Conflict and Negotiation

Uncertainty + frustration = Conflict

$$U + F = C$$

To Solve for C use Negotiation

A Good Way to Understand Conflict

Conflict is a process which begins when one party perceives that the other party has frustrated some concern of his/her

When Is a Conflict Resolved?

When the level of frustration has been lowered to the point where no action against the other party is being contemplated

Two Definitions of Negotiation

- Negotiation is a process

- Negotiation is an endeavor

Pareto-optimal Solution

A solution, such that no party can be made better without making another party worse off by the same amount or more (the antithesis of a win/win situation)

Partnering

Partnering = transforming relationships into cooperative teams

Multi-step Process for Building Partnered Projects

- Commitment
- Four part agreement:
  - Evaluation
  - Resolution
  - Improvement
  - Termination

Project Charter

Agreement between involved stakeholders to commit resources to project

A Charter Is a Signed Commitment To:

- Meet
- Complete
- Finish
- Keep

Scope Changes Are Caused By:

- Technological uncertainty

- A mandate

Conflicting Priorities

- **High priority projects**:

- **Lower priority projects**:

- **Mandates**:

Conflicting Sources

- Schedules
- Priorities
- Labor requirement
- Technical factors
- Administrative procedures
- Costs
- Personality conflicts

The Three Fundamental Conflict Categories

- A team Vs B Team
- Who's in charge?
- I'm sorry you're a jerk

Conflict and the Project Life Cycle (PLC)

- The project life cycle (PLC)
- Nature of conflicts in the PLC
- Linkage of PLC with conflict categories

Four Phases of Project Life Cycle As Seen By:

Phase	Senior Management	Thambain and Wilemon	Adams and Barndt
I	Bootleg work	Project formation	Concept
II	Aggregation of resources	Buildup	Plan
III	Lions share of work	Main program	Execute
IV	Products to client	Phase out	Terminate

Personality Clashes

Senior Management ←→ PM ←→ Client

Project Manager Vs. Functional Manager Conflicts

- PM concern: Project Results

- FM concern: Day to Day Operations

Who Decides in a Matrix Organization?

- PM: Schedule and flow of work
- FM: technical decisions, manpower

When Top Management Sets Time and Cost Too Tightly

1. Underestimation of cost and time

2. PM Pass squeeze/ play

3. Fm cries foul!!

Whose Priorities are Ruling?

- Functional manager
- Client
- Project team

Methods for Settling Project Priority Conflicts

1. Priority ranking through PS model

2. Priority ranking through senior management

The "Who" and "What" of Matrix Organization Conflicts

Who	What
Project team and client	Technical problems
Senior Management (*)	a) Wants PM to create communication rules b) Wants to dictate who reports to whom

Conflicts in the Different Phases of the PLC

Phase	Conflict Source
Formation	Confusion of setting up project
Buildup	Priorities, schedules and administrative procedures
Main	Critical path, Resources
Phase-out	Schedules, cost overrun

Fundamental Issues for Conflict during Project Formation

1. Technical objectives
2. Commitment of resources
3. Priority
4. Organizational structure

Questions Leading to Conflict during Project Formation

- Who will be involved?

- What is the level of involvement?

- How will we settle conflicts?

More Questions Leading to Conflict during Project Formation

- What about those resource/facility issues?

- Who has the authority?

- How will changes in priorities be communicated?

