

11

Managing Conflict and Negotiation

LEARNING OUTCOMES

After studying the material in this chapter, you will be able to:

1. Define conflict and its consequences
2. Demonstrate an understanding of the types and levels of conflict
3. Explain the role of culture in conflict
4. Analyze various sources of conflict
5. Apply the appropriate methods to manage conflict
6. Apply the appropriate methods to prevent and reduce conflict
7. Demonstrate knowledge of the negotiation process and the key approaches to negotiation
8. Identify non-effective negotiation strategies and their causes
9. Evaluate the consequences of conflict

Conflict at Yahoo ▶

What happens when a successful 37-year-old working mom and CEO bans flexible work for her employees? Aside from many disgruntled employees, she becomes the center of national controversy about women in the workplace.¹ This is what happened to Marissa Mayer, CEO of Yahoo!, when she declared that employees would lose their telecommuting option and had to show up for work every day. Mayer who left Google to join Yahoo with high expectations for improved performance at Yahoo, joined the company when she was 5 months pregnant. She returned to work after a 2-week maternity leave after the birth of her son, who gets to stay in the nursery she built at her own expense next to her office so that she can work the long hours that have earned her the reputation of being a workaholic—all of which received extensive media coverage. As she was looking for ways to improve performance, Mayer noticed that the Yahoo parking lot was too empty in the early and late hours during which she was at the office.

As one of the youngest female CEOs and few women leading a Fortune 500 company, Mayer was considered by many to be a role model for young women.² Her actions triggered a deluge of e-mails, tweets, and commentary about the role of women in the workplace and her lack of support for other women. Mayer has not lived up to expectations of being a role model female CEO, but she has lived up to the promise of improving the company's bottom line and

performance with a 50% increase in share prices.³ The decision to ban telecommuting came suddenly and with a simple explanation from Mayer: "We need to be one Yahoo!, and that starts with physically being together."⁴ Jackie Reese, Yahoo's HR chief said: "To become the absolute best place to work, communication and collaboration will be important, so we need to be working."⁵ Interestingly, just about the same time as Mayer

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Creativity comes from a conflict of ideas.

—Donatella Versace

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Conflict cannot survive without your participation.

—Wayne Dyer

One of the greatest powers we have in a negotiation is the power to NOT react.

—William Ury

banned telecommuting, another company, Best Buy—headed by a male CEO—ended its own pioneering flexible work-from-home program.⁶ Little controversy ensued in that case. Also released around the same time were several reports about the benefits of telecommuting to both employees and company bottom lines.

When people with different goals and interests work together, the potential for disagreement is always present. This disagreement or conflict may be about personal preferences, political differences, or organizational policies and procedures. It may reside largely below the surface, but it also may break into the open—sometimes at the oddest times—and, on occasion, latent conflict may explode into sheer nastiness. Similarly, negotiating with others to reach or deal or to resolve conflict is also part of all relationships inside and outside organizations. You may experience conflict with a friend, a classmate, a coworker, a supervisor, or a subordinate. In organizations, as in personal relationships, managing conflict constructively and negotiating well are essential.

Most students of organizations view conflict as inevitable.⁷ Negotiating to resolve such conflict or to make deals is an inherent part of a manager's job. In addition, the current trends toward workforce diversity, globalization, and partnerships with other organizations are making increasingly important the way in which managers from different organizations and cultures deal with conflict and negotiate.

Defining Conflict

Conflict is a process in which people disagree over significant issues, thereby creating friction. For conflict to exist, several factors must be present:

- People must have opposing interests, thoughts, perceptions, and feelings
- Those involved must recognize the existence of different points of view
- The disagreement must be ongoing rather than a singular occurrence
- People with opposing views must try to prevent one another from accomplishing their goals.

Conflict can be a destructive force. However, it can also be beneficial when used as a source of renewal and creativity. Before we look at views, sources, consequences, and ways to manage conflict, note that we often use the terms *conflict* and *competition* interchangeably, although the two differ. **Competition** is the rivalry between individuals or groups over an outcome and always has a winner and a loser. While competition can be one of the sources of conflict, conflict does not necessarily involve winners and loser; we can have conflict over issues, but cooperate so that no one loses or wins.

Views of Conflict

There are two general views of conflict. First, conflict can be considered a negative force and dysfunctional—that it makes people feel uncomfortable and, consequently, makes

Conflict: a process in which people disagree over significant issues, thereby creating friction

Competition: rivalry between individuals or groups over an outcome; always has a winner and a loser

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SELF-ASSESSMENT 11.1

HOW DO YOU BEHAVE DURING CONFLICT?

The following questions provide additional insight into how you behave in conflict situations.⁸ Answer each question as to the extent that you think or believe that the statement is true.

	Never	Seldom	Occasionally	Usually	Always
1. Do you believe that in every conflict situation, mutually acceptable solutions exist or are available?	1	2	3	4	5
2. Do you believe that in each conflict situation, mutually acceptable solutions are a desirable thing?	1	2	3	4	5
3. Do you favor cooperation with all others in your everyday activities and disfavor competition with them?	1	2	3	4	5
4. Do you believe that all people are of equal value regardless of age, race, religion, culture, or gender?	1	2	3	4	5
5. Do you believe that the views of others are legitimate (i.e., genuine, accurate, true) expressions of their positions?	1	2	3	4	5
6. Do you believe that differences of opinion are helpful and beneficial?	1	2	3	4	5
7. Do you believe that others are worthy of your trust?	1	2	3	4	5
8. Do you believe that others can compete but that they also can choose to cooperate?	1	2	3	4	5
9. Do you believe that how one thinks and how one feels are factors in deciding how one behaves?	1	2	3	4	5

After answering these questions, go back and reflect on your answers. For example, are you more likely to accommodate or avoid confrontations? What else did you learn? You should revisit these questions after you have finished reading this chapter.

Source: Lulofs, S., & Cahn, D. D. (2000). *Conflict: From theory to action* (2nd ed.). Boston, MA: Allyn & Bacon, p. 36.

them less productive. Second, conflict can be viewed as a natural part of organizational life and beneficial to the workplace.⁹

Early views of management considered conflict to be dysfunctional. For example, one of the fathers of management, Frederick Taylor (see Chapter 1), viewed conflict as a threat to managerial authority and as a waste of time. According to his view, conflict can cause unnecessary stress, reduce communication and group cohesion, and prevent employees from focusing on their task. Many of you have experienced the negative impact of conflict when infighting and personality conflicts create intense animosity that made it hard to

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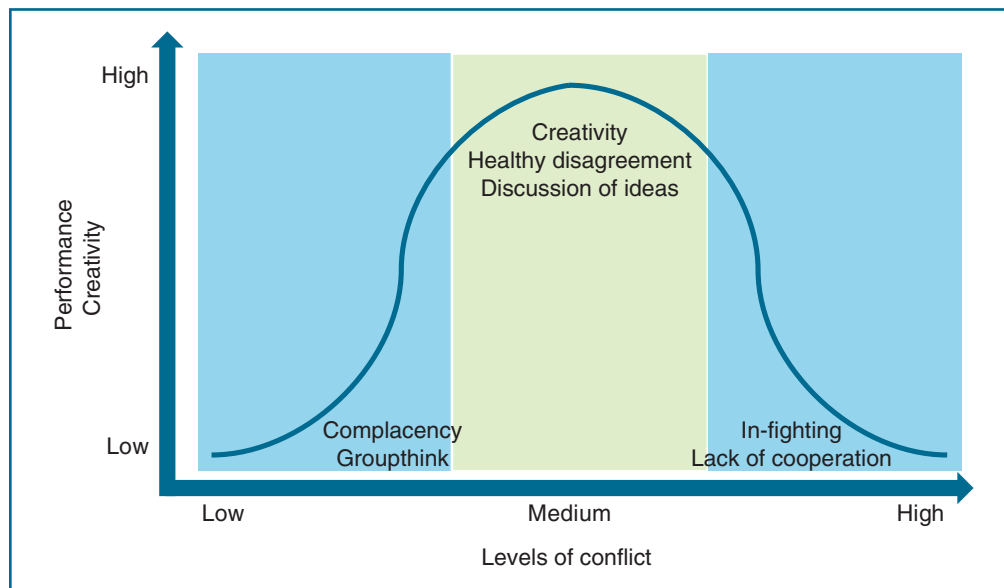
Globalization has increased the frequency of cross-cultural communication, conflict, and negotiations.

work cooperatively with coworkers. Organizational psychologist David Javich suggests that many people hold inaccurate beliefs about conflict, what he calls conflict myths.¹⁰ These include the belief that conflict will destroy team cohesion, make cooperation impossible, and that it will cause an unmanageable chain reaction in organizations.

We already have noted that the environment in which today's organizations operate is highly turbulent and often chaotic. Actually, organizations in which there is a little disagreement and well-managed conflict are more likely to do well in such environments. As a matter of fact, some researchers suggest that too much agreement can lead to complacency and can be destructive.¹¹ Members are either so homogeneous that they are ill equipped to adapt to changing environmental conditions, or so complacent that they see no need to improve the status quo. Indeed, a positive view of conflict argues that it is the very lifeblood of vibrant, progressive, and stimulating organizations because it sparks creativity, fosters innovation, and encourages personal improvement.¹²

As with most organizational processes we have discussed so far, conflict is neither all good nor all bad. Some levels and types of conflict are healthy; others are not. Figure 11.1 shows how moderate levels of conflict stimulate creative decision making and prevent groupthink and apathy. Very low conflict levels lead to complacency and stagnation. Very high levels, especially if based on individual and personality differences rather than issues related to organizational goals and processes, are detrimental to the organization, and cause dysfunctional behavior. The level and type of conflict and how it is managed determine whether it is beneficial or detrimental to the organization.

