Chapter 6 – Negotiation and Conflict-management

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Learning objectives

This chapter is designed to help you:

- Define conflict
- Recognise the common causes of workplace conflict
- Identify the causes of conflict in the workplace
- Recognise the types of conflict
- Explain the different conflict handling styles
- Understand the different conflict management options
- Differentiate between influence, persuasion and negotiation
- Differentiate between different negotiation approaches
- Understand how culture, gender and non-verbal communication can impact conflict and negotiations

<A>Case Study: Workplace disputes

Workplace conflict is inevitable, as the pressures of getting the job done creates tension between co-workers, supervisors and management. In fact, supervisors spend around 25 percent of their time resolving workplace disputes. Conflict in the workplace results from a variety of causes, and can be positive if it is part of the team's culture to seek better outcomes. However, the situations must be well managed to reduce the risks and avoid escalation into disputes. Disputes can relate to unreal expectations, unclear roles and responsibilities, different or unclear goals, organisational structure and interpersonal, which includes bullying, harassment and performance issues.

<B>Background

The problem arose with the appointment of a new Operations Manager and the conflict with her personal assistant (PA), who had been in the position to the previous three managers over a period of 10 years. The manager, although experienced, had not supervised staff before, yet was eager to ensure her appointment resulted in a significant improvement in the workgroup's output.

<B>The Dispute

The PA put in a formal complaint against the manager stating her management style was impersonal, dictatorial and featured poor communication and mood swings. At a joint meeting to discuss the dispute with the General Manager, the Operations Manager broke down and left work on stress leave.

<B>The Facts

The PA and the work team were used to running their own show, and with the rapid turnover of managers had not had to worry about accountability. Some of the work practices, such as long lunches and ‘smokos’, were unproductive. The new manager's process was not participatory, so dealt with these issues through emails. Her approach had been to retreat to her office with the door closed in avoidance.

<B>The Process

The Operations Manager was on stress leave for two months and had been receiving treatment throughout that time. The treatment had been effective so was declared fit to return to work.

The workers compensation insurer and the company agreed that if the earlier PA issues were not resolved first, it was likely that further problems would arise and the accompanying costs significant.

The mediator met with both parties separately to help them identify the issues, concerns and hear their suggestions on solving the problem. It was clear that both parties had interpreted one another’s behaviour incorrectly and the lack of communication had exacerbated the situation. The result of the meetings was positive and indicated that each were in support of change. The dispute did not start out being personal but as communication deteriorated, it became a contest between them.

A joint meeting was scheduled to develop strategies that would allow a successful return to work and a positive ongoing working relationship. It became clear that the manager had misinterpreted the behaviour of the PA as a disruptive and intentional approach to dominate work practices. The PA interpreted the change in management style as an intention to establish a case to have her dismissed.

During this session, the manager was able to explain her concerns regarding the position as well as the staff's casual approach to day-to-day operations. She also voiced her expectations regarding work practices, lunch and other breaks. The PA was able to explain that she really valued the job and thought she was helping the manager feel at home by being so casual. For the first time in their working relationship all the cards were on the table. Although sensitive issues were discussed, they had established a true connection through their communications.

Both the parties were keen to resolve the issues. The manager acknowledged that she needed to communicate directly with staff and have an open door policy except when she needed to concentrate on a particular project that required dedicated concentration. The PA accepted that there needed to be changes in the work practices and suggested a meeting with all the staff to explain what was expected and how best to implement the changes.

The role of the mediator had been to help both parties understand the conflict and to guide them into resolution. The key outcome was to keep the communication lines open, and to continue to build trust between the parties as it was clearly in both their interests to build a better workplace. The whole process took several hours and required a private meeting with both parties to finalise the options. By the end of the mediation both parties were speaking openly to each other and it was clear to the mediator that they would be able to work together and solve problems as they arise.

<B>The mediated outcome

Both parties signed an agreement to address the communication issues. The necessary changes that were previously agreed upon were outlined and given deadlines for completion. The manager agreed to start back at work on the following day. Both parties felt heard and ready to move forward.

<B>Lessons to be learnt

Workplace issues require resolution when they arise, either within existing processes or by an independent mediator, when appropriate. Interpersonal differences are often ignored or trivialised by management, which is counter-productive. These situations can result in actionable claims that can damage the company's dynamics and finances. Significant issues such as stress, harassment, bullying etc. can be resolved with an intervention by a professional dispute resolver.

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<A>Chapter introduction and overview

No one lives or works in a vacuum. In order to successfully reach our personal, professional or organisational goals, it is imperative that we work with others collaboratively. However, in the process of doing so, it is quite probable that misunderstandings or even conflicts arise. This is due to numerous factors, chief amongst them our individual differences.

The difference in our backgrounds, experiences and approaches to living give us a unique perspective on the world. By being entrenched in our own reality, it is sometimes difficult to grasp others' vantage points. These differences can create interpersonal minefields, around which navigation is not always an obvious path.

The key is to learn how to identify and understand our own conduct in the workplace, which will help us recognize the inclinations and patterns of others. We can then analyse how and why these differences cause friction and learn to overcome and capitalise on them to achieve a successful end result.

