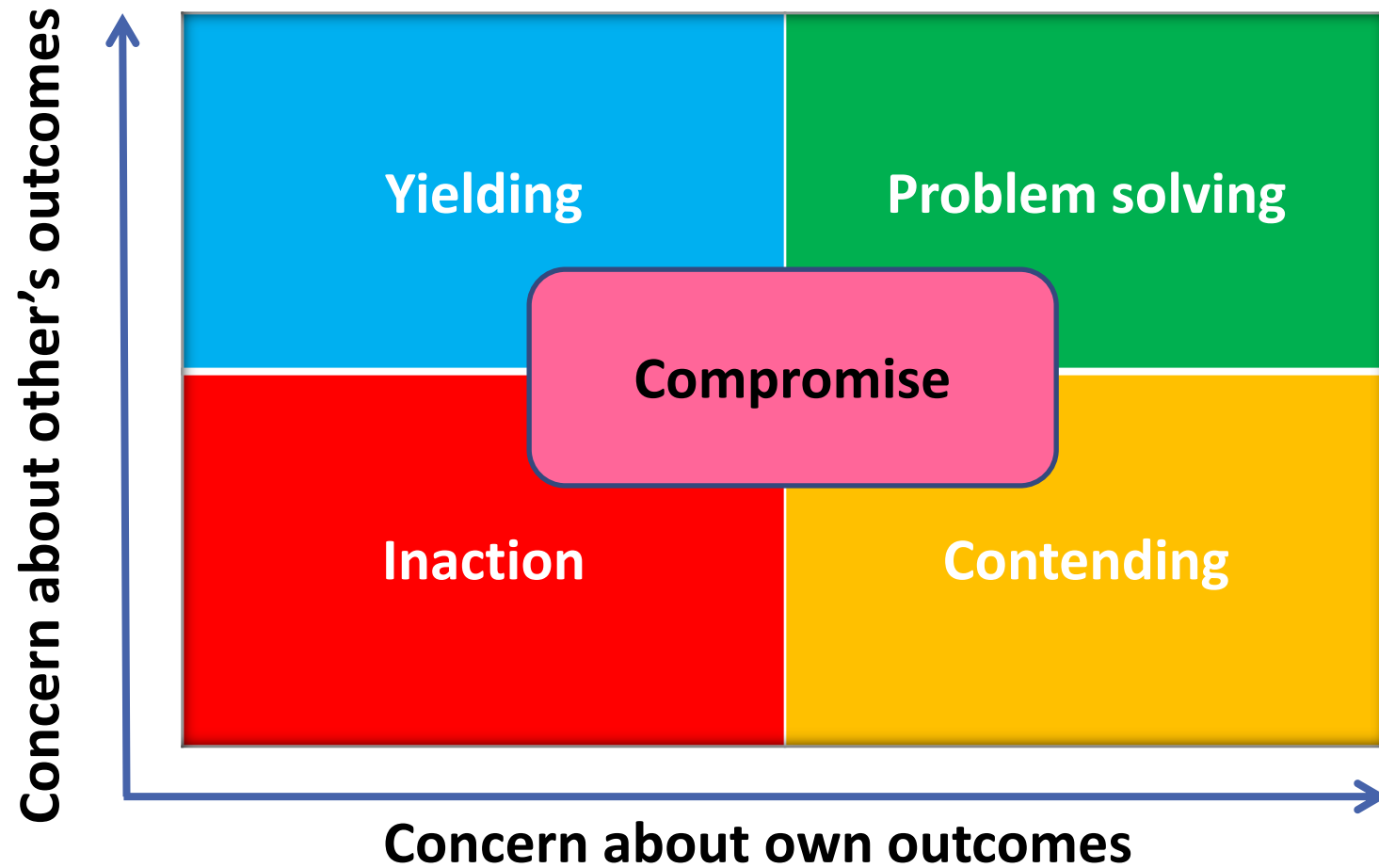- What about between the two teams that were negotiating?