FIGURE 11.1 CONFLICT AND PERFORMANCE



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Managers should expect intelligent, well-trained, and motivated employees to disagree over a variety of issues. In fact, employees agreeing easily on how to approach any issue of importance to a company may signal trouble. By the same token, constant disagreements over every issue, or personal conflict, are dysfunctional and destructive. The ability to generate disagreement might be a hallmark of the effective decision maker, but we should note that generating conflict requires considerable maturity and self-confidence on the part of the manager; many managers feel too insecure to stir up conflict among their subordinates. By managing conflict properly, a manager can mobilize disparate pieces of information and diverse perspectives into productive solutions. For this reason, conflict presents opportunities for mobilizing ideas and approaches in the organization and can promote increased creativity, innovation, flexibility, and responsiveness as well as generally improve the overall effectiveness of the organization. Conflict forces people to test and assess themselves and, as a result, stimulates interest and curiosity in others, promoting productive change.

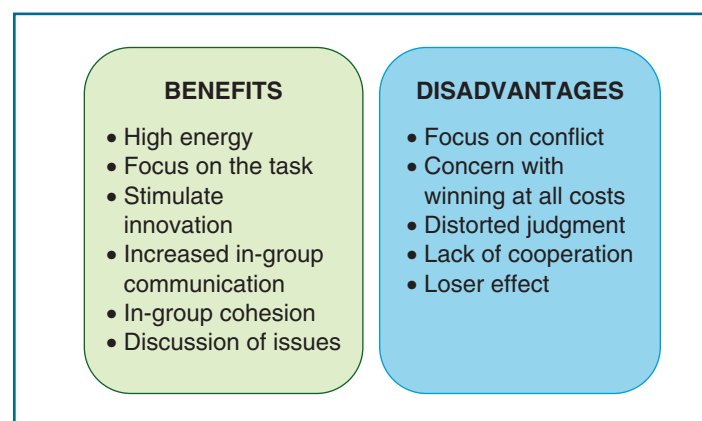
Consequences of Conflict

Clearly, conflict has both positive and negative consequences, as we see in Figure 11.2. On the positive side, all of us have experienced the exhilaration and energy that come from competition. Competition and conflict can motivate people and inspire them to focus on the task. Involvement in competition brings group members closer together and leads to increased discussions of various issues and alternatives. When outside conflict or competition occurs, groups members band together and brainstorm to find creative solutions. This process increases group cohesion and effectiveness.

Companies can use competition with other companies as a way of reducing internal conflict and focusing the employees' energies on outside competitors. Although conflict is inevitable and desirable in organizations, a high level of unresolved conflict can be destructive. Individuals, teams, or departments that are engaged in high conflict may lose sight of the common goals and focus on winning at all costs. They could withhold important information from others, or even actively sabotage others' work. When conflict leads to winners and loser, losers may be demoralized and become demotivated. Consider an organization that sets up a competition among four teams for the design of a new service. The team that wins receives accolades and rewards; the losers are ignored or even punished. At the outset of the competition, all teams may be strongly motivated to win, so they work hard on their task and creativity is likely to be high. However, when the manager announces the winner, the remaining three teams lose their motivation to contribute. This *loser effect* harms long-term relationships and overall organizational performance.

Ideally, managers are proactive in creating an environment in which the likelihood of dysfunctional conflicts is minimized as the diversity of contributions and talents of others are appreciated.¹³ When conflict is not resolved or reaches levels that are too high, managers risk letting differing perspectives go undirected, often resulting in tension and dysfunction rather than creative and progressive change.

FIGURE 11.2 CONSEQUENCES OF CONFLICT



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Types and Levels of Conflict

Table 11.1 summarizes the four types of conflict that managers encounter. **Intrapersonal conflict** is a person's internal conflict. For example, a father who wants to be heavily involved in his young children's school activities *and* to be on the corporate fast track may experience intrapersonal conflict. His goals and values regarding family conflict with his goals as a manager. **Interpersonal conflict** refers to conflict that arises between two or more people who are required to interact and who have different goals, values, or styles. This is the type of conflict we often call "personality conflict." Because such conflict typically revolves around personal differences rather organizational goals, the potential for negative impact is high and it can be problematic for managers.

TABLE 11.1 TYPES OF CONFLICT

Type of Conflict	Description
Intrapersonal	Within a person, because he or she is motivated to engage in two or more activities that are incompatible
Interpersonal	Between two or more people who interact and have incompatible goals, styles, or values
Intragroup	Within a group when members disagree over group goals, activities, leadership, or processes
Intergroup	Between different groups, departments, or divisions that disagree over task, processes, resources, or information

Intrapersonal conflict: a person's internal conflict

Interpersonal conflict: conflict that arises because two or more people who are required to interact have different goals, values, or styles

Intragroup conflict: conflict within a work group over goals or work procedures

Intergroup conflict: when groups within and outside an organization disagree over various topics

Horizontal conflict: between departments or groups at the same level of the organization

Intragroup conflict refers to conflict within a work group over goals or work procedures. While some level of intragroup conflict is healthy and helps prevent problems such as groupthink, this type of conflict, if not well managed, can be extremely detrimental to group cohesion and productivity. As you read in Chapter 10, all groups and teams face some conflicts, particularly in the early stages of development. Navigating these conflicts successfully is an important aspect of a group's maturity and a predictor of its success.

Finally, **intergroup conflict** occurs when groups within and outside an organization disagree over various topics. Intergroup conflict is usually about broad organizational issues such as resource allocation, access to information, and system-related processes. For instance, departments in most organizations face conflict over the allocation of resources during budget negotiations, each vying for a larger share of the pie. Or key departments may disagree as to how a product should be designed or marketed. Intergroup conflict occurs at different organizational levels. **Horizontal conflict** takes place between departments or groups at the same level of the organization. As departments work together to achieve organizational goals, they may disagree over schedules, quality, efficiency, and so forth. Sales and production departments often conflict over production and delivery schedules. Sales people promise customers certain delivery dates without double-checking the production schedule. When the sales team learns of product delays, conflict results. As you will learn in Chapter 14, proper management of horizontal conflict is essential for integration of activities within an organization.

Vertical conflict occurs between groups at different levels of the hierarchy. It typically involves broad organizational issues of control and power. A department may have a conflict with top executives over the allocation of resources for raises. Another vertical conflict may arise

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because managers want autonomy to stay flexible and responsive to local customers' needs but headquarters wants to control and standardize procedures to monitor costs. Understanding the type and level of conflict is the first step for managers to manage conflict well.

Culture and Conflict

Culture is one factor that determines how people handle and view conflict. Individuals' dispositions are rooted in their early social and cultural experiences, and, because conflict is an interpretive behavior, culture shapes people's interpretation of behavior and their style of interaction with others. Therefore, cultural values create a social environment that encourages members to select some behaviors over others.

Some cultures are more tolerant and accepting of conflict than others who tend to view it as a sign of trouble. Any cross-cultural contact has the potential for conflict because people from different cultures often have different values and goals. Any differences in goals or values can lead to conflict, so we cannot identify all those differences here. It thus is not surprising that research has also found that strategies for negotiating conflict vary according to one's cultural background and cultural values.¹⁴ Collectivist cultures such as those of Asian, Middle Eastern, and Latin American countries tend to adopt a harmony perspective on conflict.¹⁵ Individualistic cultures in English-speaking countries are more likely to use a confrontational approach.¹⁶ Eastern European and Hispanic countries are likely to adopt a regulative model of conflict, which relies on bureaucracy and organizational structure to contain conflict.¹⁷ A study of businesspeople in Japan, Germany, and the United States found that the Japanese used power strategies more than Germans, who used more power than Americans.¹⁸ Generally, people in individualistic cultures, such as that of the United States, value and encourage competition. In collectivist cultures, characteristic of many Asian and Latin American countries for example, people focus on the community and consensus. Thus, in collectivistic cultures, managers are more likely discourage competition to reduce conflict.

Social status and gender, group-level cultural factors, will also influence individuals' choice of conflict management strategies.¹⁹ For example, avoiding disputes or refraining from direct confrontation with conflict issues in a formal or public sphere has been found to be a prevailing mode of conflict management by low-status individuals and members of minorities.²⁰ Additionally, research on gender and conflict resolution found that femininity was significantly related to the use of an accommodative style in conflict resolution, while masculinity was related to the competitive style.²¹

The culture of an organization can also act in much the same way as national or group culture. An organization based on individual achievement and competition will encourage conflict, whereas one based on cooperation and group consensus is likely to discourage conflict. Furthermore, because of the leader's impact on culture, a leader's conflict management style, which we discuss later in this chapter, can affect how the organization as a whole views and manages conflict.

Sources of Conflict

Conflict can arise because of both personal and organizational sources (see Figure 11.3). While it is not always easy to separate the two, some conflicts are more directly related to individuals having incompatible goals or values while others are related to the way the organization is structured or managed.