This chapter explores conflict in the workplace, negotiation and conflict management at a variety of levels. First, we will examine the nature of conflict and its common causes in the workplace. We will then review typical mistakes made in managing these conflicts. Lastly, we will study how business professionals use negotiation and other skills and techniques to overcome difficult situations to advance personal and organisational objectives.

For students seeking to learn more, the ‘advanced section’ of this chapter examines the notion of logic in greater depth and introduces the concept of fallacies.

<A>What is the nature of conflict?

‘Conflict is an expressed struggle between at least two interdependent parties who perceive incompatible goals, scarce resources and interference from others in achieving their goals (Wilmot and Hocker, 2001 pg 41).’

Let’s look at a scenario. Two department heads, Sally and Dan are set to present a plan to the executive director regarding how to best manage the current economic climate. Sally and Dan are becoming frustrated because they can’t agree on an approach.

As the head of finance, Sally wants to cut expenses to free up cash flow and pay off debt; Dan, the head of marketing, believes the company needs to increase spending for new product development. Given the finite financial resources, Sally and Dan find themselves engaged in a conflict.

<A>Why is this situation classified as a conflict?

Based on Wilmot and Hocker’s definition:

First: There are at least two parties involved.

Second: As a member of the same organization, they are interdependent.

Third: They are engaged in a struggle between paying off debt and increasing cash flow or increasing spending for business growth, which will later pay off debt and increase cash flow.

Fourth: Since they have been arguing for a month, there is clearly a perception by both parties that their goals are not compatible, and that they are competing for what very well may be scarce resources - otherwise known as the organisational budget.

Fifth: Without an agreement on how to proceed, any efforts made by either party to advance their goal could be thwarted or interferred with by the other person.

Let’s continue to look at the situation. Sally is distressed and no longer wants to meet with Dan about this matter. Dan, on the other hand, doesn’t understand why Sally refuses to engage in a solution-oriented coversation. At this point, Sally and Dan are at a stalemate and unable to move forward.

Both Sally and Dan are reacting to the conflict in different ways and are responding from their personal conflict style. We will explore conflict styles shortly, but for now, let's explore the characteristics of conflicts.

<A>The characteristics of conflicts

Conflict is not innately good or bad. The idea of ‘good’ or ‘bad’ is a judgement that we assign to a situation based on our personal/work experiences and beliefs. Thus, our history as well as other personality factors have shaped how we view and respond to conflict. Conflict is characterised as either constructive or destructive, depending on how it is perceived and handled by those involved.

<B>Destructive conflict expands and escalates to the point where the conflict often takes on a life of its own and grows bigger than the initial cause. These conflicts are characterised by a high level of competition with a win/lose approach versus finding a win-win solution. The differences are used to create divisions, information is selectively shared and attitudes of dominance and aggression, passive or otherwise, are often present (Abigail and Cahn, 2011).

<B>Productive or constructive conflict is limited to the issues at hand thereby keeping the intensity of negative feelings at a minimum (Abigail and Cahn, 2011). These conflicts are characterised by high levels of participation. Differences have the possibility of enhancing outcomes, information is equally shared and attitudes of curiosity, sincerity and respect are present.

<A>Types of conflict

Conflict in the workplace is instigated at four focal points: within an individual, between individuals, within a group and between separate groups.

<B>Intrapersonal conflict: According to Lewicki, Barry and Saunders (2007**),** intrapersonal conflict takes place within a person. You experience this type of conflict when you struggle between what you 'should do' and what you 'want to do'.

<u>Example:</u> You may become privy to the knowledge that your employer is illegally dumping waste. You know you 'should' blow the whistle, but you 'want' to safeguard your job and financial future. Wrestling with these types of decisions leads to intrapersonal conflict.

<C>How do intrapersonal conflicts affect the workplace? When a person feels inner conflict, the outward signs could include mood swings. Such moods are likely to impact those around them over the long-term.

<B>Interpersonal: The most common type of conflict is between individuals and is known as interpersonal conflict. Interpersonal conflicts in the workplace, as in life, are inevitable. They can occur during meetings, in the lunchroom, a staff retreat or at the water cooler. We will touch on the causes of conflict in the next section. For now, just realise that the concern is not whether or not conflicts arise, but how we deal with them when they do.

<B>Intragroup: This type of conflict occurs between members of a group, like a project team, who share the same goals, interests or other commonalities. Since groups are made up of individuals, they are the ones who engage in conflict situations. Some scholars argue that intragroup conflicts are a particular form of interpersonal conflicts.

<B>Intergroup: On the other hand, intergroup conflict takes place between groups who compete for resources and have incompatible goals. This isn't too surprising, however according to Bornstein (2003, p.141), "Intergroup conflicts are…more complex than any other form of social interdependence".

Accordingly, intergroup conflicts are compounded versions of interpersonal conflicts and are fraught with contradictions. This is because sometimes members of the group act contrary to their own best interest for the sake of the whole. Conversely, individuals within the group may also advance the goals of the group only because of what they will individually gain from doing so. One example that illustrates the complexity of intergroup conflict at its extreme, is war fought over territory (Borstein, 2003).

