

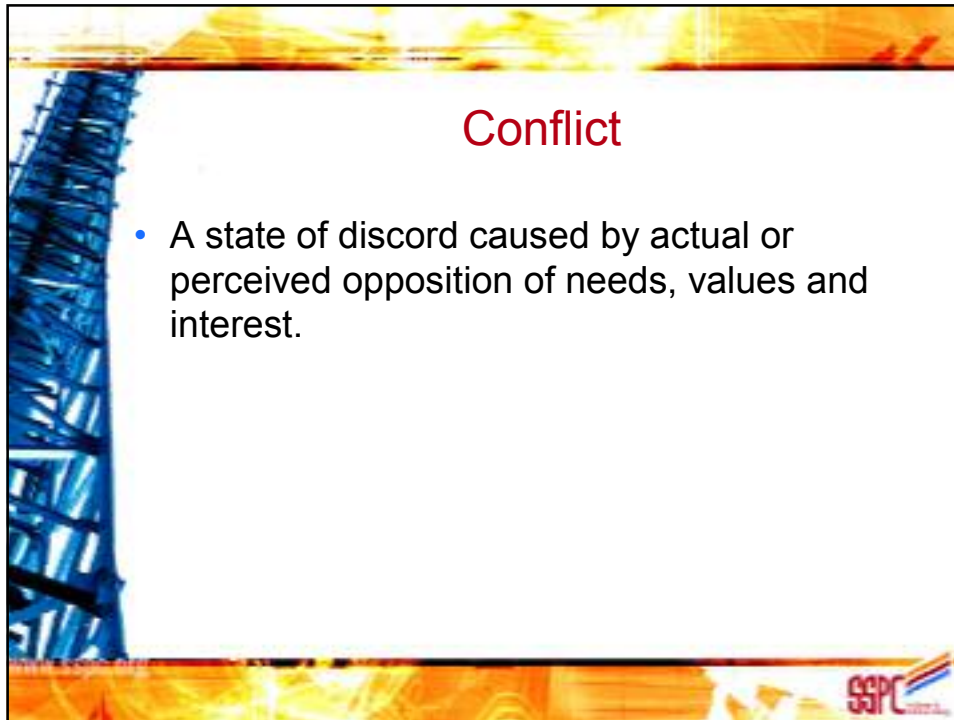
Resolving Conflicts In The Coatings Industry

Presented by
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SSPC: The Society for Protective
Coatings