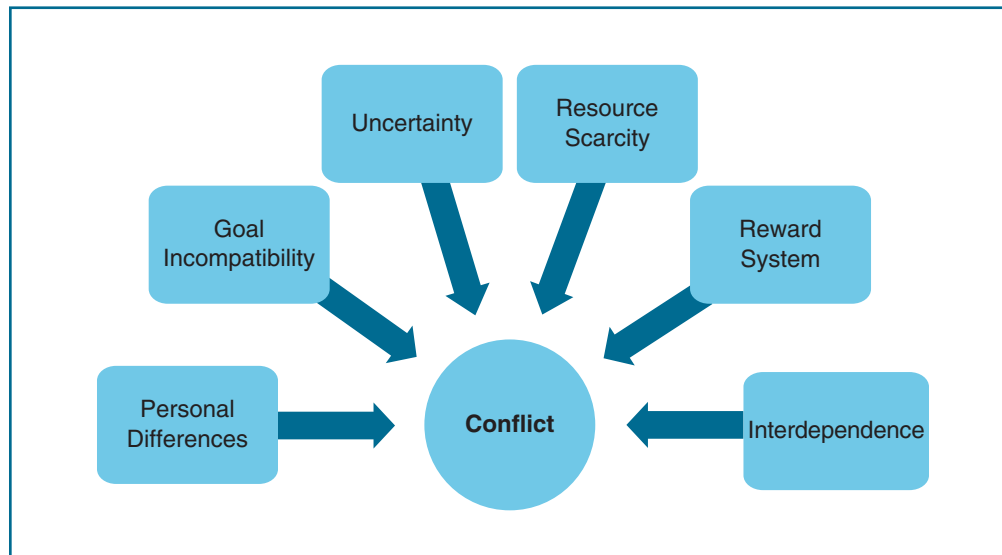
Vertical conflict:
between groups at
different levels of the
hierarchy

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FIGURE 11.3 SOURCES OF CONFLICT



Personal Sources of Conflict

Personal sources of conflict are often interpersonal in nature and cover many different grounds.²² For example, two coworkers may have different work styles, or an employee may want more autonomy than her manager is willing to give her. These sources of conflict often involve individual perceptions and expectations about how the work should be done and what is important in the work environment. They are influenced by the personality, style, and culture of the individual. Because they involve individual values, conflicts based on personal differences tend to be highly emotional and difficult to resolve. For example, a devout Catholic business owner might have difficulties locating his business near a Planned Parenthood clinic where abortions are performed. A disagreement about location may turn into a bitter argument about who is morally correct.

Perception may also lead to personal differences. Differing perceptions alone may be enough to invite conflict. An employee may perceive that he is not valued by his supervisor because he does not receive regular praise for his efforts. The supervisor values his work and believes he is making excellent contributions in a tough financial environment. How-

ever, she is internally motivated, does not personally have the need for constant praise, and does not see the point of praising her employee often. The conflict is caused by how each person perceives the situation.

Many conflicts caused by cross-cultural differences are further related to differences both in values and in perception. Since culture influences what people value, it is not surprising that culture can be a factor in personal sources of conflict in organizations. A Mexican manager may perceive his North American employee who calls him by his first name and interrupts him in meetings to disagree with him to be rude and disrespectful. The employee is simply behaving according to his cultural values

What Do You Think?

► Some managers try to control conflict to maintain smooth operations. Others stimulate disagreements, hoping to get all sides of the issue. Both strategies make some sense. What do you think? Which strategy are you most comfortable using? Why?

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that suggest openness and participation. Similarly, a Thai employee who comes from a culture that values indirectness and avoiding conflict may find her European manager's honest and direct performance review or her North American team members' open disagreement offensive, causing conflict and leading to lack of motivation.

Organizational Sources of Conflict

Sometimes we attribute conflict to personal factors, where organizational structures and processes may really be the source. For example, we may think a coworker is uncooperative and unhelpful by nature while the organization's reward system that encourages competition may be to blame. We consider five organizational sources of conflict (see Figure 11.3).

Goal Incompatibility

Goal incompatibility is the source of many conflicts. Because different departments in organizations are focused on different tasks and functions, conflict among them is inevitable. The manufacturing department may be focused on efficiency and cost cutting while the designers aim at creating the most innovative product. The goal of the Human Resources manager is likely to include ensuring that all employment laws are followed in the hiring of new employees, causing delays and additional steps, while managers throughout the organization may be seeking to fill their vacancies quickly. Legal departments focus on risk management and documentation; good management may contradict those goals.

Uncertainty

Today's rapidly changing work environment further contributes to conflict.²⁵ Uncertainty makes it difficult for managers to set clear a direction. Because they lack information, they either have to change course often or remain flexible. Managers are increasingly forced to adapt to rapidly shifting environmental constraints and are under pressure to "do more with less," contributing to conflict as departments and individuals deal with shifting goals. Additionally, uncertainty puts in question accepted practices and procedures, opening the door for disagreement related to both goals and processes. We will review the impact of uncertainty on organizations in more detail in Chapter 14.

Resource Scarcity

When resources are scarce, employees and departments have to compete to get their share of those resources. Such competition increases the likelihood of conflict. Cost-cutting activities are an example of the effect of resource scarcity. As resources dwindle and the organization has to make do with less, individuals, work teams, and departments compete over those limited resources. Such competition leads to higher conflict.

Reward Systems

The fourth organizational source of conflict is the reward system.²⁶ If managers reward competition and set up a win-lose environment for their employees, they will increase



Managers from masculine cultures are likely to be more assertive and independent, a potential cause of conflict when working with those from cultures that value indirectness or cooperation.

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CREATIVITY AND CHANGE

HELPING RELATIONSHIPS

The dynamics of helping relationships have been explored in great detail by Edgar Schein in his book, *Helping*.²³ A helping relationship can be informal (as when we seek help from a friend, a spouse, or a coworker), semiformal (as when we go to a computer consultant), or formal (as when we hire a management consultant), but all of these involvements bear certain features in common. Most important, helping involves a relationship between people and that relationship must be understood for effective helping to occur.

Initially, the helping relationship must be based on conditions of mutual trust. "Trusting another person means, in this context, that no matter what we choose to reveal about our thoughts, feelings, or intentions, the other person will not belittle us, make us look bad, or take advantage of what we have said in confidence."²⁴ Trust equates to emotional safety. Beyond that, building an effective relationship requires that both parties get something out of it and it feels "fair." Over time, we learn the different roles we play and the expectations associated with those roles. But we also recognize that confusing these roles can be detrimental to an effective relationship. For example, though we may be a parent, if we act in a parental way toward others at work, we may appear patronizing, and trust in the relationship will be undermined.

The helping relationship, while potentially beneficial for both parties, can also be riddled with tension and

ambiguity. When people ask for help, they expose a certain dependency, which in many cultures and in many situations are seen as self-degrading. On the other hand, the person being asked for help is elevated in the relationship. But if that person is in any way dismissive, the status difference is accentuated and trust is eroded. And if, after help has been given, the one being helped doesn't express appreciation, another type of tension arises. In either case, the tension in the relationship must be dealt with.

Anyone attempting to help another must be mindful of the emotional state of the "client." For example, the client may be cautious about initially stating the full problem. The helper, in this case, must be careful not to jump too quickly to presenting advice or possible solutions. There may be more to the story than is being initially revealed. Similarly, the client may ask for help but really be seeking attention or recognition for what he has already done. The helper who provides a quick solution may be missing the point. In any case, the helper must be sensitive to the emotional state of the client.

1. Leaders and managers learn to give help and to get help. What are some of the ways in which they get really good advice?
2. How does the leader or manager know that people are not just saying what she wants to hear?
3. Explain why understanding the emotional state of the other is essential to the helping relationship.

Interdependence:
the extent to which employees depend on others to get their work done

conflict in their organizations. For example, most organizations give raises and promotions on a competitive basis. Many set up a system whereby only a certain percentage of their employees can get the top rankings regardless of performance. Such a reward system may motivate employees to do their best, but it also encourages competition for limited spots and thus creates conflict among employees. Other examples of factors that may produce conflict include common practices such as employee of the month or major awards that are given on a competitive basis. Similarly, rewards based on individual, rather than team, performance are likely to increase intragroup competition and conflict. While such practices are not inherently wrong and often are designed to motivate employees, managers must be aware of their consequences.

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Interdependence

The final source of organizational conflict is **interdependence**, which is defined as the extent to which employees depend on others to get their work done. As long as people with different goals can stay away from one another, there is little conflict. The conflict arises when interdependence is high. Consider, for example, three shifts of workers, each of which picks up where the previous one leaves off. Each group's actions affect the others. Their disagreements over work procedures, cleanup, documentation, organization of their common workplace, and so forth will lead to conflict because of their interdependence.

Many of you have experienced conflict related to interdependence in the group and team projects for your classes. You may like the company of your fellow students and not really care about how they work or what grade they pursue in their class. But once you have to work with them on a paper or project, your grade depends on them having the same focus and goal as you. Such interdependence often leads to conflict.

Managers cannot avoid either the personal or the organizational sources of conflict. Based on our earlier discussions, there really is no reason to avoid them. Moderate conflict can be beneficial to the organization. The key is for managers to learn to manage conflict effectively. In some cases, they will need to reduce conflict; in others they may need to encourage conflict.

Managing Conflict

Managers and leaders are no longer interested in eliminating conflict completely. Instead, they are interested in finding ways to *manage* conflict effectively. Managers must consider several factors before deciding how to manage a conflict. These are presented in Figure 11.4. Managers must consider how complex the source and issues involved in the conflict are, whether they are seeking quick relief or a long-term solution, how much time they have to spend on conflict management, how important the conflict and issues are, and how much power the conflicting parties have.

Two General Approaches

To manage conflict effectively, the organization should maintain a moderate level of conflict through prevention and reduction or through an increase or stimulation of conflict. Table 11.2 presents two general approaches to conflict management. Managers may target behaviors or attitudes to manage conflict.²⁷ The behavioral approach is aimed at simply stopping the behaviors that are causing the conflict. It does not delve into the roots of the conflict or analyze its sources. The results are often quick, short-term, and are useful if the conflicting



Rewards given to a single individual, such as an employee of the month, can motivate employees but also increase intragroup competition and conflict.

What Would You Do?