<A>Causes of conflict in the workplace

At its core, an organisation is a group of individuals working toward a common set of goals. Each individual has a preferred way of being in the world and thus a preferred way of working.

For example, one worker may need very precise instructions prior to beginning a project, whereas another may be more comfortable figuring it out without help. Also, we all experience, react and cope with stress differently. What may not be a stressor for one person, say a tight deadline, may overwhelm another.

Studies have suggested that in the workplace, there are eight common causes of conflict (Bell, Hart, 2000; Bell, Hart 2002).

<B>The eight causes include:

1. Conflicting needs
2. Conflicting goals
3. Conflicting pressures or priorities
4. Conflicting roles
5. Unpredictable policies
6. Different personal values
7. Conflicting perceptions
8. Conflicting styles

Let's discuss each of these in turn.

<C>1. Conflicting needs

In the workplace, employees have both tangible and intangible needs they seek to meet. Tangible needs can take the form of resources like funding, technology, office supplies, staffing, physical space (i.e. a corner office), or even human capital. Intangible needs include recognition, work/life balance, power and influence, to name a few. The perceived competition for limited resources creates a breeding ground for potential conflict.

<C>2. Conflicting goals

Even though employees are supposed to be working toward the same, long-term organisational goals, different departments are responsible for different aspects of the overall vision and goals. As such, their functional perspectives may differ on the best approach to achieving the common outcome.

Going back to our opening scenario, both Sally and Dan are working to help the organisation weather the current economic climate. Because of the differences in their functions, they adopted very different approaches getting what they think will benefit the company and thus solve the company's problem.

<C>3. Conflicting pressures or priorities

Conflicts caused by conflicting pressures or priorities are the short-term versions of conflicting goals. So, what happens when Person A and Person B request deliverables of Person C and they are due within the same timeframe? Unless clear and timely discussions take place when the requests were made, this situation is likely to have a negative impact on all involved. After all, Person C only has so much time in a day and week in order to accomplish all his tasks.

<C>4. Conflicting roles

It is common to become conflicted when you are asked to perform a task that is not aligned with your expertise, interest, goals or values. Often, when the project or task is mismatched, the person becomes unsure or feels pushed and pulled in opposite directions by external influences. This mismatch is an impetus for both intrapersonal and interpersonal conflict in the workplace.

<C>5. Unpredictable policies

One systemic cause of conflict involves unpredictable policies. Since policies are the guidelines for how employees should behave in or handle particular situations, it is vital that everyone within an organisation is referencing the same set of rules when making decisions. If the policies change often, are not transparent, do not exist or are inconsistently applied, then confusion, frustration and misunderstandings can occur.

<C>6. Different personal values

Personal values are the beliefs you hold regarding how you conduct your life and work. Values affect your priorities and guide you through the myriad of daily decisions. In the workplace, if you are asked to complete a task that is not consistent with your values, both intrapersonal and interpersonal conflict can arise. If you choose to do as requested, more than likely you will feel at odds with yourself. If, however, you choose not to do as requested, it is likely that your boss will be displeased with you at the very least. Thus, it is important for organisations to follow ethical leadership principles in order to prevent these circumstances from occurring.

<C>7. Conflicting perceptions

Think of perceptions like a pair of eyeglasses. When you put on different lenses, you get a different view of the world around you. Like our personal styles and our personal values, our perceptions are influenced by many factors. It is in this way that two people can witness the same event but have completely different interpretations of what transpired. Neither perception is right nor wrong, but merely different.

<C>8. Conflicting styles

We each have a preferred way of handling or engaging in conflict. Our personalities, cultural backgrounds and life experiences have influenced these preferences. From an early age, we observe our parents responding to conflict in their lives. We start modelling behaviours early on, so some learn to avoid conflict while others deal with it directly and swiftly. Sometimes situations start as minor disagreements and then escalate. This happens because of how each party chooses to engage or not to engage with one another during a conflict. We will explore response to conflict and conflict styles in the next section.

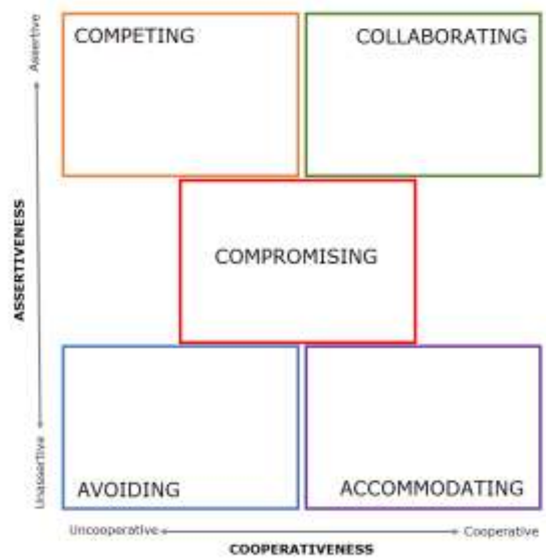
<A>Responses to and how we handle conflict

When faced with challenging or stressful situations, people respond in different, but habitual, ways. Some responses lead to escalating the conflict and others to resolving it. Let's examine two approaches to handling conflict—Fight vs. Flight and Conflict Styles as identified by Thomas and Kilmann (1975).