Conflict Styles

Effective conflict management

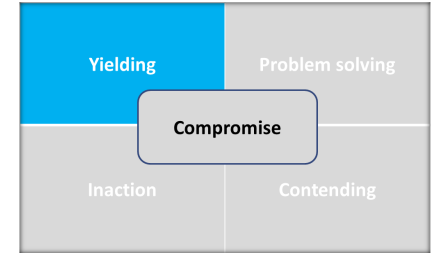**Dual concern model** (Rubin et al., 1994)

Active-engagement strategy

1. Yelding (accommodation)

- involves an imbalance of outcomes
(I lose, you win)

- focused on building/strenghtening the
relationship

- short-term strategy

- can encourage increased
interdependence

Yielding	Problem solving
Inaction	Contending

Compromise

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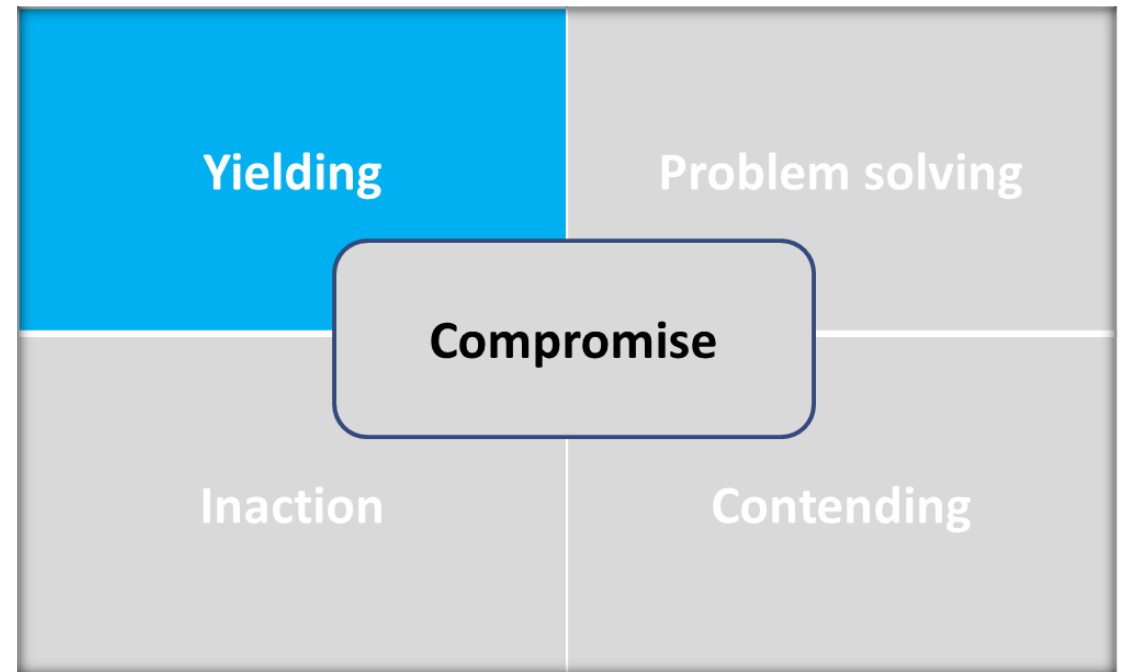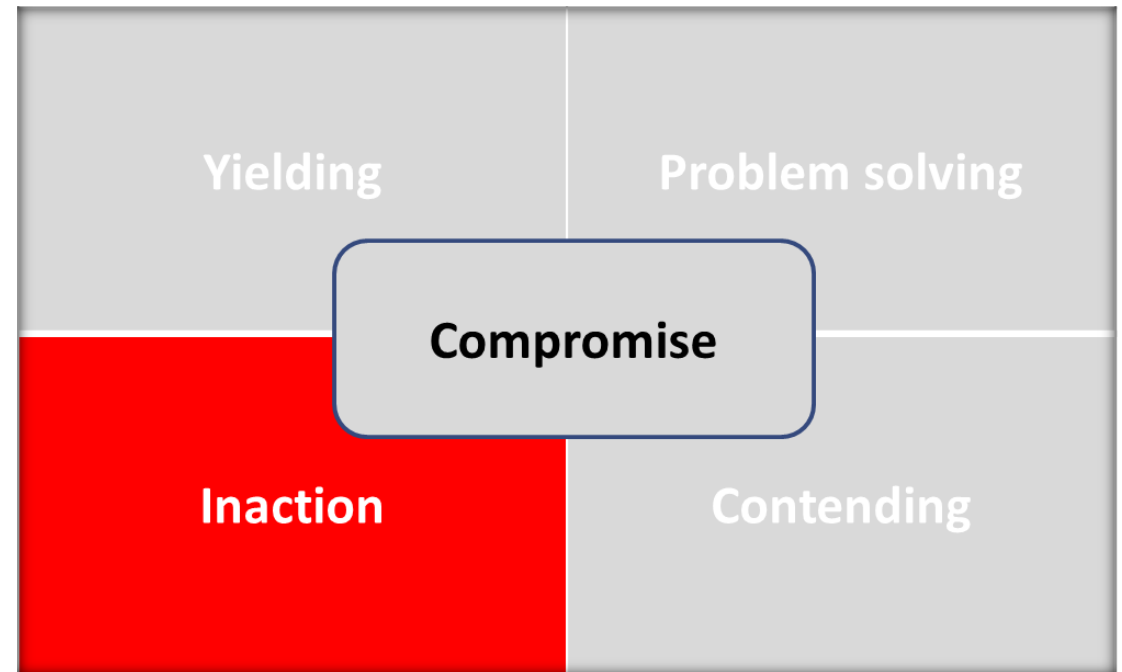
1. Yielding