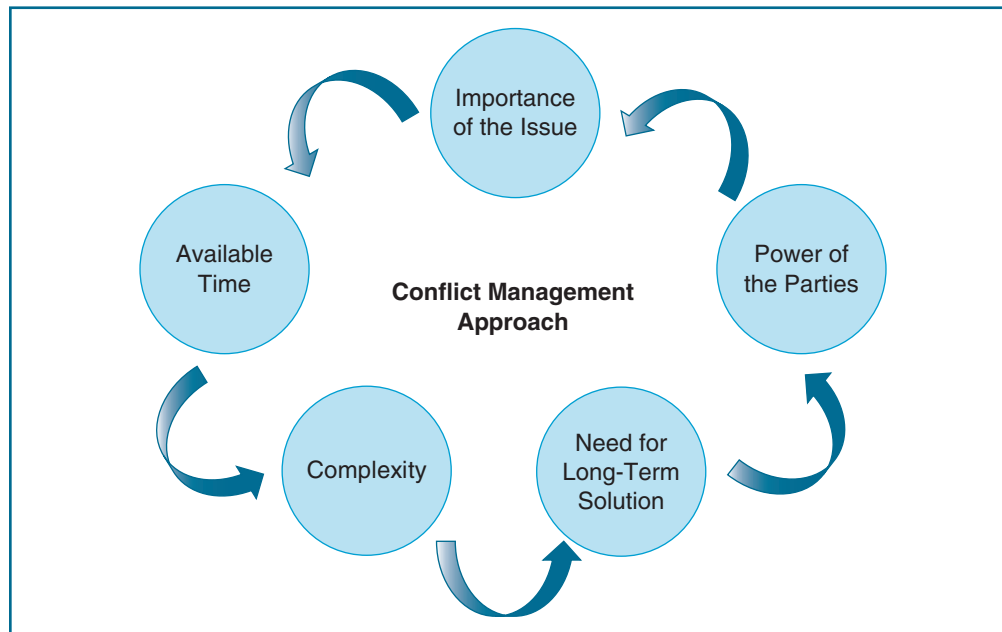
- ▶ You are director of a purchasing department. The two division directors who report to you have been feuding for years. They even built a wall separating what was once a completely open space where people needing help from the other side could simply walk over and ask. Now they have to go out the door, down the hall, to the person's desk, and back. Employees on both sides of the wall think the feud is silly. You do too. What would you do? Are you able to identify sources for the conflict?

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FIGURE 11.4 FACTORS TO CONSIDER IN CONFLICT MANAGEMENT



parties are not interdependent so that they can limit or avoid interaction. The attitudinal approach addresses the roots of the conflict by focusing on emotions, beliefs, and behaviors. It is more time-consuming than the behavioral approach, but has the potential for a long-term resolution of the conflict. Managers should use the attitudinal approach when conflicting parties have to work together—such as in a self-managed team or between members of two departments that are highly interdependent. They should rely on behavioral approaches to address more simple conflicts where a quick resolution is needed.

TABLE 11.2 GENERAL APPROACHES TO CONFLICT

	Behavioral Approach	Attitudinal Approach
Focus	Changing individuals' behaviors	Changing individuals' attitudes, beliefs, feelings, and behaviors
Impact	Quick and short term	Slow and long term
Time needed	Can be implemented quickly	Time-consuming
Examples	<i>Keeping parties on separate floors; enforcing policies; establishing rules that limit interaction; assigning a go-between</i>	<i>Team building; rotating conflicting employees to each others' teams; counseling</i>

Individual Conflict Management Styles

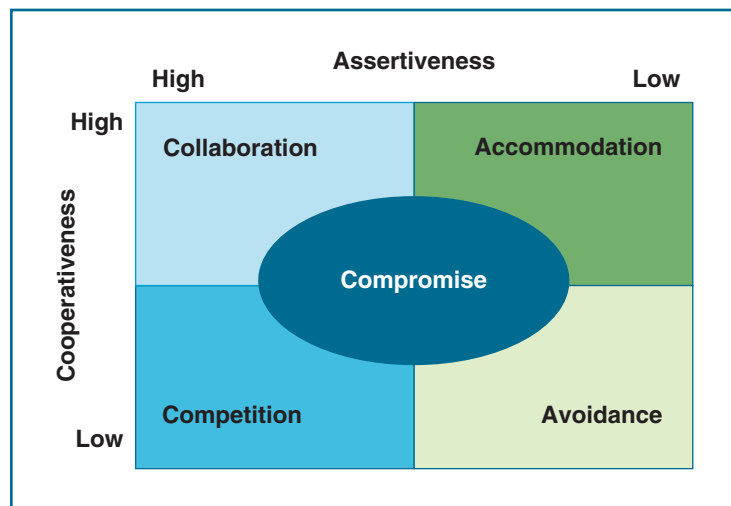
In addition to various methods managers can use to manage conflict, their individual conflict management style also plays a role. Because of the importance and consequences of conflict, researchers have developed several models for understanding how different

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individuals handle conflict.²⁸ Two dimensions are used to identify different conflict management styles. The first is concern for self or *assertiveness*; the second is concern for others, or *cooperativeness*.²⁹ **Assertiveness** is defined as taking action to satisfy one's own needs and concerns. **Cooperativeness** is defined as taking action to satisfy the other party's needs and concerns. Figure 11.5 depicts how the combination of these two dimensions creates five conflict management styles: collaboration, competition, accommodation, avoidance, and compromise. You can identify your dominant styles from the self-assessment at the beginning of this chapter (see Self-assessment 11.1). Each style has benefits and disadvantages and should be used in different situations.³⁰

- *Collaboration* involves high concern for satisfying both your own needs and the needs of others. People with this style focus on openness, cooperation, and exchange of information. They focus on a win-win style and on finding a solution that is in both parties' best interest. This style typically takes more time, but can deliver long-term gains.
- *Competition* is a style that is high on assertiveness and low on cooperation. Individuals who consistently use this style are interested in their own positions, ignore the needs of others, and view the world as a zero-sum game with winners and losers. They view conflict as competition and their goal is to win. Although this is a common way of handling conflict, it is not viewed as beneficial to individuals or groups that have repeated interaction. But it might be appropriate when an unpopular action needs to be implemented for the greater good of the organization.

FIGURE 11.5 INDIVIDUAL CONFLICT MANAGEMENT STYLES



- *Accommodation* is a style that is low on assertiveness but high on cooperation. The person who relies on accommodation is willing to sacrifice his own needs to satisfy the needs of others. The individual doing the accommodating is able to build credibility for the next conflict. Accommodation may be useful in the short run but harmful in the long run. If one party continuously accommodates while the other party has its needs and concerns met, then the accommodating party eventually will begin to resent the other party.
- *Avoidance* is a style that is low on assertiveness and low on cooperation. The person using it to manage conflict does not satisfy her needs or the needs of the other person. Instead, she avoids the issues and does not want to explore the sources or solutions to the conflict. People can avoid conflict by withdrawing or creating a physical separation so that they do not have to engage in the conflict. Avoidance may be useful for trivial issues or in the short run in that it allows individuals time to cool off and regain perspective, but it can be quite harmful in the long run. Individuals might resent having to suppress their feelings about the conflict, and they might find other dysfunctional ways of dealing with the issues.

Assertiveness: taking action to satisfy one's own needs and concerns

Cooperativeness: taking action to satisfy the other party's needs and concerns

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- *Compromise* falls in the middle of both assertiveness and cooperation. People using this style take the middle ground. They explore issues to some extent and move to a give-and-take position where there are no clear winners or losers. Everybody ends up with something, though not everything he wanted. This style focuses on negotiation and diplomacy. Although it may appear to be ideal and it allows parties to work together, it focuses on **satisficing**—finding an acceptable solution that everyone can minimally accept—rather than taking the time to find optimal solutions. Additionally, people using this style often will focus on what they have given up rather than on what has been gained. Even with these disadvantages, *compromising* may be the only style that works in situations where the parties have equal power and strongly opposing views, such as is often the case in diplomatic negotiations.

When Should the Different Styles Be Used?

So which conflict management style works best? Most would say it depends on the situation. Managers should take a contingency approach and match the style to the situation. Note that although conflict management style may have a basis in personality, it is not considered a personality trait. Rather, it is a behavior related to managing conflict. As such, people can practice and learn new styles, thereby expanding their ability to handle different conflict situations. Table 11.3 summarizes the situations in which each style should and should not be used.

Satisficing: making a satisfactory, but not optimal decision

TABLE 11.3 USING CONFLICT MANAGEMENT STYLES

Style	When to Use	When Not to Use
Collaboration	<ul style="list-style-type: none"> • When issues are complex and require input and information from others • When commitment is needed • When dealing with strategic issues • When long-term solutions are needed • When there is time 	<ul style="list-style-type: none"> • When there is no time • When others are not interested and do not have the skills • When conflict occurs because of different value systems
Competition	<ul style="list-style-type: none"> • When there is no time • When issues are trivial • When all solutions are unpopular • When others lack expertise • When issues are important to you 	<ul style="list-style-type: none"> • When issues are complex and require input and information from others • When working with powerful others • When long-term solutions and commitment are needed
Accommodation	<ul style="list-style-type: none"> • When the issues are not important to you • When your knowledge is limited • When there is a long-term give and take • When you have no power 	<ul style="list-style-type: none"> • When others are unethical or wrong • When you are certain you are correct • When there is no chance of future give and take
Avoidance	<ul style="list-style-type: none"> • When issues are trivial • When conflict is too high and parties need to cool off 	<ul style="list-style-type: none"> • When a long-term solution is needed • When you are responsible for resolving the conflict
Compromise	<ul style="list-style-type: none"> • When goals are clearly incompatible • When parties have equal power • When a quick solution is needed 	<ul style="list-style-type: none"> • Where there is an imbalance in power • When the problem is complex • When long-term solutions are needed • When conflict is rooted in different value systems

Source: Based on Rahim, M. A. (1983, June). A measure of styles of handling interpersonal conflict. *Academy of Management Journal*, 368–376; Rahim, M. A. (1992). *Managing conflict* (2nd ed.). Westport, CT: Praeger.