<B>Fight or flight responses
As a natural, physiological reaction to danger, our bodies put us in a fight or flight response when presented with acute stress. These stressors can be mental or physical and arise when confronted with the perceived threat of harm. Once our fears are triggered, we automatically gravitate toward one response or the other. If not self-aware, we can resort to behaviours like attacking, defending, blaming, resentful complying or completely withdrawing. While these responses will help us in dangerous situations, they are often counter-productive for resolving day-to-day conflicts at home or work.

<B>Conflict styles by Thomas and Kilmann
Based on their research, Thomas and Kilmann (1975) identified five modes of handling conflict. Their diagnostic tool called Thomas-Kilmann Conflict Mode Instrument or TKI evaluates a person's behaviour in conflict situations and places them within the dimensions of assertiveness and cooperativeness.

These two dimensions of behaviour help to define five styles of conflict resolution.



<C>1. Competing - this behaviour is both assertive and uncooperative. This is a "power-oriented mode".

<C>2. Collaborating - this approach is both assertive and cooperative. In this mode, a person tries to find solutions that fully meet the needs of all involved.

<C>3. Compromising - this method is midway for both parties. Those operating from a compromising mode are usually trying to find the quickest solutions that will be acceptable to all involved. Usually it means both sides must make concessions, "giving to get".

<C>4. Avoiding - this approach is both unassertive and uncooperative. The individual operating from this mode evades the conflict.

<C>5. Accommodating - this behaviour is unassertive and cooperative. It is the opposite of competing and is where a person puts their own needs aside to fulfil the needs of the other person or people involved (Thomas & Kilmann, 2012).

It is important to note that although we each have a preferred conflict style; we can shift into and use other styles, depending upon the situation at hand. Understanding conflict styles eliminates the temptation to utilize the fight vs. flight responses while also helping you to identify this conflict mechanism in yourself and others.

<A>Conflict management

Now that you are grounded in the concept of conflict and the typical ways people deal with it, let’s look at methods for resolving conflicts and disputes in the workplace. Conflict management is defined as the following:

> The practice of recognizing and dealing with disputes in a rational, balanced and effective way. Conflict management implemented within a business environment usually involves effective communication, problem resolving abilities and good negotiating skills to restore the focus to the company's overall goals (Business Dictionary, n.d. para 1).

Typically, there is a continuum of conflict management choices starting at one extreme with avoidance and at the other, violence. In between these two extremes, disputing parties have a number of other options including mediation, negotiation, arbitration and adjudication (Moore, 1996). We will leave the discussion regarding negotiation for now, and focus on the other three options.

<B>Mediation is chosen when parties cannot resolve their differences through their own negotiation efforts. In these instances, an impartial third party, known as a mediator, is engaged to help those involved reach an agreement. The mediator serves as a facilitator of communication and does not generate solutions, provide advice or make decisions for those in conflict.

<B>Arbitration is a third party who listens to both sides of the conflict and makes a decision for those involved. Prior to arbitration, the participants agree to abide by the arbitrator's decision, no matter the outcome.

<B>Adjudication is an option, when neither mediation nor arbitration is successful or if the conflict is of a serious nature. Adjudication is used when disputants take their issue through formal legal channels and hand over their decision-making power to the adjudicating body.

<A>Influence, persuasion and negotiation in conflict

There is a point of view that states, “One cannot, not communicate.”

In the workforce, little can be accomplished without effectively communicating with others and the most successful people are those who learnt the art of persuasion and influence, as pertains to customers, vendors, employees and employers. Consequently, the difference between good and great communicators goes beyond the ability to interact, and extends to influencing and persuading others.

<B>What is the difference between influence, persuasion and negotiation?

According to Shell and Moussa, influence is a far-reaching activity that we engage in on a daily basis (Wharton @ Work, 2007). A handshake, someone’s foul mood and even a crying baby all have influence on others. Influence operates even if power is not employed.

Persuasion is a form of influence with a specific “goal or point of view. It is more intellectual and reason-based than influence” and has the explicit intention of spurring action in others or removing “obstacles that prevent” action (2007 para 6).

Negotiation is “a special type of persuasion” when there is a potential or perceived conflict of interest (para 7).

Let’s take a closer look at persuasion and negotiation.

<B>Persuasion further defined

In *The Art of Rhetoric*, Aristotle identified three methods of persuasion:

The first kind depends on the personal character of the speaker; the second on putting the audience into a certain frame of mind; the third on the proof, or apparent proof, provided by the words of the speech itself.

These means of persuasion are known as ethos, pathos and logos.

Ethos is the character or reputation of the speaker, sometimes referred to as a person’s credibility. Ethos encompasses both the reputation that precedes a person as well as the one they develop through the course of the interaction. Ethos can be gained by demonstrating knowledge, establishing common ground with the audience and exuding sincerity. For example, we may listen intently to a multimillionaire as they speak about earning millions but disbelief arises if they speak about conducting heart surgery.