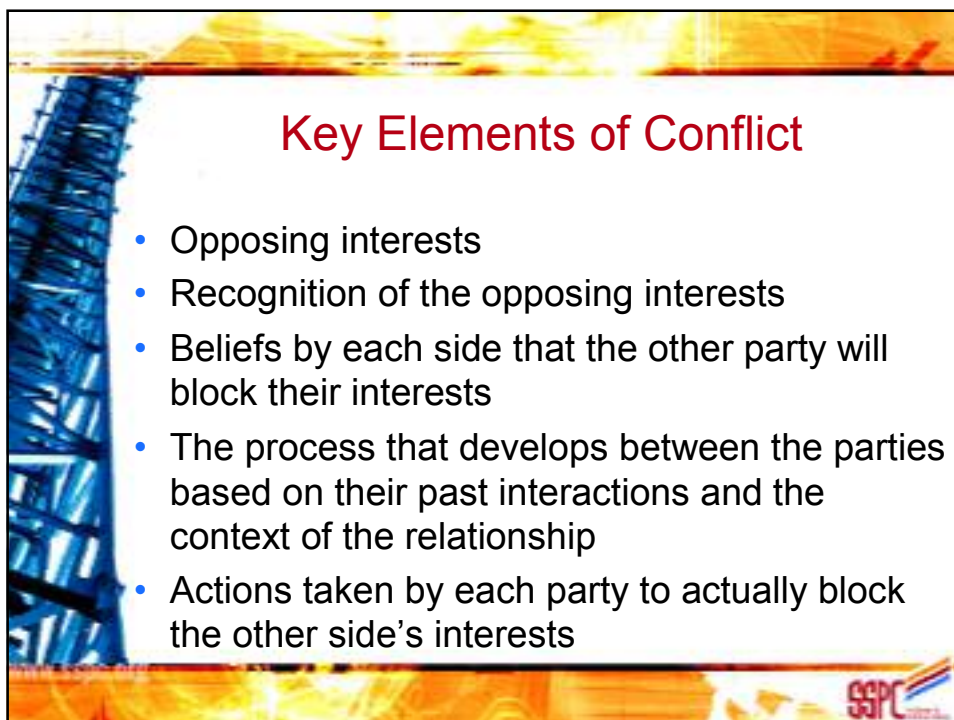

What is Conflict?

- Conflict is all around us yet it is very difficult to define
- Different scholars have defined conflict differently
 - > Some view conflict very narrowly- *A breakdown in the decision making process*- March and Simon (1958)
 - > Some view conflict very broadly- *A dynamic process underlying organizational behavior*- Pondy (1967)
 - > A mid range definition views conflict as a state in which *the behavior or goals of one actor or actors*




Conflict

- A state of discord caused by actual or perceived opposition of needs, values and interest.



Key Elements of Conflict

- Opposing interests
- Recognition of the opposing interests
- Beliefs by each side that the other party will block their interests
- The process that develops between the parties based on their past interactions and the context of the relationship
- Actions taken by each party to actually block the other side's interests



Levels of Conflict

- Intrapersonal conflict
- Interpersonal conflict
- Intra-group conflict
- Inter-group conflict



Sources of Conflict

Value differences	Perceptual differences
Status differences	Divergent goals
Role obligations	Competition
Scarce resources	Environmental pressures
Diversity insensitivity	



Types of Conflict

- Relationship conflict- *How we get along*
- Task conflict- *How we do things*
- Process conflict- *How we decide about how to do things*