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All of the styles of managing conflict are valid; what is appropriate depends on the situation and the factors that we presented in Figure 11.4 and how important it is for you to satisfy your own needs and those of others.

Preventing and Reducing Conflict

Table 11.4 summarizes the different methods of conflict prevention and reduction. As the table shows, the prevention and reduction methods can use either the behavioral or the attitudinal approach.

What Would You Do?

► You feel that your team has become complacent and uncreative. The members are just too cozy and comfortable. So you take action. You pick several of the most complacent members and pair them with aggressive go-getters that you know will push them. You hear that conflict is intense and stressful. Should you intervene?

TABLE 11.4 CONFLICT PREVENTION AND REDUCTION METHODS

Method (B = Behavioral; A = Attitudinal)	Appropriate When . . .	Consequences
Enforcing rules (B)	<ul style="list-style-type: none"> • Issues are trivial • Immediate relief is needed 	<ul style="list-style-type: none"> • Quick results • Causes of conflict not addressed • No long-term change • Conflict likely to reemerge
Separation (B)	<ul style="list-style-type: none"> • Parties are not interdependent 	<ul style="list-style-type: none"> • Quick results • May increase conflict • No long-term change • Conflict likely to reemerge
Clear tasks (B)	<ul style="list-style-type: none"> • Ambiguity and uncertainty are the cause of conflict • Tasks can be clarified 	<ul style="list-style-type: none"> • Quick results • No long-term effects
Find common enemy or encourage competition with outside group (B or A)	<ul style="list-style-type: none"> • When competition with outside is part of organizational goals 	<ul style="list-style-type: none"> • Increased in-group cohesion • Source of conflict not addressed • Conflict can re-occur when outside threat is gone
Member rotation (A)	<ul style="list-style-type: none"> • When there is interdepartmental conflict 	<ul style="list-style-type: none"> • Increased empathy for others • Flexibility in work assignment • Short-term increase in training costs • Long-term impact • Time-consuming
Increasing resources or rewarding cooperation (B or A)	<ul style="list-style-type: none"> • When resources are available • When conflict is caused by too much competition 	<ul style="list-style-type: none"> • Works as long as resources are available • Source of conflict not addressed • Possible long-term impact
Team building; organizational development (A)	<ul style="list-style-type: none"> • Conflict is complex with major impact • When there is time • When long-term solution is essential 	<ul style="list-style-type: none"> • Long-term change and impact • Addresses sources of conflict • Skill development • Requires considerable commitment, time and resources

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Behavioral Methods of Conflict Prevention and Reduction

What should a manager do if her employees are in constant conflict, often over trivial issues? First, she can refer to the professional conduct section in the company policies and procedures manual. Say that she finds several statements about cooperation and respect for others, or vague reference to professional conduct. In a department meeting, she can bring up these statements with her employees and tell them that the company policy requires them to work cooperatively. She may also move several employees' offices away from one another or transfer others to another department. Finally, she may make threats about the consequences of not following her directions and violating company policy.

The manager is using *enforcement of rules and policies* and *separation* as *methods of resolving conflict*. The source of the conflict is not addressed and employees do not develop the skills to address their differences. The manager has not presented a long-term solution; the conflict is simply suppressed. These tactics are appropriate when the individuals or groups do not have to work together. They also can be used successfully if the conflict is over trivial issues and when "time off" can give a chance for cooler heads to prevail. In addition to rules and separation, *clarifying tasks* can help reduce conflict. This behavioral method is effective when the conflict is caused by a lack of clarity concerning work procedures or goals.

Attitudinal Methods of Conflict Prevention and Reduction

Compared to the behavioral approaches, attitudinal methods of conflict resolution aim not only at changing people's behavior, but also at changing how they think (cognition) and feel (emotion) about the conflict and one another. Attitudinal approaches focus on finding and resolving the root causes of the conflict. This approach tends to result in longer-term resolution compared to the behavioral approach.

One attitudinal method of conflict reduction is to find a *common enemy* or to compete with another group outside the organization. The focus on an outside enemy or group can help pull conflicting parties together. For instance, two departments that are fighting may join forces to ensure that their new product gets to the market before their competitors' products. In the process, they come to think, feel, and behave differently. Similarly, two companies engaged in intense domestic competition may join forces to fight a global competitor.

The presence of an outside enemy does not fully address the source of a conflict, but it increases interaction and cohesion, eases internal tensions, and provides an opportunity for the conflicting parties to work productively together and focus on common goals rather than on their differences.

Rotating members among departments achieves a similar goal. Employees who rotate to other departments learn to look at conflict from varying points of view. This new perspective and the increased interaction with other employees provide opportunities for the conflicting parties to discuss and resolve their differences. Rotation has the added benefit of increasing an organization's flexibility in work assignments. As employees learn different skills, they can fill in for one another as needed.

Managers can further resolve conflict by *increasing resources* so that individuals and departments do not have to compete for them. A related approach is to allocate resources in a manner that precludes pitting one individual or department against another. For example, managers can fund any project that merits funding regardless of which department proposed the project.

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Another attitudinal method of conflict resolution is full-scale intervention through *team building*. The various methods of team building that we discussed in Chapter 9 can be used to resolve conflict. Through building trust, respect, and support; clarifying goals; and similar methods, managers can help increase group cohesion and reduce conflict. Similarly, teaching individuals and groups problems-solving skills can help them manage conflict. They can discuss seemingly incompatible goals by relying on rational decision-making models, brainstorming, or other methods presented in Chapter 7. Team building and problem solving both focus on long-term solutions and can be time-consuming.

Along with team building, managers can use organizational development (OD), which involves making wholesale changes in organizations by addressing issues at the individual, group, and organizational levels. As you will discover in Chapter 15, OD uses various team-building techniques in addition to numerous diagnostic and problem-solving tools that analyze a broad range of organizational problems. For the purpose of this discussion, you need to know that the methods are appropriate for dealing with complex and deep-rooted conflict. They require a considerable investment of time and resources, but they have the potential for long-term change, skills development, and long-lasting impact.

Increasing or Stimulating Conflict

Remember that very low conflict can be unproductive, so managers may face situations in which they must stimulate conflict to prevent employee complacency and groupthink, and to encourage creativity.³¹ The four methods for stimulating conflict are presented in Table 11.5. They are: introducing change, increasing task ambiguity, creating interdependence, and introducing competition. The key to successfully stimulating conflict is to focus on organizational issues rather than personal issues and to closely monitor the situation.

TABLE 11.5 METHODS FOR STIMULATING CONFLICT

Method	Examples
Introduce change	Assign new, less routine task; bring in new members; change processes; change structure and reporting lines; change leadership
Increase task ambiguity	Assign unknown or new task without providing clear guidelines or training to force group members to figure it out on their own
Create interdependence	Bring together groups that do not typically work together on a task force to address a specific organizational issue; assign tasks where people need others to get their job done
Introduce internal competition	Set up a competition between individuals or groups for best new product, for reaching a target or goal, or for a promotion or bonus

First, managers can stimulate conflict by *introducing change* to a team or department. Change requires reevaluating procedures and relationships with fresh perspectives and, as a result, can lead to varying degrees of conflict. Second, managers can *increase ambiguity*. This method is closely related to introducing change. Just as clarifying tasks prevents and reduces conflict, uncertainty stimulates it. Managers can assign tasks for which there are no clear requirements, instructions, or procedures so that employees need to discuss and debate such issues. Not having a clear path or well-established procedures generally leads to disagreement, creates conflict, and increases creativity. Another method

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What Do You Think?

► Some people consider conflict, courage, and creativity together as central to the capacity of an organization to respond to rapid environmental change. They say you can't have one without the other—and still be successful. What do you think? Are you comfortable with stimulating conflict?

of stimulating conflict is *creating interdependence among employees and departments*. Depending on others to perform task requires interaction, a consideration of other perspectives, and negotiation of incompatible goals and approaches.

The simplest and probably most commonly used method of conflict stimulation is *internal competition*. Competing to achieve a goal or to get a promotion, bonus, or a prize stimulates creativity and motivates individuals and groups, particularly in more individualistic cultures. While simple, this method has the potential to get out of hand, especially if there are clear winners and losers. Competition decreases interaction and may be hard to manage, even after the contest ends. Regardless of which method a manager uses, he must

monitor the situation carefully to keep conflict at a constructive level by using a combination of conflict resolution and conflict stimulation. Part of managing any conflict involves negotiating with the various parties who are involved, a topic we consider next.

Negotiating

Whether you manage a small department, own your own business, head a major corporation, or hold an entry-level sales position, you must know how to negotiate. **Negotiation** is a process whereby two or more parties reach a mutually agreeable arrangement. It is one of the most commonly used and beneficial skills managers can develop. The global business environment, the diverse workforce, rapid pace of change, and shift toward teams and empowerment all require managers to hone their negotiation skills.

The Negotiation Process

All negotiations share four common elements:³²

- The parties involved are in some way interdependent
- The parties are in conflict over goals and processes
- The parties involved are motivated and capable of influencing one another
- The parties believe they can reach an agreement

These four elements come into play at different stages of the negotiation process presented in Figure 11.6. While most of us think of the third and fourth stages—bargaining and agreement—as the heart of negotiation, most experts emphasize the importance of both careful and thorough preparation and presentation in negotiating well and successfully.³³ As we will discuss in the next section, culture plays a significant role in all phases of negotiation.