Pathos is the emotional or pathetic appeal. Emotional appeals are powerful motivators of action. Consider advertisements for a moment. The words, sounds and images displayed in ads trigger a myriad of emotions, like desires, hopes, dreams, fears and ambitions. Very few ads motivate people to action with facts and figures. When developing an argument to evoke an emotional response, storytelling and metaphors are powerful tools.

Logos is the appeal to reason. Aristotle believed this to be the superior of the three. Although Aristotle believed that arguments should rely upon sound reason and empirical evidence, he reluctantly accepted that the other appeals would have to be utilized, due to the limitation of humans. The appeal to logos draws upon both deductive and inductive reasoning and the evidence chosen to support the arguments. For more on inductive and deductive reasoning, refer to the advanced reading section of this chapter.

<A>Additional negotiation elements to consider

The best negotiators are those who don't use tricks or manipulation, they ask a lot of questions, listen carefully and concentrate on the interests of both parties. Of course, being prepared makes their skills even more powerful.

Before taking the first step in preparation, let's take a look at how culture, non-verbal and gender clues may come into play during the negotiation.

<B>**Culture**

Even though the definition of culture is many and varied, each author ascribes to the idea that culture is something that shared, adheres to patterns and helps us interrupt and respond to the world around us. Hofstede even refers to culture as the "the collective programming of the mind" (1984, p. 51).

By understanding another's culture, we are better able to communicate in a way that will be best received, thus, resolving conflicts more effectively and efficiently. Two scholarly taxonomies useful to analysing and understanding culture are Hall's theory of high- and low-context cultures and Hofstede's cultural dimensions. Before we continue, it is important to note that while these schemas provide a means of understanding cultures, the behaviour of individual members of a culture may vary greatly from the pattern. Thus, in a negotiation, it is necessary to meet and respond to people as individuals and not as representatives of their culture.

<C>**High-low context cultures**

Hall categorises cultures by the amount of information implied by the context or the setting of the communication regardless of the exact words spoken. Most of the meanings derived in high context cultures are either implied by the physical setting or presumed to be part of the individual's internalized beliefs, values, norms and social practices. Very little information is provided in the coded, explicit, transmitted part of the message (Hall, 1976). Examples of high-context cultures include Japanese, Indonesian and French.

In low-context cultures, conversely, most of the meaning is communicated precisely through language. Little of the communication is taken for granted and the responsibility for conveying meaning and explaining information rests with the speaker (Hall, 1976). Examples of low-context cultures include Australia, Germany and U.S. Americans.

<C>Hofstede's cultural dimensions

Hofstede's (1984) cultural dimensions can also help us understand and evaluate a culture. His original theory includes the following five dimensions:

Individualism-collectivism – this dimension explores how one behaves as an individual or as part of a collective. Countries such as Japan are more collectivistic in nature while Australia is more individualistic.

Uncertainty avoidance –this is how members of a culture adjust to change and deal with uncertainties. High uncertainty avoidance cultures like security, stability and being able to determine the outcome of particular situations. They tend to be more rule-based in nature. Examples of countries on the high side of uncertainty avoidance include Germany and Denmark. Low uncertainty avoidance cultures are more adaptable to change, take greater risks and limit rules. Russia and Greece fall on the low side of uncertainty avoidance.

Power distance - this is how power is distributed within a society and its willingness to accept this distribution. A high power-distance culture will follow a more hierarchical regime and low-power distance cultures value equality. High power-distant countries include India and Mexico while low power-distant countries include Australia and the USA.

Masculinity-femininity - this refers to gender expectations within a culture to the degree to which individuals favour achievement and assertiveness over nurturing and social support and vice versa. Examples high on the masculine-side of the spectrum include Japan and Mexico and on the feminine-side of the spectrum Sweden and Denmark.

Long-term/short-term orientation – this encompasses how cultures relate to time. Long-term oriented cultures value persistence, frugality and humility. They plan for the future. Whereas short-term oriented cultures are focused on the here and now with the expectation of quick results. Examples of long-term oriented cultures include the China and Thailand while short-term oriented cultures include the United Kingdom and Canada.

<B> Non-verbal signs

Imagine an expert poker player who watches his opponent’s non-verbal communications to gain an advantage. The best poker players are skilled in hiding their own and picking up on their opponent’s subtle signals. One can glean quite a bit of information by observing the other party's non-verbal communication. Recognise that non-verbal communication goes beyond body language and also includes tone, para-language, clothing and adornments. Be careful when negotiating with someone from a different culture because some non-verbal cues are culture-specific.

<B>Tips for reading others and controlling your own body language

1. Mirroring: When you mirror another's behaviour, tonality and energy, it makes them comfortable and is engaging. If you see them pull back, you will need to re-establish rapport.

2. Eye contact: Make and maintain eye contact. It exudes confidence and ease within Western cultures.

3. Hand movements: Stay away from fidgeting. However, if someone else is doing any hand clasping or wringing, you know they are nervous and under confident.

4. Facial expressions: Expressions give away too much information. A poker face is best. Conversely, you will be able to read others if they are too expressive.

