**AN INTRODUCTION TO NEGOTIATION AND CONFLICT MANAGEMENT**

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<th>Timeframe:</th>
<th>10 hours</th>
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<td><strong>Learning outcome:</strong></td>
<td>• Define the broad concepts</td>
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**Section overview:**

This section defines negotiation and explores why it is so common in the business environment, particularly in relation to conflict. Conflict is then examined to illustrate how it is a pervasive, yet necessary, part of organisational life. The theoretical views of conflict are examined, in order to challenge the traditional view of conflict as harmful by presenting the contemporary view, which understands that conflict is healthy. But functional and dysfunctional conflicts are described in order to differentiate between healthy and unhealthy types of organisational conflict. This introduction establishes the aims of conflict management: to sustain, to promote, but to control organisational conflict.

**Define negotiation**

Negotiation is a method of dispute resolution that occurs almost daily in business. Relationships in business are characterised by negotiation. Consider DeMarr & de Janasz’s (2013:5) observation:

‘Today, as more organizations are moving toward team-based work environments, there is increased interaction between co-workers. As the interaction with others increases, particularly in the absence of positional authority, so does the need for negotiation and conflict resolution skills.’
Clearly, negotiation is a part of daily business life. Understanding negotiation is key to successfully managing workplace relationships. We may wish to consider the following definitions of negotiation:

Negotiation or bargaining is a process in which opposing sides discuss the issues involved and reach an agreement, which is mutually acceptable.  
(Foroughi, 1998:16)

Bargaining (give and take) process between two or more parties (each with its own aims, needs, and viewpoints) seeking to discover a common ground and reach an agreement to settle a matter of mutual concern or to resolve a conflict.  
(Business Dictionary.com, n.d.)

Negotiation is a communicative exchange through which participants “define or redefine the terms of their interdependence” [...] It is a pervasive form of social interaction that arises not just in formal arenas, such as international relations, industrial relations, and manager-subordinate relations, but also in informal contexts, such as interpersonal relations and marital decision making.  
(Liu, Friedman, Barry, Gelfand, Zhang, 2012: 269-270)

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<th>Task Questions</th>
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<td>1. Given the definitions provided above, what do you think are the key components of negotiation?</td>
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<td>2. Reflect on the definition by Liu et al, why do you think that interdependence is a feature of the relationship between negotiating parties?</td>
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Watch the following video to learn more about negotiation in business:

Characteristics of Negotiation

DeMarr and de Janasz (2013:7-8) identify six basic characteristics of negotiation:

- There must be at least two parties involved;
- There must be a conflict of interest between the parties;
- The expected outcome of the negotiation must be better than the current circumstances;
- The parties expect mutual agreement will resolve the issues more efficiently than other conflict management techniques;
- There is an expected ‘quid-pro-quo’ (both parties are willing to give something up in order to gain what they want); and
- It involves both tangible (physical objects such as resources) and intangible components (other gains such as relief from a stressful situation).

De Marr and de Janasz (2013) then investigate the four factors that create the need for negotiation:

- Interdependence;
- Issues versus interests;
- The role of incentives; and
- The presence of conflict.

These issues will be discussed briefly below.

Interdependence

Negotiations are premised on the fact that the parties involved are not completely independent. They rely to some extent on the actions of the other party. While this does not imply a dependent relationship, it means that one party cannot operate independently without the cooperation of the other. Whether the negotiation occurs within an organisation or across organisations, the implication of a negotiation is that teams, departments and organisations are interdependent.

For example, consider the situation in which there is an important project at work that involves your team and a team from a different department. In order to complete the project in time, you need to divide the work responsibilities with the other team. Neither team can complete the task independently, so deciding on which tasks each should complete involves negotiating work responsibilities together.
Issues vs. interests

Negotiation is comprised of issues and interests, but it is important to appreciate the differences between these concepts. Issues refer to the specific resources or terms that have created the need to negotiate in the first place. Interests refer to what you hope to achieve through settling the issues; in other words they are what motivates the pursuit of the issues.