The first or *preparation* phase includes gathering factual information about the issues and alternatives and acquiring “softer” information about the other party’s interests, positions, personality, and style. Intense preparation not only leads to a better outcome, but also reduces the anxiety of negotiation. The second phase is the *presentation* of initial offers and demands, either orally or in writing. Careful choices of words and self-presentation to project the right image through effective verbal and nonverbal communication are essential in this phase. The third phase is the actual *bargaining* in which managers use various negotiating strategies to reach an agreement. Their preparation

Negotiation: a process whereby two or more parties reach a mutually agreeable arrangement

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concerning facts and people can strengthen their position. Active listening, feedback, persuasion, and the various communication techniques and barriers we reviewed in Chapter 9 all come into play in this phase. The final phase is the *agreement* that closes the negotiation process. The agreement is finalized and put into a format that is acceptable to both parties.

As indicated in Figure 11.6, the process of negotiation is continuous. Once an agreement is reached, negotiation over clarification and implementation are likely to continue. Additionally, one party can stop the negotiation process at any time, forcing all to restart the process.

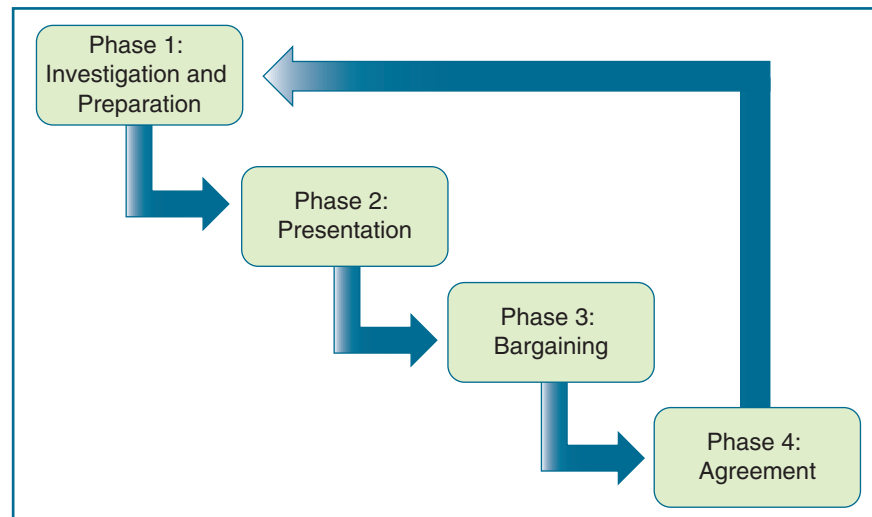
Ethics and Negotiation

Negotiating to get what you need raises a number of ethical dilemmas. Should you always tell the truth? Should you be up front and reveal your game plan? What can you ethically not tell? These are difficult questions that arise regularly in all formal and informal negotiations. Below are some typical ethical violations to avoid; they are progressively more serious:³⁴

- *Selective disclosure*: Negotiators highlight positive information and downplay or fail to mention negative information
- *Misrepresentation*: Negotiators misstate facts or their position; for example, they misrepresent the lowest price they are willing to accept
- *Deception and lying*: Negotiators give the other party factually incorrect information or information that leads to incorrect assumptions or conclusions
- *False threat and false promises*: Negotiators provide misinformation about actions that they may take and concessions they may be willing to make
- *Inflict direct or indirect harm*: Negotiators intentionally sabotage the other party's chance of success

Any of these violations is likely to occur in negotiations. The last two, giving false information inflicting harms, are the most severe violations, although how a negotiator ranks the others depends on his values and morals, and in some cases, his culture. Table 11.6 provides some guidelines for monitoring your own ethical behavior.

FIGURE 11.6 PHASES OF NEGOTIATION



What Would You Do?

▶ During your company's negotiations with a supplier, you inadvertently stumble upon information the other team left on a table. It contains their negotiation strategy and pricing information. What should you do with the information? Does your game plan change after reading the next section?

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TABLE 11.6 TIPS FOR MONITORING YOUR OWN ETHICS

Advice	Description
Learn from your mistakes	We all have committed ethical violations; learn from them and do not repeat them
Do you like what you see?	Evaluate your own behavior and strategies. Can you look at yourself in the mirror? Are you proud of yourself?
What does the other person see?	Consider how you appear to the other party or to an observer. Are you projecting an image you like?

Culture and Negotiation

Globalization has increased the frequency of cross-cultural negotiations. Given that negotiation involves exchange, interaction, and communication, culture’s impact on this process is significant. Knowing how culture affects negotiations and having information about another party’s culture allow for more focused preparation, clearer presentation, better bargaining, and more effective agreement.

The various cultural dimensions we discussed in Chapter 2 all affect the process of negotiation. Managers from masculine cultures are likely to be more assertive and independent, see negotiation as a competition, and focus on winning at all costs. Managers who value uncertainty avoidance (e.g., from China or Japan) will rely on bureaucratic rules and established procedures and rituals when negotiating, whereas those from cultures that are more comfortable with ambiguity, such as North Americans or Scandinavians, will be comfortable with free flowing discussions that may yield more creative solutions. The power distance and individuality-collectivism dimensions further affect the negotiation process. Low power distance will likely lead to open sharing of ideas and cooperative behaviors during negotiation, whereas individualism will emphasize self-interests. Managers from collectivistic cultures are likely to consider building relationships essential before bargaining. Negotiators from individualistic cultures will often have the authority to make the decision on their own while those from collectivistic cultures will tend to seek their group’s input, a factor that may slow down the process.³⁸

High and low context is another cultural dimension that influences negotiations. Negotiators from high-context cultures rely on the context, various nonverbal cues, and situational factors to communicate with others and understand the world around them.³⁹ Those from low-context cultures, such as Germany or Canada, pay attention to what is said and written and want clear, formal written documentation of all agreements. Those from high-context cultures, such as Korea or Vietnam, will look for subtle cues, read between the lines, and operate on trust and implicit agreements.

Negotiators from cultures where display of emotions is accepted, such as Italy or Brazil, may upset their British, low emotion counterparts, with an outburst or show of emotion. Additionally, those who are focused on the present and have a short-term orientation, for example the United States, may be confused when their Egyptian counterparts keep referring to events that happened in the past and consider them an integral part of their discussion. According to a recent survey that compared 2,500 professionals from eight countries on their reactions to negotiation, 39% of Americans report being anxious about negotiating, the highest percentage, while Germans are the most positive, and Indians are most confident.⁴⁰

While none of these culturally based negotiation styles is either right or wrong, they add considerable complexity, subtlety, and confusion to an already difficult process. In addition to national

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Western businessmen have been accused of focusing too much on the financial aspects of a deal. They often believe that as long as a proposal is financially attractive, it will succeed.³⁵ Many experts in global negotiations warn against taking such a position. Horatio Falcao, a professor in the world-renowned INSEAD business school in Paris, believes that we both over and underestimate the impact of culture in negotiations but that we should also consider every negotiation a cross-cultural exercise. Falcao has worked with hundreds of global managers on how to negotiate across cultures. He says: “People come to me normally and ask ‘how do I negotiate with the Chinese?’ And I would say which Chinese exactly do they want to talk to? Do you want to talk to the Chinese from Beijing or in Shanghai? The one who came from the countryside and moved to the city, or the one who was born and raised in the city?”³⁶ Falcao believes that you can’t look just at national culture; you also have to consider many other factors such as education, social class, and religious culture. Similarly, we often overestimate the impact of culture for people who are similar to us. Just because an American is negotiating with an Australian, and they think they speak the same language, does not mean that cultural factors are not relevant.

Consultant Richard Lewis believes that people fall back on their culture in times of crisis or challenge or when they are under pressure, so it is very important that any negotiator does not fall back on his simple intuition. He states: “We feel that our unwritten behavioural codes for persuasion and negotiation are universal and innate. In fact, they are largely acquired and culturally-bound.”³⁷ So what is the solution? Do we always judge people by their culture and put culture first? Or do we look at the person? The answer is to achieve a balance and push back your assumptions. Falcao recommends: “start with the assumption maybe, of at the very ‘get-go,’ of zero: I don’t know. And why does that help me? That helps me to approach you from a learning perspective; I’ll start to try to learn as fast as I can about you to know if you’re friend or foe.”

In cross-cultural negotiations, as in other aspects of management, the key to success, according to global practitioners and experts, is to get to know the individual you are dealing with.

1. Which aspect of negotiation is most influenced by culture?
2. What are some steps managers can take to avoid cultural conflict during negotiation?

culture, many ethnic, gender, or other group-based values affect how people negotiate. For example, women often shy away from making clear demands during negotiations, a factor that has been found to work against them. As a matter of fact, the cross-national survey about negotiation indicates that women in all the surveyed countries feel less comfortable than men about negotiating (26% vs. 41%, respectively). Selena Rezvani, author of *Pushback: How Smart Women Ask—And Stand Up—For They Want* believes that women, more than men, forgo their own demands to ensure that the relationship is maintained. She says: “A big part of that problem for women is the belief that relationships should trump agenda.”⁴¹

Savvy and effective managers include culture in their preparation and in other phases of negotiation to ensure that they meet their goals and those of the other person. Knowledge of culture at all levels, including organizational culture, can help in negotiation.