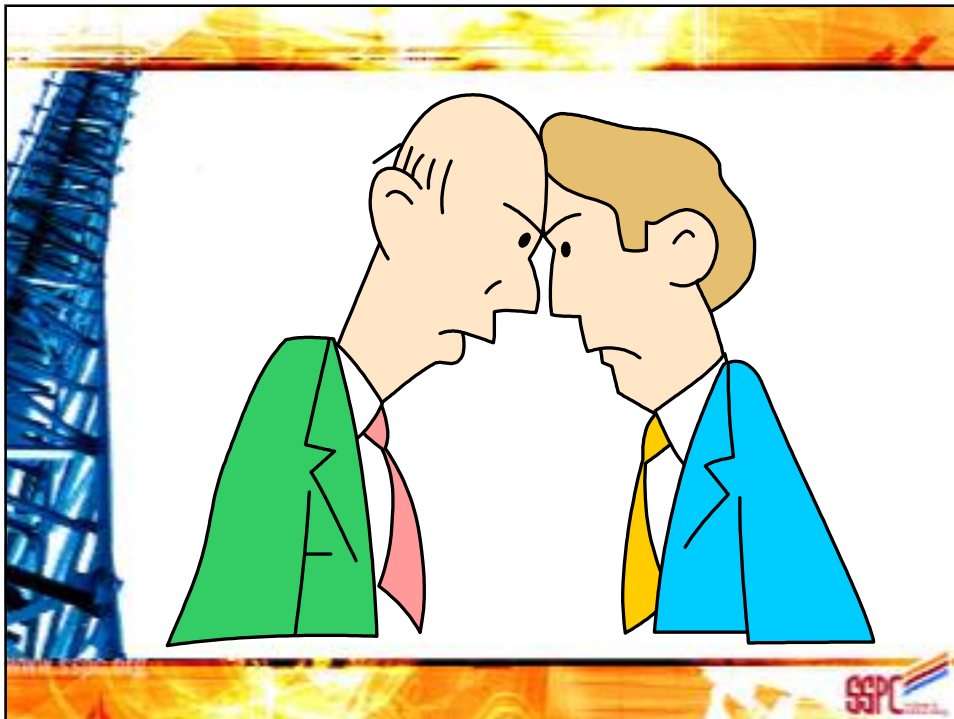
Potential Benefits of Conflict

- Stimulates innovation
- Improves decision making process
- Provides alternative solutions to a given problem
- May force individuals and groups to adopt new approaches
- May force individuals and groups to articulate and clarify their positions



Potential Costs of Conflict

- Monetary cost
- Creates stress and burnout
- Obstructs communications
- May lead to distrust and suspicion
- May reduce satisfaction
- Damages relationships
- May affect loyalty and commitment to the organization