5. Relaxed and patient: Exude patience. If you appear rushed or impatient, it may result in hurried negotiations that don't meet the goal.

6. Open posture: Crossed arms, crossed legs and backward leaning all indication little flexibility in the conversation. Stay open and your counterpart might take your lead.

<B>Gender and negotiations

According to Lewicki et al. (2006, p. 377), Kolb and Coolidge, women have a greater awareness of more than the issues at hand and consider the total relationship when negotiating. As such, women use more open-ended dialogue techniques to establish and empower all parties versus the more male tactics of persuasion to win the negotiation. This is most likely due to the way each gender is socialized.

<C>Female and males are socialized differently

Tannen (1990) suggests that, historically, boys are better socialized and prepared for the adult workforce than girls. Generally speaking, women engage in rapport talk where the social and emotional aspects are of high importance within the interaction; whereas, men are more likely to engage in report talk which focuses on the problem and is solution-focused, with little concern for the social and emotional components of the interaction.

Depending on your gender or that of the person with whom you are negotiating, you will want to understand the differences between the tactics both genders tend to utilize. While women may appeal to both head and heart, males are inclined to discuss more information (head only).

Once you understand how culture, non-verbal responses and gender play a role in how the person might think, react and respond, you will be ready to understand how the various approaches to negotiation can provide specific assistance.

<A>Negotiation approaches

Negotiations are a common occurrence in business, as well as many parts of life. They can range from small instances, like what image to use in a brochure, to large-scale dialogues that ultimately have significant flow on effects. By understanding and practicing the different negotiations types, you can successfully identify the approach that will garner the best possible outcome in any given situation.

<B>Positional bargaining or distributive negotiation

Distributive negotiation is the same as positional bargaining. This is a zero sum approach towards negotiating that requires one party to lose in order for the other party to benefit. It usually involves a back and forth of offers and counter-offers with each party trying to maximize their portion of whatever ‘pie’ is on table.

Positional bargaining is most commonly seen in purely monetary transactions, such as the sale of a car or house. The seller wants to get as much for their property and the buyer wants to get the best deal possible. Both have to come to an agreed upon an amount. A middle ground is possible but contributing factors may sway the position in favour of either party, i.e. the housing market, the level of the buyer's interest or intangible values that may exist for either party.

This positional negotiation approach can be illustrated by the following 4-step process, (Shell, 1999) where the issue is more important than the relationship.

1. Preparation
2. Exchange information
3. Bargain
4. Commit and conclude

<C> 1. Preparation

Do your research!
Negotiating without preparation is like going to war without ammunition. It’s careless and will always end up a disaster. At this stage, much information is needed before taking a step forward.

Gather intelligence
earn as much as possible about the person who is across the negotiation table. This includes information about the organisation they represent, their cultural background, their authority level and any other background information available. Also, gather relevant evidence that will support the arguments you plan to put forth. For example, if you are going to buy a new car, make sure you know the relative value of the new vehicle and the trade-in value of your old one before heading to the dealership.

Determine your priorities and theirs
Make sure you have a firm grasp of what you want out of the negotiation and attempt to ascertain what the other party wants as well.

Know the limits of your authority
Just as important as identifying the ability and authority of the other party is to assess and determine the limits of your own authority as a negotiator (Schatzki, n.d.). Which decisions are you authorized to make and which need approval from the other decision makers? Should a decision maker be included on the negotiating team?

Determine the location
Deciding the location for the negotiation depends on the data and information gathered earlier, as well as other variables, such as:
Their place - When negotiations are to take place at the opposing party’s office, it can project your confidence in your position.

Your place - The concept of ‘home court advantage’ affords non-verbal cues that may boost intimidation, like achievement awards, the office décor and the demeanour of the receptionist that might suggest an aura of a ‘power office’.

The neutral place - Choosing a neutral setting helps take the edge off and start negotiations off on an equal footing (Rainey, 2010).

<C>2. Exchanging information

This is the time to use top relationship skills while exchanging information and getting a feel for the playing field.

Relationship building

1. Establish rapport through connecting, mirroring
2. Observe and mirror tone, body language and volume
3. Match how information is given - big picture or details
4. Assume they have the best of intentions
5. Demonstrate and maintain respect
6. Sustain attention and rapport (Dreeke, 2011; Raines and Ewing, 2006)

Ask questions and listen

The best method for exchanging information is to listen intently and ask clarifying questions. By listening intently, you are not only validating the other person but also further building the relationship. Additionally, it is important to ask clarifying questions so you have a clear understanding of each other’s goals and the issues at hand (Dreeke, 2011).

Reframing the other person’s statements will also allow you to see the non-verbal signs of agreement, confusion or disagreement. Once you have established that everyone is on the same page, options for solutions can begin to flow and the bargaining stage can begin.

<C>**3. Bargain**

Begin by asking for what you want, recognizing that you may have to give to get. Compromises are usually necessary. Define issues in detail, deal with one at a time. In order to make sure you understand the other party, paraphrase what they said to be certain and always summarise the content to check for clarity and confirmation.