Common Mistakes in Negotiation

Even skilled negotiators make mistakes. Table 11.7 presents common mistakes and their causes. One of the most common is the fear that we may be conceding too much either because we appear to give in too easily or because we make a major blunder. While we worry

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As secretary of state, Hillary Rodham Clinton often engaged in cross-cultural negotiations. Here she meets with former Egyptian president Mohammed Morsi.

about how we look, many of us simultaneously believe that we are more reasonable and rational than others. These fears distort our judgment and add to a number of other mistakes we make while negotiating. The perceptual biases that we discussed in Chapter 3 play a particular role in negotiation because the process heavily depends on social perception. Selective attention and other perceptual filters and biases, such as stereotyping and halo effects, affect our perception of others and ourselves.

The *Winner's Curse* and *Overconfidence* stem from lack of information and misperceptions concerning the correctness of our position. Considerable research indicates that we tend to underestimate our chances

of being wrong.⁴² We tend to not rely on experts and end up making mistakes that can be avoided. Careful preparation and awareness of biases can help avoid many of these common mistakes. Bill Richardson, former governor of New Mexico, Ambassador to the United Nations, and 2008 U.S. presidential candidate, has skillfully negotiated with foreign countries on behalf of the United States. He suggests: "You have to be a good listener. You have to respect the other side's point of view. Certainly you want to have a goal. You want to come out of a meeting with something, even if it's only a second meeting. And basically you have to use every single negotiation technique you know—bluster, reverence, humor."⁴³ He also emphasizes his preparation: "I talk to the people who know the guy I'll be negotiating with. I talk to scholars . . . experts, journalists."⁴⁴

TABLE 11.7 COMMON MISTAKES IN NEGOTIATION

Mistake	Description	Causes
Irrational escalation of commitment	Continuing a selected course of action beyond what is considered rational, and in spite of contrary information	<ul style="list-style-type: none"> • Wanting to win at all costs • Impression management (ego) • Perceptual biases
Mythical fixed pie	There is a set amount on the table and one party has to win and the other lose	<ul style="list-style-type: none"> • Lack of creativity in problem solving
Winner's curse	Making a quick high offer and feeling cheated when the offer is accepted	<ul style="list-style-type: none"> • Lack of preparation • Lack of expertise • One party having more information than the other
Overconfidence	Overestimating your ability to be correct	<ul style="list-style-type: none"> • Lack of information • Arrogance • Distorted perception

Source: Based on information in Bazerman, M. H., & Neale, M. A. (1992). *Negotiating rationally*. New York, NY: Free Press.

Negotiation Strategies

In addition to preparing carefully and avoiding mistakes, skillful negotiators need to be ready to use a variety of skills, strategies, and qualities.

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- *Creativity* allows for developing novel solutions and seeking win-win solutions.
- *Flexibility* allows both parties to consider alternatives and change course when needed.
- *Keeping the climate positive* even when strong conflict and disagreement exist increases the chances of success.
- Being aware of how much *control* one does and does not have is essential. No one can control all aspects of the negotiation process; instead, good negotiators identify the issues they can control and focus on them.
- Managing the *balance of power* and using appropriate sources of power to persuade and influence the other parties allows negotiators to address needed issues.
- Knowing your *goals* and your own motives is also essential to keeping a focus on what matters to you most. Success depends on focusing on the real issue and not getting sidetracked by irrelevant and unimportant factors.
- Finally, every negotiator should be able to *say no* to deals that do not match her goals and be prepared to walk away.

Specific negotiation strategies are basically focused on either a win-win or a win-lose approach. The traditional view of negotiation (which corresponds with the traditional view of conflict we discussed at the beginning of the chapter) considers negotiation a zero-sum game in which one party's gain always leads to the other's loss. This view is called **distributive negotiation** because the rewards and outcomes are divided among the parties. Another approach, called **integrative negotiation**, offers a win-win scenario whereby parties try to reach an agreement that benefits them both by focusing on creating new options and solutions. Although integrative strategies create a positive climate by eliminating winners and losers, they are not easily achieved.

When selecting a negotiating strategy, managers must consider two factors. First, they must determine the importance of the relationship with the other party. Does the manager want to establish a positive, long-term relationship with the other party? Do the other party's thoughts and feelings matter? Is it important that the other party leave the negotiation satisfied and happy? Remember from our earlier discussion that women, for example, are often too focused on this aspect of negotiation. If the answer to these questions is yes, the relationship with the other negotiating party is important and must be preserved.

Second, managers must ascertain the importance of the outcome.⁴⁵ Is this an important deal? Does this agreement affect organizational performance? Does it affect the manager's career success and chances for promotion? If the answer to these questions is positive, then the outcome of the negotiation is important. The manager must therefore ensure that she achieves her goals. The combination of these two factors leads to the four negotiation strategies illustrated in Figure 11.7.

Trusting collaboration involves cooperation, give and take and compromise, and collaborative problem solving to achieve a win-win outcome. Negotiators use this strategy when both the relationship and the task outcomes are important.⁴⁶ Parties can share motives, ideals, and goals openly as they want to reach a mutually acceptable agreement that promotes long-term relationships and continued cooperation. Using trusting collaboration in teams or within organizations where people are mutually interdependent is essential. When using trusting collaboration, managers must do the following:

- Use a neutral setting where both parties are comfortable
- Take turns making offers

Distributive negotiation: a zero-sum negotiation in which one party's gain always leads to the other party's loss

Integrative negotiation: parties try to reach an agreement that benefits them both by focusing on creating new options and solutions

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FIGURE 11.7 FOUR NEGOTIATION STRATEGIES

		Is the Substantive Outcome Important?	
		Yes	No
Is the Relationship Outcome Important?	Yes	<p>Trusting Collaboration</p> <ul style="list-style-type: none"> • Openness • Cooperation • Win-win • Problem solving 	<p>Open Subordination</p> <ul style="list-style-type: none"> • Openness • Yielding • Yield-win • One-way acceptance
	No	<p>Firm Competition</p> <ul style="list-style-type: none"> • Aggressive • Forcing issues • Win-lose • Imposing a solution 	<p>Active Avoidance</p> <ul style="list-style-type: none"> • No interaction • Refusal to negotiate • No win • No solution

- Explain and clarify their reasons and motives
- Offer an honest consideration and appraisal of their own and the other party’s position
- Be willing to yield on some issues

Firm competition is appropriate when you do not care about the long-term relationship with the other party but the outcome is important. It is an aggressive win-lose strategy in which managers concentrate on imposing their own solution. Using firm competition as a negotiating strategy requires access to power, organizational support, and the willingness to forgo future relationships. Tactics of firm competition include:

- Impose the negotiation location
- Present your own offers and demands first
- Refuse to discuss the other party’s issues
- Exaggerate your own positions and the extent to which you have made concessions
- Yield little

Open Subordination should be used when the task or substance of the negotiation is not as important as the relationship. It involves yielding to the other party on all or most points and openly accepting the other’s solutions. Open subordination may be the only option when managers do not have much power or leverage to negotiate. However, they can also use this strategy when they have power but want to create goodwill or reduce hostilities when conflict is high. For instance, it is important for many start-up operations and small businesses to have well-known clients, however unreasonable they may be, to gain access to other high-profile customers. Tactics of open subordinate include:

- Let the other party present all offers and demands
- Make high offers and low demands

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- Magnify the other party's concessions and downplay your own
- Concede on as many demands as possible

Active Avoidance involves refusing to negotiate, as the negotiator does not care about either the task or the relationship. In this case, one neither seeks to win nor to lose. The individual is simply not party to the exchange and interaction. Often managers avoid negotiating because they have no stake in the results.

To determine which of the four strategies to use, managers must consider the situation. Their conflict management style and personality may also influence their selection of strategies. For example, if your primary conflict management style is competition (see Figure 11.5), you are likely to feel most comfortable with firm competition as a negotiating strategy. Similarly, a person with a **collaborative style** of conflict management (Figure 11.5) is more likely to use trusting collaboration. Personal style and preferences notwithstanding, managers should evaluate the situation and apply the strategy that will most likely achieve the relationship and task outcomes that they seek.

A very popular approach to negotiating presented by authors Roger Fisher, William Ury, and Bruce Patton in their book, *Getting to Yes*, offers four key points to negotiating effectively:⁴⁷

1. *Focus on People* and separate the people from the problem. A basic fact about negotiations, yet not one easily remembered, is that we are dealing with human beings who have emotions, deeply held values, and different backgrounds and viewpoints. Fisher and his colleagues suggest: "A working relationship where trust, understanding, respect, and friendship are built up over time can make each new negotiation smoother and more efficient"⁴⁸
2. *Pay attention to people's interest, not their positions or demands.* One of the basic problems in negotiation lies not in conflicting positions, but rather in the conflict between each side's needs, desires, concerns, and fears. You need to ask the *why* and the *why not* questions. In addition to eliciting information about the other party's interests, you need to communicate information about your own. By identifying where these interests overlap or are compatible, you can overcome apparently conflicting demands and begin to move to the next stage.
3. *Generate many options* before deciding what to do. Brainstorming (discussed in Chapter 7) is a good technique to arrive at as many options as possible. Decisions should not be made until all options have been exhausted. Fisher and colleagues suggest that you can convert ideas into options by using different perspectives or "invent[ing] agreement of different strengths."⁴⁹ Look for mutual gains in the options.
4. *Use standards and criteria* based on some objective standards that have been established by neutral experts. Once the objective criteria and procedures have been identified, frame each issue as a joint search for objective criteria. Ask others what objective standards would be most appropriate for dealing with the issue.

By accurately identifying individual needs as well as the sources of conflict, the principled approach can result in positive growth of the individuals involved and the organization as a whole.



When using trusting collaboration, the setting is important. Negotiators may select a neutral setting where both parties are comfortable and neither has the home turf advantage.