- actors show little interest in whether they attain own outcomes, but are quite interested in whether the other party attains their outcomes

- **appropriate** when preserving the relationship is the most important thing, if you want to obtain something later or if the topic is more important to the other party

- **inappropriate** when the other party is trying to take advantage of you, assumes a dominant posture or is not acting ethically, or if the problem is complex and serious
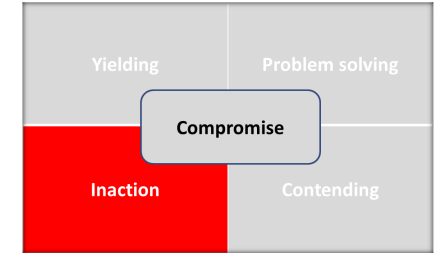
Non-engagement strategy

2. Inaction (avoidance)

- Non-engagement strategy

- If one is able to meet one's needs without negotiating at all

- It simply may not be worth the time and effort to negotiate

- The decision to negotiate is closely related to the desirability of available alternatives

2. Inaction

- actors show little interest in whether they attain own outcomes, and little concern about whether the other party obtains their outcomes

- **appropriate** when the conflict is of little importance, the timing is not the best or when you need to cool down your ideas

- **inappropriate** when the conflict is important and will not go away (and probably escalate) or the problem needs and urgent solution

Effective conflict management

Active-engagement strategy

3. Contending (competition)

- distributive, win-lose bargaining

Critical factors
- well-defined bargaining range
- a good alternative
- tactics used (e.g., bluffing, being aggressive, threatening)

Drawbacks
- costly and time consuming
- often comes with underestimation of the other party
- may lead to self-fulfilling prophecies

Yielding	Problem solving
Inaction	Contending

Compromise
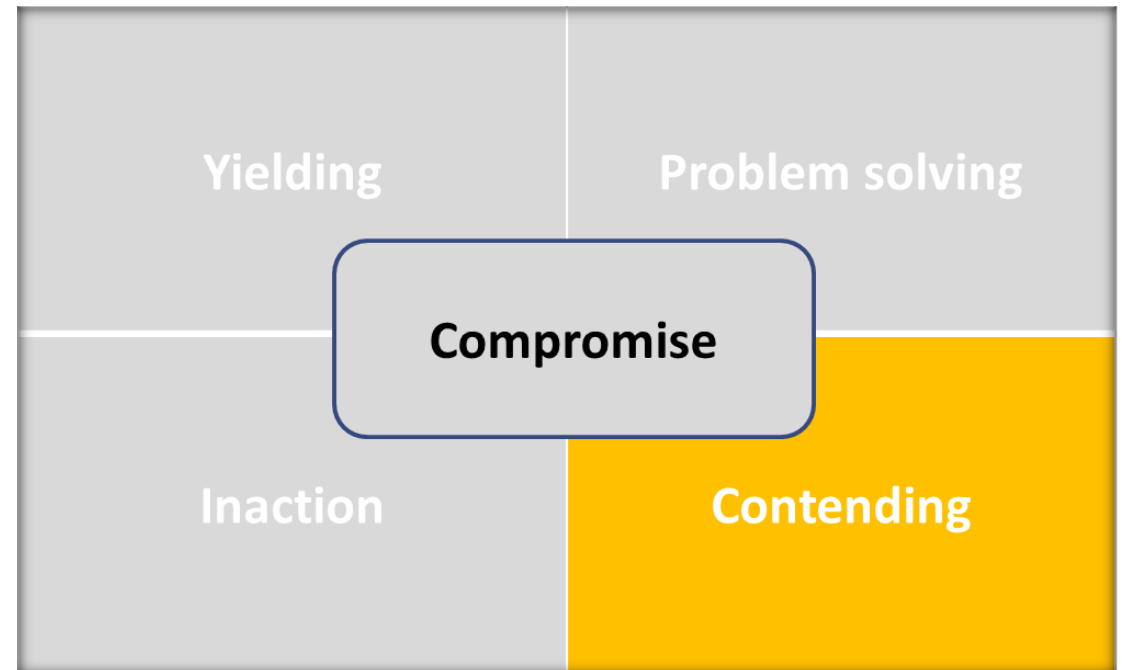
3. Contending
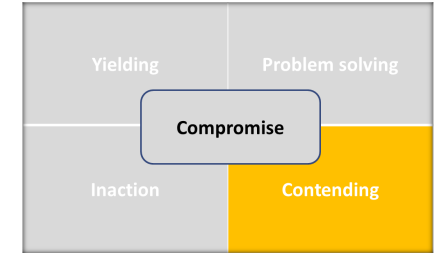
- actors pursue own outcomes strongly, show little concern for other party obtaining their desired outcome