Who Will Win the Argument?
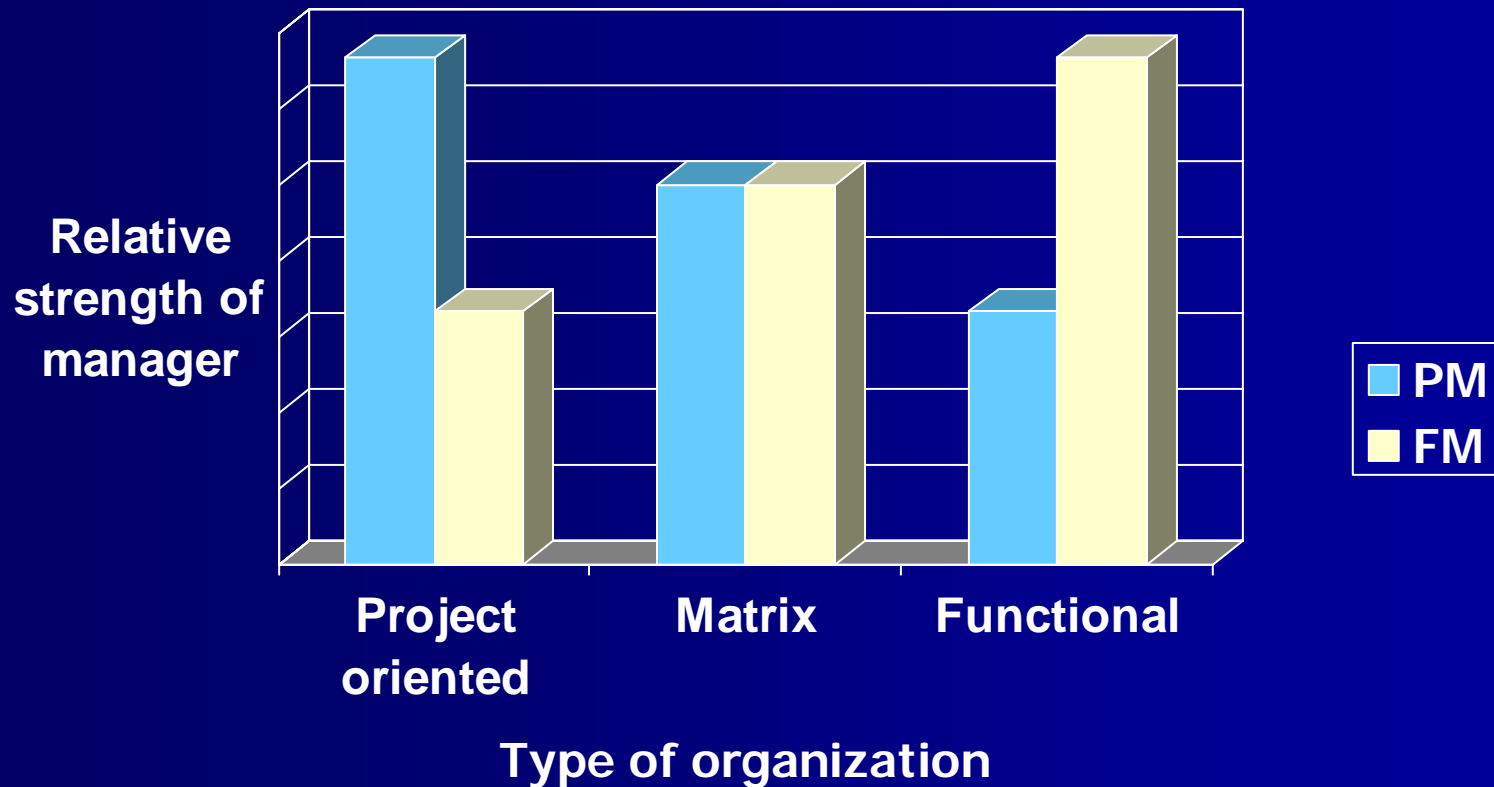
The "Height" of Conflict during Project Buildup

Issue	Rivals
Technical approach	PM Vs. FM
Handicap	PM: generalist, but occasionally has a bright technical idea
	FM: has generally more technical expertise

How a Main Phase Scheduling Conflict Develops

1) Activity Problem
2) If on Act (1) partial delay
3) (2) will delay the entire project
4) PM tries to prevent delay by 'catch up'
5) PM vs. FM

Environment for Conflict during Phase-out

- Schedule slippage consequences
- Firm deadlines
- Substantial cost overruns ignored
- Functional groups needed
- potential conflict with FM

Personality Conflicts During Project Phase-out

- Pressure
- Anxiety
- Distribution of resources
- Fresh starting projects Vs. Phasing out projects

Discipline Oriented Vs. Problem Oriented Individual

"He/she will do whatever he/she thinks is right to get his/her own job done, whether or not it is good for the company or anyone else"

Pelled and Adler, 1994

Successful Handling of Conflicts by PM

Ability to reduce and resolve conflict in ways to support achievement of project's goals

Primary tool?

Preview and Reading

Similarities between the confrontation-problem solving technique and win-win negotiation:

- Pinto and Kharbanda (1995) – conflict resolution in the spirit of win-win negotiation

- Dyer (1987) – focus on conflict between team members

- Afzalur (1992) – general work on win-win negotiating

Negotiations NOT **covered**

- President and Congress
- NFL player's agent and team
- Real-estate buyer and seller
- Divorce
- Collective bargaining agreement
- Tourist and peddler

Key to Understanding the Nature of Negotiating in PM

NOT: whether or not a task will be undertaken or a deliverable produced

BUT: how the deliverable will be achieved, by whom, and at what cost

Main Requirement for Conflict Reduction/Resolution

Conflict is to be settled without irreparable harm to the project's objectives

Second Requirement for Conflict Reduction/Resolution

Honesty between negotiators

The Win/Win Solution

Seek solutions to the conflict that not only satisfy an individual's own needs, but also satisfy the needs of other parties-at-interest and the parent organization

Negotiation Techniques

1. Conflict settled without harm to objectives
2. Honesty between negotiators
3. Seek solutions to the conflict

Principled Negotiation

1. Focus on problem
2. Focus on interests
3. invent for mutual gain
4. Insist on objective criteria

How to Separate People from Problems

Define the problem

Get participation

See the rock

How to Focus on Interest, not Position

WRONG: Focus on position

PM: "I need this subassembly by November 15"
FM:" I can't deliver it before February 1 next year"

RIGHT: Focus on interest

FM and PM: "Let's talk about the schedule for this subassembly."