<C>4. Commitment and closing

After a tentative agreement has been reached, double check that it is sustainable, meaning that the agreement is realistic and can be carried out once the negotiation is over. Ask the other party to summarise their understanding of the agreement. This way, you can clarify any misunderstandings right away. Assuming each party is "committed" to the resolution, then verbalize the next steps for a final confirmation - often this is a written agreement.

<B>Principled negotiation or integrative negotiation

Integrative or principled negotiation seeks win-win outcomes in which both parties will benefit. Clear communications are required regarding the needs and interests of both parties. The focus is on creating greater value together than apart and finding a common ground, versus differences.

The method of principled negotiation was pioneered by Fisher, Ury and Patton (1991), as part of the Harvard Negotiation Project. Their model outlines four major principles, as follows:

People – Fisher, Ury and Patton (1991) suggest that the first step is to separate the people from the problem so the focus is on solving the problem and not on any adversarial tensions.

Interests – relies on the importance of keeping the focus on the parties' interests or needs and not the positions of those involved. By focusing on needs, the parties can generate creative solutions to the problems at hand that they may not have previously identified by merely stating their positions.

Options – creative problem-solving by generating a list of resolution possibilities, prior to evaluating the list.

Criteria – Fisher, Ury and Patton (1991) suggest that each party should use objective criteria to evaluate the solution. The criteria needs to be wise, amicable, efficient, fair and will ensure the solution is in everyone's best interest.

Prior to negotiating, each party should know what their best alternative to a negotiated agreement (BATNA) is in case the negotiation fails or against which they can evaluate any proposed solution. Ultimately, the goal is to measure your success against your BATNA, not against what others may have gained.

<B>Game theory approach to negotiation

Game theory is a somewhat complex mathematical concept that can be applied to negotiations. Modern Game theory was invented by Jon Von Neumann with his paper in the early 1940s that eventually led to a book, *Theory of Games an Economic Behaviour,* 1944 with Oskar Morgenstern.

Game theory encompasses using "interactive decision theory" where descriptive language can be used by a negotiator for stating what can only be considered common sense in order to steer negotiations in a certain direction. Concisely, game theory is often used to identify the stances of two parties in a negotiation and then modify a stance with receptive language in order achieve a positive outcome. The outcome isn't necessarily beneficial to both parties in details, however positive the result might be.

<B>Prisoner's dilemma negotiation approach

The prisoner's dilemma happens when both parties might not cooperate with each other when it is in their best interest to do so. This often happens in the business world where two parties could gain important benefits from cooperation, but fail to do so because it is too expensive or difficult to be in the position to achieve cooperation. The concept was originally framed by Merrill Flood and Melvin Dresher working for RAND in 1950, and was then formalized with prisoner sentence rewards added to the game by Albert W. Tucker.

<A>Advanced reading

<B>Logic

Typically, logic has two general meanings: 1) the use of valid reasoning used to tackle a problem, grasp a concept or develop a theory, 2) the normative study of reasoning or a study incorporating reasoning, such as: philosophy, mathematics or even computer science.

The topic of logic has been studied for centuries since it was established by ancient civilizations in Greece, India, and China. Aristotle established logic as a formal discipline, giving it a prominent place in the teachings of philosophy. The studies of grammar, rhetoric and logic were all part of the classic trivium or three roads acting as the foundation of a medieval liberal arts education. Logic and the rest of the trivium were studied prior to the studies of the quadrivium, which included geometry, astronomy, arithmetic and music. All seven studies together formed the foundation of the seven liberal arts of classical study.

<B>Deductive reasoning

Deductive reasoning starts with a general rule, theory or premise that we know to be true. A syllogism is a logical argument that uses deductive reasoning. A valid syllogism consists of a major premise (a general statement) and a minor premise (a specific statement) from which a conclusion eventuates (Kirszner and Mandell, 2008). In other words, deductive reasoning takes general truths and applies them to a specific result.

Here is the typical example:

All men are mortal (major premise)
Socrates is a man (minor premise)
Therefore, Socrates is mortal (conclusion)

<B>Inductive reasoning

Inductive reasoning moves from specific facts to general conclusions. For inductive reasoning to be valid, the conclusion must be founded upon an appropriate amount of reliable evidence. Essentially, the evidence you use must adequately represent the situation or population. This pattern-based reasoning is then used to develop a prediction (Kirszner and Mandell, 2008).
Example:
Micro-loans have increased the quality of life for families in India, so micro-loans could be used to help families in other developing countries as well.

<A>Logical fallacies

A fallacy is a common error in reasoning that weakens the logic of an argument. Fallacies are usually identified because they lack supportive evidence; thus, they can be either extraneous points or illegitimate arguments in and of themselves. Be mindful of fallacies as you develop your own arguments and be watchful for them from the arguments of others. There are many known fallacies and some of the most common are described below.

<A>Most common fallacies

<B>Post hoc ergo propter hoc –Also known as "false cause", this fallacy assumes if A follows B, then A caused B. “I ate a hot dog and I now I feel sick, therefore, the hot dog must have made me sick.”

Either/or – This is where two extremes are proposed as the only options ignoring other possibilities. “Either I get this promotion or my life is over!”