- **appropriate** when the conflict is important, the position of the other party is not acceptable, an unpopular solution is needed, there is lack of time or the costs of accepting the other's decision are too high

- **inappropriate** when the other party does not have power to express their concerns, the environment is participative, the issue is complex, both parties have identical power (it will either escalate or get to an impass) or a quick solution is not necessary

Active-engagement strategy

4. Problem solving (collaboration)

- integrative, win-win negotiation

Critical factors
- understanding the other's goals and needs (*what & why*)
- providing a free flow of information (willing to give)
- find the best solution(s) to meet the needs of both

Obstacles – if a party:
- sees the situation without potential for cooperation
- is motivated only to accomplish its own ends
- is historically competitive

Yielding	Problem solving
Compromise	
Inaction	Contending
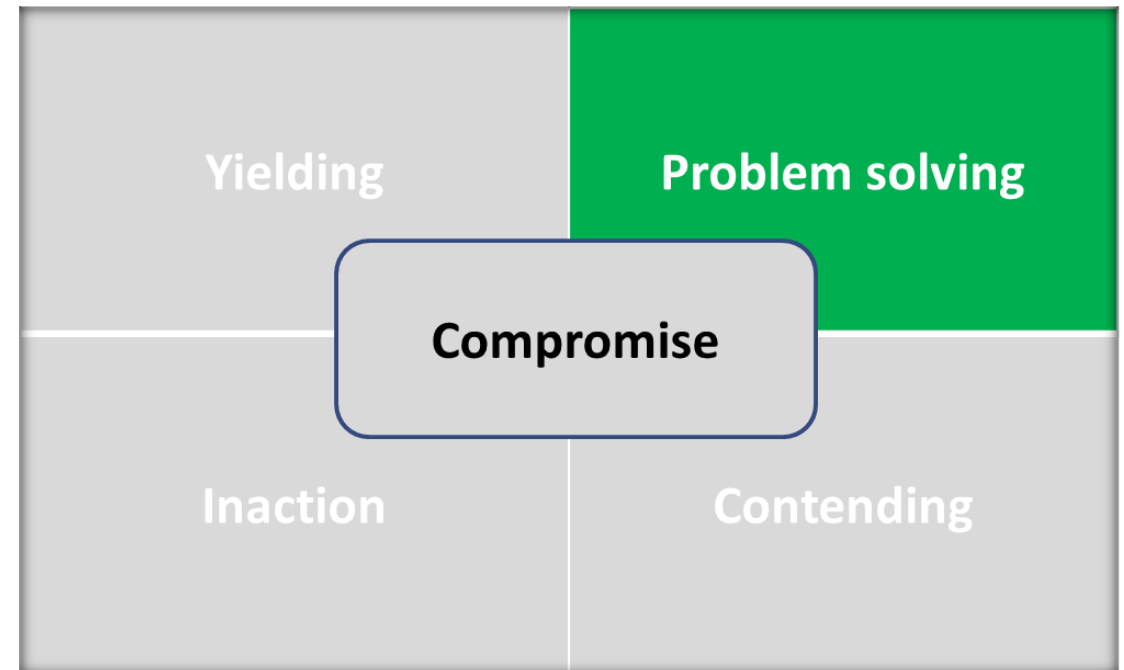
4. Problem solving
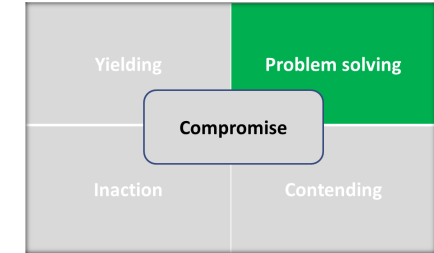
- actors show high concern in obtaining own outcomes, as well as high concern for the other party obtaining their outcomes