Two Examples of Negotiating Positions

1. <u>Real estate bidder</u>, assuming a future property value:
"<u>I will not pay more than 1 million for that property.</u>"

2. Assume that a <u>workgroup's</u> current workload will not change, PM states:
"<u>We cannot deliver this subassembly before February 1.</u>"

Shifting Focus from Position to Interest

<u>Real estate bidders</u> true interest:

Earn a certain return on investment in the property

<u>Workgroup</u> PM's true interest:

Not to commit to delivery of work if delivery on the due date cannot be guaranteed
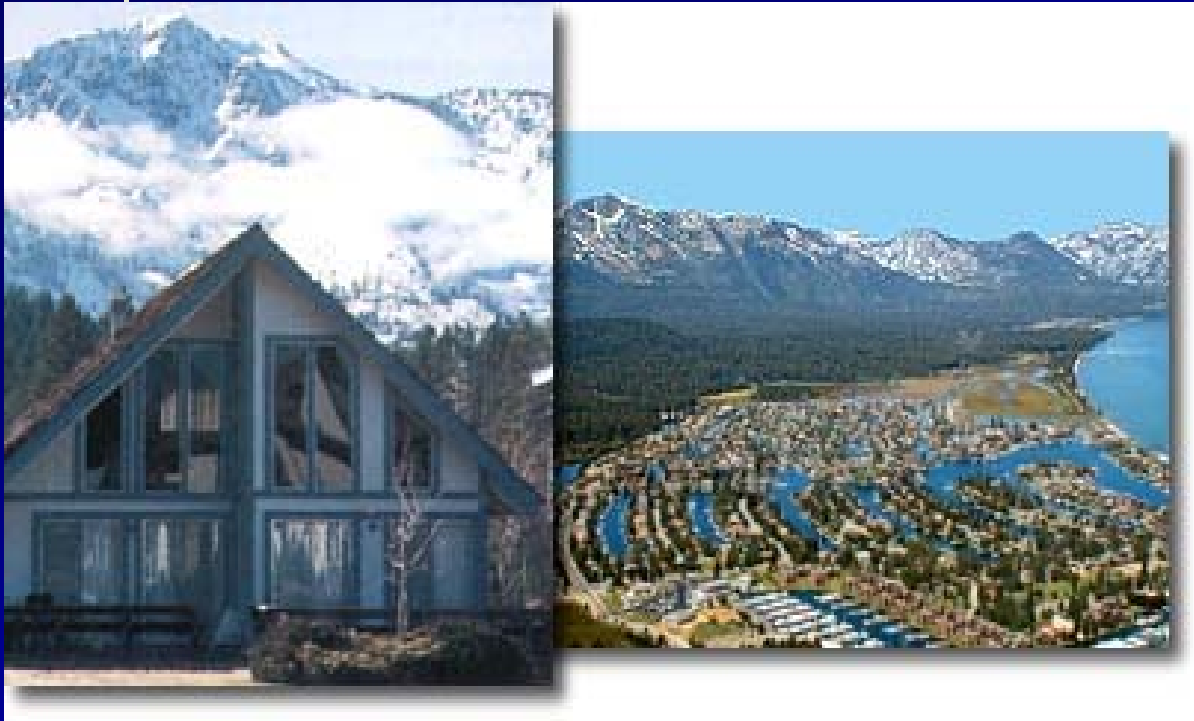
An Interest Negotiator's Knowledge and Purpose

Knowledge:
The parties-at-interest's interests

Purpose:

Suggesting solutions that satisfy the conflicting party's interests without agreeing with either side's position

Before Reaching Agreement, Invent Options for Mutual Gain

Marital conflict:

Joe wants to go to the mountains

Sue wants to go to the shore

4 Steps to Move from Parties-at-Conflict to Win/Win

1. Parties-at-conflict agree to negotiate

2. The negotiator defines "problem"

3. Negotiator presents possible solutions

4. A win/win emerges

Key to Finding a Negotiator's Interests and Concerns

Ask

Insist on Using Objective Criteria

Instead of bargaining on positions,

try to find a standard

Example:

Tactical Issues Covered by Most Books on Negotiations

- You want "win-win" but the other party wants "win-lose"

- Other party seats you so that bright lights shine into your eyes

- Other party drags their feet so as to put you into a situation of extreme time pressure to accept whatever solution they offer

Tactical Issues ..... (continued)

- Purely technical disputes
- Handle threats
- Goes over your head
- Person that dislikes you

Short Bibliography on Negotiating for the PM

- Wall, J.A., jr. "Negotiation: Theory and Practice" Glenview, Il. Scott, Foresman, 1985 – Excellent academic treatment of the subject

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- Cohen, H. "You Can Negotiate Anything" Secaucus, N.J.: Lyle Stuart Inc., 1980 – outstanding guide to win-win negotiation