<B>Red herring – Diversionary tactics to call attention away from the truth. “The level of contaminants in the ground water may be unsafe, but what will ranchers do to support their families?”

<B>Slippery slope – Here the conclusion is based on the premise that if A occurs then eventually it will lead to subsequent small steps B, C, D…all the way to Z, which is unwanted. So, to avoid Z, A should not be attempted. “If you start smoking cigarettes, it will lead to smoking marijuana, then to using even harder drugs, and then you will become addicted and your life is over; therefore, you should not smoke cigarettes.”

<B>Argument from authority – This is when an authority figure’s opinion, belief or behaviour is used as proof to substantiate a claim. “The vice president supports my decision, so it must be the correct course of action.”

<B>Ad hominem – This is an attack on the character of the person who is putting forth an argument and not an attack on the validity of the argument itself. In a court of law, many witnesses undergo character assassinations levied by the opposing attorney in an effort to make their statements false.

<B>Unqualified or hasty generalization – Here, conclusions are reached based on unsubstantiated, biased or insufficient evidence. Basically, you are rushing to conclusions before having all the facts. “Even though this is only the first day, I can see this is going to be an informative conference.”

<B>Bandwagon – A bandwagon mentality is to validate a fact or make it a truth solely because many others are doing the same. If over half of the staff is leaving work early on a Friday, the bandwagon approach would dictate that it is acceptable for you to leave early as well.

For a more comprehensive list of fallacies, refer to the website, http://www.nobeliefs.com/.

Discussion Questions

- How can you use the principled negotiation approach to ask for a raise at work?
- What value does Hofstede’s cultural dimensions provide to business professionals working internationally?
- Can the Thomas-Kilmann Conflict Styles be used as negotiation strategies? Why or why not? If yes, provide an example using one of the styles as a strategy.

Chapter summary

- Understand and identify the differences our backgrounds, experiences and genders create different perspectives.
- Learn to understand our own behaviours in the workplace.
- Understanding the nature, causes and types of conflict will allow more for successful resolution.
- Spotting the different conflict styles will allow us to use different strategies to solve issues.
- Negotiating and managing conflict is important in the workplace, as well as other areas of life.
- Tools such as persuasion, influence and negotiation can be successful for conflict resolution.
- There are concrete steps to developing strong negotiation skills that include developing rapport, reading others, controlling body language and communicating effectively.
- Understanding and using the primary types of negotiation will help create satisfactory results in conflict situations.
- Studying advance practices such as logic, reasoning and understanding fallacies will deepen the ability to navigate through any potentially negative relationship situation.

Tutorial guide

Review Questions

1. What are the differences between positional and principled negotiations? When might each be useful?

2. Discuss the relevance of cultural differences in both conflict and negotiation. What are the implications for international organisations?

3. What ethical dilemmas might present themselves when employing pathos in your argument formation?

4. Discuss the statement, "One cannot, not communicate." How can becoming self-aware aid you when negotiating?

5. Name three fallacies that might arise during conflict resolution?

6. Women and men handle conflicts and negotiations differently. What is the primary difference?

<A>Activities

<B>1. TKI In Action

Have students watch the following video about the Thomas-Kilmann Conflict Styles: http://www.youtube.com/watch?v=w2P9jW4_Q8s

Break students into groups. Reiterate that the conflict styles can also be used as strategies for dealing with conflict. Ask groups to identify either case or situation where each style/strategy might best be used.

<B>2. Role-play

Using the scenario at the beginning of the chapter, break students into group of three. One person plays the part of Sally, the other of Dan and the third person serves as an observer.

Using what they know of the characters, conflict styles and negotiation techniques, have the students role play in small groups - the first time using positional negotiation and then a second time principled negotiation.

<C>Scenario: Perception

Consider the following scenario. There are two employees—Employee A and Employee B. Both arrive on time each day and complete their work successfully. However, Employee A leaves precisely at closing time every day, while Employee B chooses to stay back another hour or more regularly. Which employee is the better worker?

Debrief:

Depending on your perception, you could argue that either employee is the better worker. Why? Perception. To some, leaving on time and still successfully completing work means that the worker is efficient while to others leaving later can imply greater commitment to the job and the organisation. Conversely, their behaviours can also be perceived negatively. Employee B could be viewed as inefficient or slow to get jobs finished while Employee A could be seen as lacking commitment and professional drive.

This all depends on how you choose to interpret their behaviour, which is linked to your personal values, upbringing, culture and life experiences.

<A>Further reading

TKI & You

Each tester is evaluated and provided with an individualised report at the end. Feel free to explore the TKI website for more details on how to purchase this diagnostic tool for yourself.

http://www.kilmanndiagnostics.com/catalog/thomas-kilmann-conflict-mode-instrument

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Influence

https://executiveeducation.wharton.upenn.edu/ebuzz/0709/classroom2.html
[https://www.kent.ac.uk/careers/sk/persuading.htm]

Go online and watch this Forbes video entitled: 4 Tips for Getting The Edge In Negotiations: http://www.youtube.com/watch?v=LrmVgKzc2-E [note this is part of the section of the chapter.]

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