- **appropriate** when you have enough time, need a long-term solution, want to give the example, need creative solutions and both parties are willing to work it out together

- **inappropriate** when there isn't enough time, commitment or skills to solve the problem or when the conflict seems to be based on opposite value systems
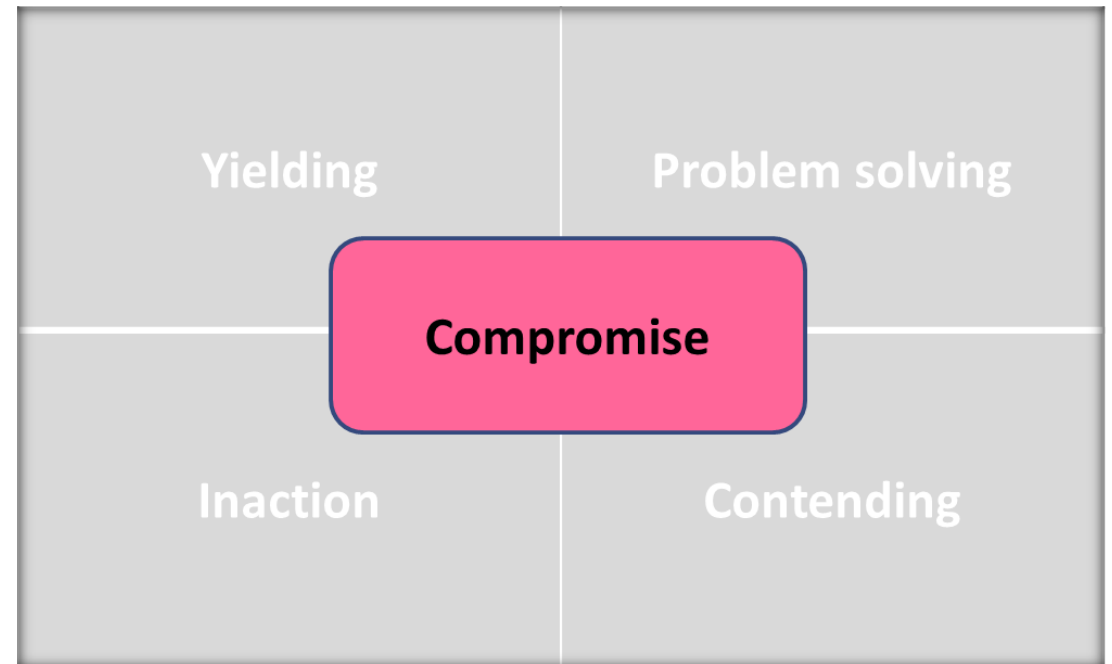
Active-engagement strategy
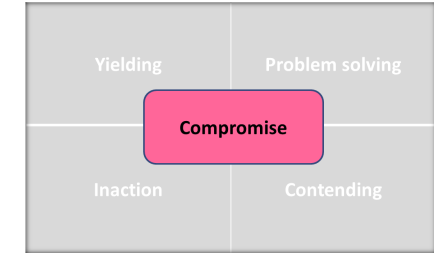
5. Compromise

- most situations are mixed

- is usually seen as 'adequate for most occasions'

Reasons to adopt

- when a true collaborative strategy does not seem possible
- when parties are short of time or other critical resources
- both parties gain something (or not loose something)

Yielding	Problem solving
Compromise	
Inaction	Contending

5. Compromise

Yielding | Problem solving

Compromise

Inaction | Contending

- actors show moderate concern in obtaining own outcomes, as well as moderate concern for the other party obtaining their outcomes