Collaborative style: seeks a win-win solution for all parties

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► Summary and Applications for Managers

Let's begin by reemphasizing the importance of viewing both conflict and negotiation as natural parts of life for individuals and organizations. Managers often worry about conflict in their organizations and are afraid that any sign of trouble will undermine performance. Their response is likely to be to ignore or avoid the conflict, or try to impose a solution without getting to the root of the problem. While this strategy may be appropriate when conflict is trivial, it is not always the best solution.⁵⁰

Here are some ways you can apply the material you learned in this chapter.

1. Take time to evaluate and understand the conflict you are facing. Some level of conflict is necessary and healthy, so use it to your benefit.
2. Focus on actively managing, not just reducing, conflict. This may mean that sometimes you will reduce it, and sometimes you may want to stimulate it. The goal is not to suppress conflict at all costs.
3. Step outside of the conflict you are facing. Sometimes we get pulled into conflict with a coworker or boss. Attack brings counterattack. The spiral begins. Nine times out of ten, if you step away from the conflict for a few moments/hours/days you'll see how small and petty the issue being fought over likely is. Without regaining this perspective, you're doomed to get involved in a battle that's not worth fighting. On top of that, you might miss an easy solution to the problem because you're too busy attacking.
4. Develop self-awareness about your most preferred style of conflict management and practice the other ones. Chances are that you will find the style that is diagonally across from your preferred style (see Figure 11.5) most challenging. Practice all of them in safe and low-cost settings.
5. You may not be able to control the other party, but you do have control over your own behavior and reaction. Your enemy may take shots at you. The defining moment comes in how you react to them. You either attack back or you try to take the high road. You can ignore the insult or laugh off the verbal slight. You can kill them with kindness. Those around you will take note of how each of the combatants is behaving and of your professionalism; it will be hard for you to look bad.
6. Pick your conflicts. Not everything is worth fighting over and you cannot win every fight. Use your energy to address things that are important to you and your organization. This is one more reason for you to know your own values and priorities.
7. Extend the olive branch. When it costs nothing, be kind (even if it costs you something—be kind). The best way to be the bigger person is to set differences aside and create a positive environment. If your enemy continues the conflict, he is not going to be the one to reach out to end hostilities. That leaves the task to you. Take him out to lunch. Tell him you'd like to work with him more productively and end the conflict. Ask what you can do to change the way you communicate and LISTEN when he tells you what's wrong.
8. Negotiation is a skill. Practice it any chance you get and become comfortable with the different strategies.
9. While the task and the outcome are often important, conflict and negotiation are about people. Deal with the people. You can be kind without giving in on the outcome you need. Fisher and his colleagues call this being "soft on people and hard on issues."

► Key Terms

Assertiveness (p 349)

Collaborative style (361)

Distributive

Integrative

Conflict (p 338)

Cooperativeness (p 349)

negotiation (p 359)

negotiation (p 359)

Competition (p 338)

Horizontal conflict (p 342)

Interdependence (p 346)

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► Exercise 11.1 How Do Relationships Affect Conflict?

Think back over the past 5 years and recall conflicts that you had with three different people: (1) a personal friend, (2) a coworker, and (3) a roommate. Respond to the following questions.

1. What happens to conflicts as relationships become closer, more personal, and more interdependent?
2. Did you find that as relationships become closer and more interdependent, there are more opportunities for conflict, the more trivial complaints become significant ones, and feelings become more intense?

What type of resistance are you encountering during conflict or have you experienced in the past?

1. “I don’t get it.”

○ Do you see people’s eyes glaze over, eyebrows furrow, or head tip slightly to one side when you are proposing an idea?

2. “I don’t like it.”

○ Does someone encounter fear of, for example, a loss of job with your idea? These fears are not always aired, so it may require that you ask questions.

3. “I don’t like you.”

○ Are ideas that you propose shut down simply because you proposed them?

Source: Adapted from Maurer, R. (2002). Why don’t you want what I want: The three faces of resistance. *Manage Online*, 1(2). Retrieved from <http://nma1.org/Communications/Manage/>.

► Exercise 11.2 Asking Questions

The most basic method for promoting mutual understanding is to ask questions. Sometimes others are hesitant to ask questions because they might be perceived as criticism. By providing structure, this exercise will help you to understand that questions are not intended as attacks.

1. Ask for a volunteer to be the “focus person” and another to be the facilitator. The focus person in the group is invited to speak on any controversial problem facing the country. This person starts with, “Here is the point I want to make” and is given 3 minutes to speak.
2. When the speaker is done, the facilitator asks the group, “Can you explain why?” or “What did he [or she] mean by that?”
3. The group answers the questions.
4. If the answers are clear to all participants, then go to Step 5. If they are not, then ask those who

are unclear about what was said and exactly what they still find to be unclear. For example, someone might say, “I heard the person say that we should all share the assignment equally. But I am not sure why he feels so strongly about it. In my view, if we divide up the tasks according to skill, the work may not be equally divided, but the product may be more effective.” Give the focus person a chance to respond.

5. When both the group and the speaker feel understood, ask for someone else in the group to take a turn as the focus person.

The goal of this exercise is to promote understanding, not to resolve differences. This should be emphasized beforehand and throughout the activity.

Source: Adapted from Kaner, S. (1996). *Facilitator’s guide to participatory decision-making*. Gabriola Island, British Columbia: New Society, pp. 173, 175.

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► Exercise 11.3 Individual Needs

Have you ever been in a situation where the arguing just kept going around in circles? It will be helpful if the parties can stop arguing over the proposed solution and start talking about their individual interests instead. For an example of a situation that might cause this type of discussion, look at Case Study 11.1 about emergency evacuation at the end of this chapter, where a family is interested in staying in the town in spite of the mandatory evacuation. It will become easier to develop proposals that meet a broader range of needs when those needs have been made explicit and understandable to all. Assume the roles of the business owner trying to protect the employee and his family. Allow each group to make a case for its viewpoint.

1. Make sure that group members understand the difference between their proposed solutions and what the family in the case study needs. For example, evacuating is a proposed solution, whereas staying home with family is a need or an interest. Take time, if necessary, to clarify this distinction among group members.
2. Ask everyone to answer the question, “What are the needs and interests in this situation?”
3. Continue until everyone is satisfied that his or her own needs and interests have been stated clearly, then ask the group to generate new proposals that seek to incorporate a broader range of everyone’s needs.

► Exercise 11.4 When Is Conflict Healthy?

Not all issues in organizations are worth conflict. Use any of the earlier case studies, and apply the following three principles to decide if the issue merits conflict:

1. Are the stakes high enough to motivate employees? If so, what is at stake?
2. Does the challenge reflect a larger cause that is central to the program or organization’s mission? Explain.
3. Is there opportunity to improve current circumstances? How so?
4. If the situation merits the conflict, what would need to change to avoid the conflict?

► Case 11.1 Conflict in an Emergency Evacuation

You are a small business owner on the Jersey shore. In 2012, Hurricane Sandy hit the Northeast. The Northeast has had very little experience with hurricanes, and this one hit the most highly populated areas. In order to evacuate the beaches, state public health was coordinating with the National Guard, the Federal Emergency Management Agency, and local governments. They had planned and scheduled all evacuation to occur before the storm hit on Saturday evening. On Saturday morning, a member of the National Guard calls you to inform that one of your employees, along with his family, has decided that he would not be evacuated. The governor of New Jersey had stated the evening before that if anyone stayed behind in the areas under evacuation, they would not be receiving services. The member of

the National Guard had tried to encourage the family to go; the family refused. The National Guard had called on the state social worker to speak with the family. The family was infuriated that the state would impose their values on their family. This family had weathered many storms as they had moved to the northeast from Puerto Rico. Their feeling was that they should be together as a family and protect their property. If Sandy were to take them, at least they would be together. As Mr. Ortega’s employer, you are viewed as the last resource to try to talk some sense into this family. The National Guard calls you later in the morning and tells you that they are not wasting their time with Mr. Ortega, and the family can do what they choose. You become terribly upset, as you believe that their lives are being

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placed at risk and you ask the National Guard to let you speak with Mr. Ortega and his family.

1. Identify the sources for this conflict?
2. How will you, as Mr. Ortega's employer, try to resolve this situation?

► Case 11.2 A Group Project

You have been assigned to work on a Marketing group project with randomly selected classmates. When you discover who will be your coworkers, you realize that the group is made up of students who do not take their work as seriously as you do. You are given until the end of the semester to complete the project, so you have plenty of time. You decide to take the lead and assign people to specific components of the project. When you meet with the

3. Are there cultural issues that may be at play in this scenario?
4. What negotiation methods would you find most useful in trying to deal with the conflict?

group the first time, you assign the tasks only to find much discontent. Your classmates want to know what made you think you could just tell them what to do. You now need to exercise damage control in order to avoid a very long semester.

1. What will you do?
2. What techniques might you employ to negotiate with your classmates?

► Case 11.3 Executive Compensation

On the same day in March that a large manufacturer warned that the sequester could lead to thousands of employee furloughs and layoffs, the nation's largest federal contractor disclosed that it had just boosted the compensation of its former CEO by more than \$2 million, according to Securities and Exchange Commission (SEC) forms.

You work in the organization's human resources department and will be designated as the person people may contact if they have questions. Since the release of the CEO's compensation was made, your voice mail and e-mail boxes have been filled by

disgruntled employees wanting explanations. You share some of their same concerns, but are conflicted with the role that you have been asked to play in the organization.

1. How will you respond to your colleagues?
2. How will you respond to management?
3. What methods would you find most useful in trying to deal with the conflict?
4. How will you apply the materials you learned in this chapter?

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