Principled Negotiations

- Are based on ethics



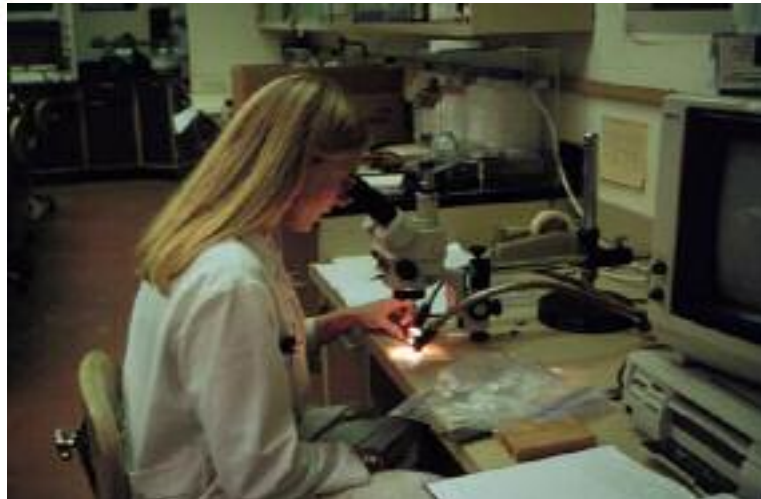
Principled Negotiations

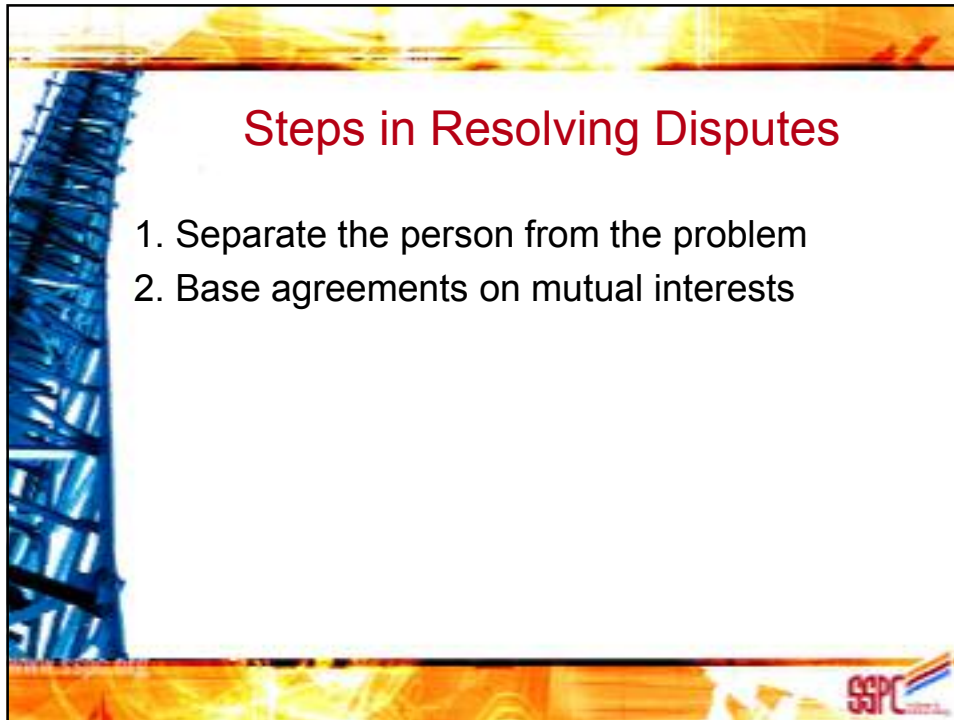
- Are based on mutual interests



Principled Negotiations

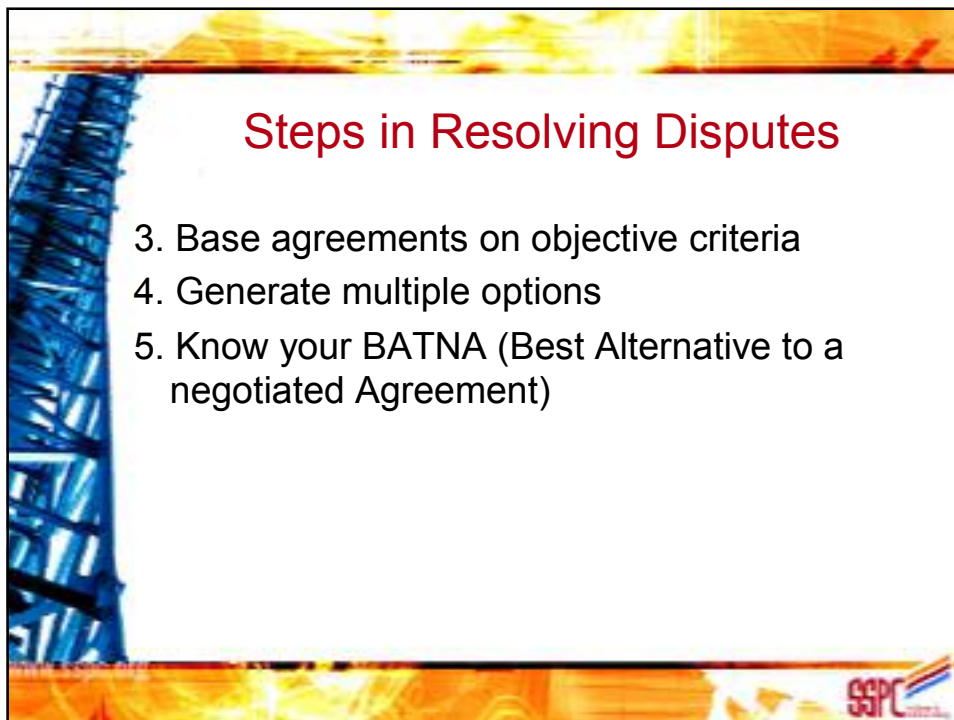

- Are based on objective criteria






Steps in Resolving Disputes