- **appropriate** when both parties are better with a partial solution than competing, the problem is complex or the other party has more power

- **inappropriate** when the solution is too vague (and nobody will commit), the goals seem to be mutually exclusive, you do not expect consensus, you need a temporary solution or time is limited

# Effective conflict management

Non-western conflict styles

- Often avoidance is misinterpreted in West African and East Asian cultures

- **Harmony** - maintenance of intricate relationships and complexities in a networked society

- Hwang (1997-1998) proposed a model based on the interaction between harmony (ignore vs maintain) and goal (discard vs pursue)

Effective conflict management

Non-western conflict styles

Common mistakes in conflict management
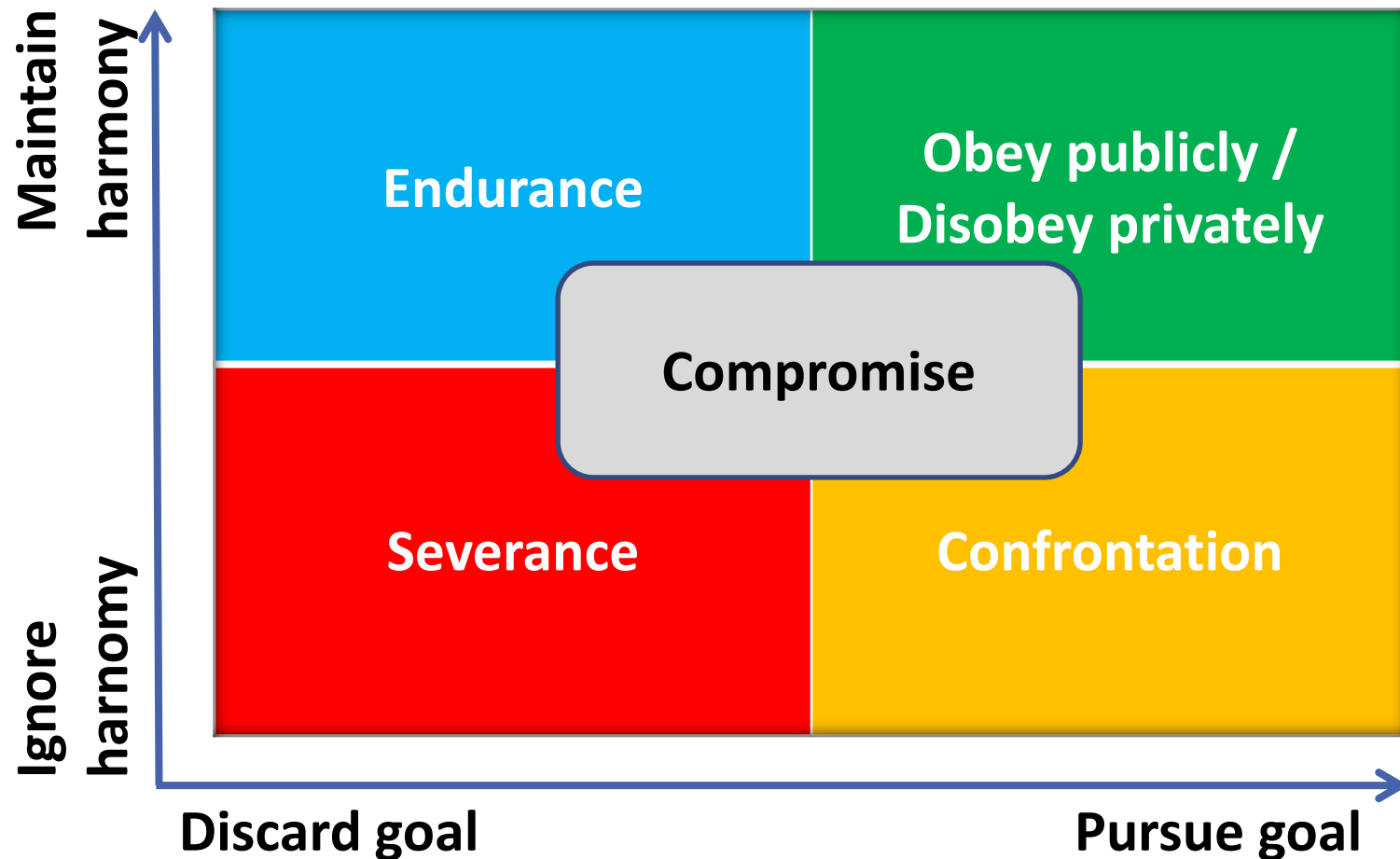
- Lack of preparation
- Excessive confidence
- Focus on positions not interests