In the example used to explain interdependence, the issue is the tasks that must be divided between the two teams. The interests could be the satisfaction of meeting the deadline or in relieving stress because each person can manage their work effectively by having their role in the project clearly defined.

The role of incentives

Incentives are tools used by savvy negotiators to ensure satisfying negotiation outcomes. Rather than being demanding and coercive, offering the other side an incentive is one of the best ways to ensure that the negotiation ends well for both sides. This involves understanding what the other party wants and balancing this with your own wants.

For instance, in the example of team work used previously, you might suggest that the other team be responsible for the marketing requirements of the project as you know this is what they want the most. You may then suggest that if they get marketing, they also have to deal with another element of the project that you wish to avoid doing.

Conflict

Conflict is one of the primary reasons that the need for negotiations arises. This is because if everyone agreed all the time, there would be no need to engage in negotiations.

Consider the example we have been using: conflict may exist because both teams want to be responsible for the financial forecasting for the project and have been arguing over who will get to do this. In this case, it is necessary to enter negotiations in order to determine how this conflict can be resolved.

(Adapted from DeMarr & de Janasz, 2013:9-12)

Due to its pervasive and extensive nature, and the fact that negotiation occurs primarily because of the presence of it, we must now examine conflict in more detail.
Define Conflict

Conflict is a pervasive element of our society. It dominates global politics and our news media. For instance, watch the video below on global conflicts:


Read the definitions of conflict below to form a fuller understanding of conflict:

Conflict can be defined as a fight, battle, or struggle; a controversy or quarrel; discord of action, feeling, or effect; or incompatibility or interference.  
(DeMarr & de Janasz, 2013:12)

Conflict is “the process which begins when one party perceives that another has frustrated, or is about to frustrate, some concern of his.”
(Thomas, 1992:265)

Conflict is defined as an interactive process, manifested in incompatibility, disagreement, or dissonance within or between social entities (i.e., individual, group, organization, etc.).
(Rahim, 2011:16)

Relationship conflict versus substantive conflict

As the definitions above imply, conflict is interactive. Rahim (2011:17) identifies a number of conditions that cause conflict between individuals:

- When one party feels as if an action they must perform is at odds with their wants or needs;
- When one party’s behaviour is incompatible with the other party’s behavioural expectations;
- When a resource is in high demand but short supply;
- When one party is offended by the other’s disrespect or disregard for their cultures, values, or beliefs; or
- Where there exists a state of interdependence between parties.

This could be summarised by saying that individual conflict occurs ‘when two or more people have opposing or incompatible ideas, interests, desires and/or needs’ (Sadri, 2012:22). The type of conflict that arises from these individual differences is called relationship conflict.
The other type of conflict refers specifically to the business world and it occurs because of perceived problems with the design of the organisation. It is called **substantive conflict**. For example, substantive conflict may occur if people are not sure what their roles and responsibilities are within the organisation because these have not been properly defined, or because the authoritative structure of the organisation is weak (Sadri, 2012:22).

**Intrapersonal and interpersonal conflict**

There are four variations conflict of conflict affecting individuals and groups:

- Intrapersonal conflict (internal conflict that a person feels);
- Interpersonal conflict (conflict between two people);
- Intragroup conflict (conflict within a group); and
- Intergroup conflict (conflict between groups).

(Adapted from DeMarr & de Janasz, 2013:12)

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**Case Study**

**Read the following short scenario:**

Betty and John work in the Human Resources Department at a graphic design company. The business has been doing exceptionally well and in the past four months it has hired an additional forty staff members to cope with the increased demand for the company’s services. However, some of the new staff is very dissatisfied as they have still not received their contracts of employment or had an induction session.

Betty is responsible for recruiting staff and John’s role is managing new and existing staff members. Betty blames John for the dissatisfaction of the new staff members, but John maintains that he is overwhelmed and needs help in the managing of so many new people. He also says that Betty should have informed him that such a large intake of people was going to occur before they arrived.

1. Using the scenario above, discuss whether this is an example of substantive or relationship conflict. Give reasons for your response.
2. Would you classify this as intrapersonal, interpersonal, intragroup, or intergroup conflict? Provide reasons for your answer.