



ROHINI

COLLEGE OF ENGINEERING AND TECHNOLOGY

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NEGOTIATION & CONFLICT MANAGEMENT

UNIT-III CONFLICT MANAGEMENT

SOURCES OF CONFLICT:

Communication failure

Personality conflict

Value differences

Goal differences

Methodological differences

Substandard performance

Lack of cooperation

Differences regarding authority

Differences regarding responsibility

Competition over resources

Non-compliance with rules

Ways of addressing conflict

Accommodating: Individuals who enjoy solving the other party's problems and preserving personal relationships. Accommodators are sensitive to the emotional states,

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Collaborating: Individuals who enjoy negotiations that involve

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and interests of the other parties. They can, however, create problems by transforming simple situations into more complex ones.

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Competing: Individuals who enjoy negotiations because they present an opportunity to win something. Competitive negotiators have strong instincts for all aspects of negotiating and are often strategic. Because their style can dominate the bargaining process, competitive negotiators often neglect the importance of relationships.

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Other Negotiation Styles

Shell identified five styles/responses to negotiation. Individuals can often have strong dispositions towards numerous styles; the style used during a negotiation depends on the context and the interests of the other party, among other factors. In addition, styles can change over time.

Counseling

When personal conflict leads to frustration and loss of efficiency, counseling may prove to be a helpful antidote. Although few organizations can afford the luxury of having professional counselors on the staff, given some training, managers may be able to perform this function. Nondirective counseling, or "listening with understanding", is little more than being a good listener—something every manager should be.

Conflict Resolution

Conflict resolution is a range of methods for alleviating or eliminating sources of conflict. The term "conflict resolution" is sometimes used interchangeably with the term dispute resolution or alternative dispute resolution. Processes of conflict resolution generally include negotiation, mediation, and diplomacy. The processes of arbitration, litigation, and formal complaint processes such as ombudsman processes, are usually described with the term dispute resolution, although some refer to them as "conflict resolution." Processes of mediation and arbitration are often referred to as alternative dispute resolution.

Methods of Dispute Resolution include:

- lawsuits (litigation)
- arbitration
- collaborative law
- mediation
- conciliation
- many types of negotiation
- facilitation

One could theoretically include violence or even war as part of this spectrum, but dispute resolution practitioners do not usually do so; violence rarely ends disputes effectively, and indeed, often only escalates them. Some individuals, notably Joseph Stalin, have stated that all problems emanate from man, and absent man, no problems ensue. Hence, violence could theoretically end disputes, but alongside it, life.

CONFLICT RESOLUTION PROCESSES:

Adjudicative processes, such as litigation or arbitration, in which a judge, jury or arbitrator determines the outcome.

Consensual processes, such as collaborative law, mediation, conciliation, or negotiation, in which the parties attempt to reach agreement.

A **Lawsuit** is a civil action brought before a court of law in which a plaintiff, a party who claims to have received damages from a defendant's actions, seeks a legal or equitable remedy. The defendant is required to respond to the plaintiff's complaint. If the plaintiff is successful, judgment will be given in the plaintiff's favor, and a range of court orders may be issued to enforce a right, award damages, or impose an injunction to prevent an act or compel an act.

Arbitration, a form of alternative dispute resolution (ADR), is a legal technique for the resolution of disputes outside the courts, wherein the parties to a dispute refer it to one or more persons (the "arbitrators", "arbiters" or "arbitral tribunal"), by whose decision (the "award") they agree to be bound. It is a settlement technique in which a third party reviews the case and imposes a decision that is legally binding for both sides. Other forms of ADR include mediation (a form of settlement negotiation facilitated by a neutral third party) and non-binding resolution by experts.

Collaborative Law (also called Collaborative Practice, Collaborative Divorce, and Collaborative Family Law) was originally a family law procedure in which the two parties agreed that they would not go to court, or threaten to do so.

Mediation, a form of alternative dispute resolution (ADR) or "appropriate dispute resolution", aims to assist two (or more) disputants in reaching an agreement. The parties themselves determine the conditions of any settlements reached— rather than accepting something imposed by a third party. The disputes may involve (as parties) states, organizations, communities, individuals or other representatives with a vested interest in the outcome.

Conciliation is an alternative dispute resolution (ADR) process whereby the parties to a dispute (including future interest disputes) agree to utilize the services of a conciliator, who then meets with the parties separately in an attempt to resolve their differences. He does this by lowering tensions, improving communications, interpreting issues, providing technical assistance, exploring potential solutions and bringing about a negotiated settlement.



1. The 'Hand-Shake'

Many New Zealand exporters confirm their agent or distributor's appointment and the terms of their relationship on the strength of a handshake. New Zealand Trade and Enterprise does not recommend this approach. If there is no written document the relationship can run into difficulties in areas such as measuring performance, sorting out differences of opinion, or terminating the arrangement. It is important to have a written agreement that covers the key components of your relationship.

2. Heads of Agreement/Exchange of Letters

In the majority of cases, a Heads of Agreement or Exchange of Letters is the best starting point in terms of an export and agent/distributor agreement. Such an agreement implies trust and a formal relationship and is a good mechanism to protect your interests. However, it does not involve the time and cost of working through lawyers.

The Heads of Agreement should include the following:

Products involved – description

Territory covered by the representative The timeframe of the agreement

Termination clauses – it is important to think about these at the start of the relationship when you and your representative are on good terms.

Review Clauses – when you want to review the agreement and what you want to review Performance targets – these could cover such things as amount of sales, number of

customers, number of advertising campaigns etc.

Formal Agent/Distributor Agreement

This is a formal agreement that requires the services of a lawyer, as well as considerable time and money on your behalf. Just as too many New Zealand exporters rely on the handshake agreement, too many also jump in at this stage.

While the handshake is too flimsy, the formal agreement at the outset can be a waste of time and money if the relationship only lasts for a few months. It is usually better to start with a Heads of Agreement or Letters of Exchange and progress to this stage once the relationship has proved itself to be ongoing. Be aware, however, that formal agent/distributor agreements should not be seen as legally binding, except perhaps for Australia. It would normally be too expensive for a New Zealand company to sue an offshore partner who breaks such an agreement, despite its legal basis.

The key advantage of a formal agreement is that it is a written statement of intent that ensures everyone understands the rules and is working to the same objectives.

A checklist of items that should be included in an agent/distributor agreement can be found at the end of this document.

4. Joint Venture

Once you have an established and successful relationship with your representative, you could consider entering into a joint venture with them. This is a public show of your commitment to each other and sends good market signals. For information on joint ventures, see the New Zealand Trade and Enterprise

Measure the agent or distributor's performance:

While the sales figures and trends will give you a good indication of how well your product and your distributor or agent is performing, it

makes good sense to have a more formal performance arrangement in place so you can quickly and easily identify areas for attention.

Request regular reports on a monthly, quarterly and annual basis. These reports should cover such things as sales, inventory after-sales service, distribution and warehousing, freight, competitor activity, new products, consumer and audience trends.

Regular visits to the market should be part of a performance review.

Encourage open, two-way communication so problems can be highlighted and dealt with quickly and constructively.

Talk to customers to find out how they think your representative is performing.

Use your time in the market to ascertain how quickly and accurately your representative is reporting back market trends