- Makes early judgements
- Ignores the perspective of the other party
- Is not aware of the BATNAs
- Assumes the problem is 'the other party's business'
- Sees the problem as a fixed pie
- Does not allow the other party to 'save face'
- Doesn't make concessions
- Tries to win across the board
- Ignores cultural differences
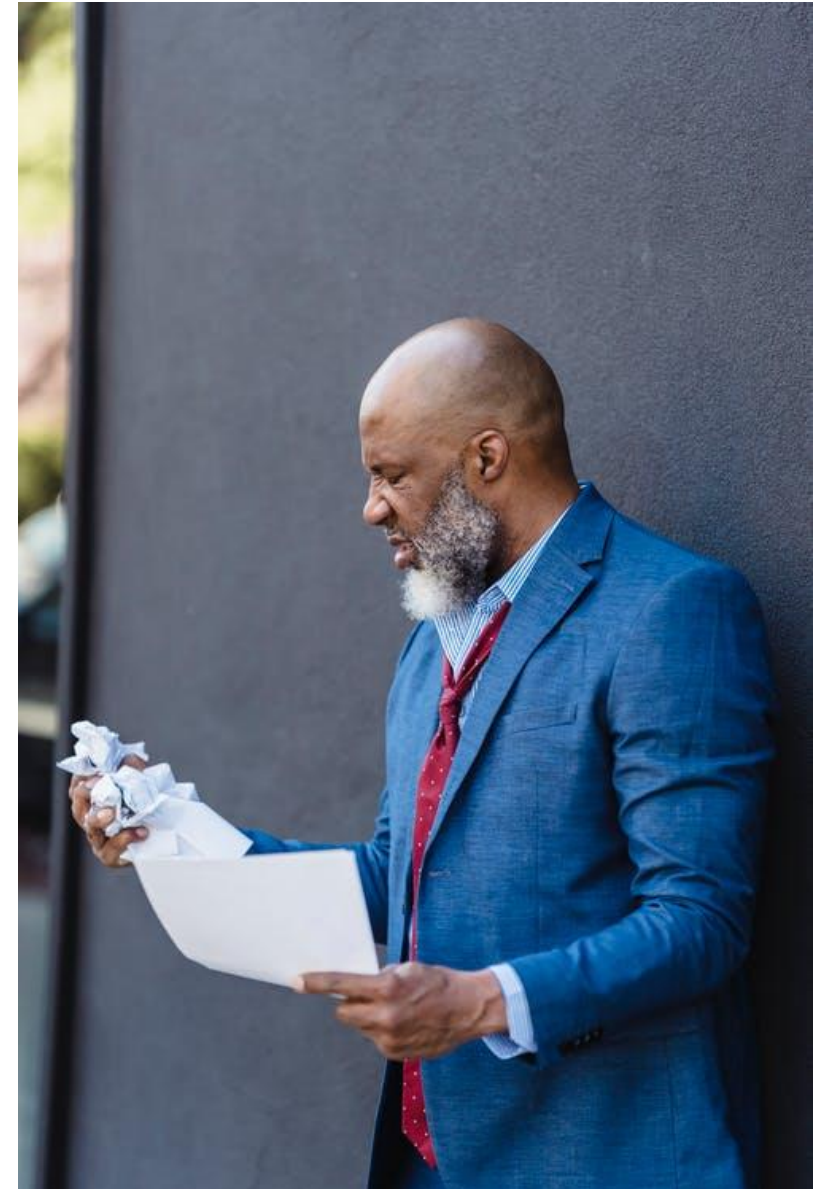
Reasons NOT to negotiate

(Levinson, Smith & Wilson (1999)

- When you can lose everything

- When you're sold out

- When the demands are unethical

- When you don't care

- When you don't have time

- When they act in bad faith

- When waiting may improve your position

- When you're not prepared

HOMEWORK: Find a conflict!

1. Find an example for each type of conflict;

2. Use the conflict diagnostic model to assess the conflict;

3. Chose the best conflict management strategy.

THANK YOU FOR YOUR ATTENTION!

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