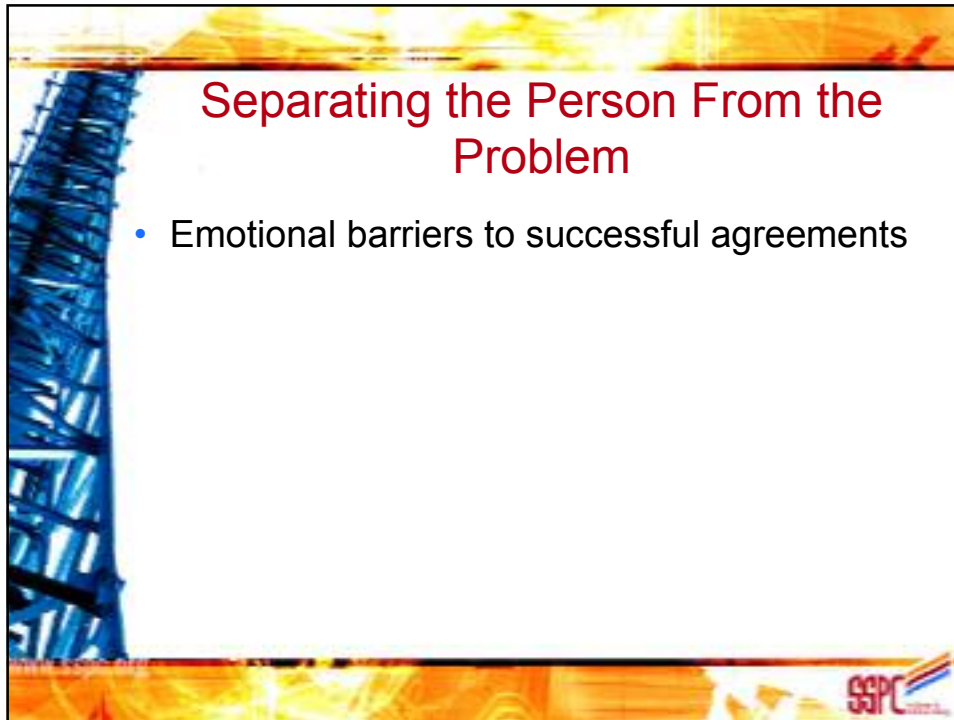
1. Separate the person from the problem
2. Base agreements on mutual interests



Steps in Resolving Disputes

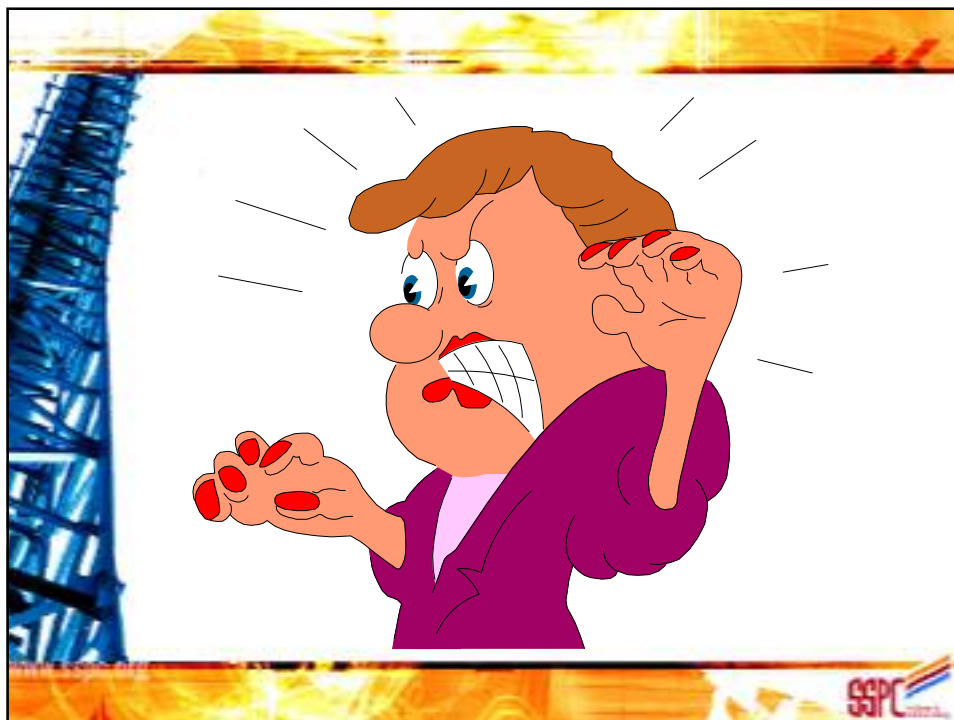

3. Base agreements on objective criteria
4. Generate multiple options
5. Know your BATNA (Best Alternative to a negotiated Agreement)

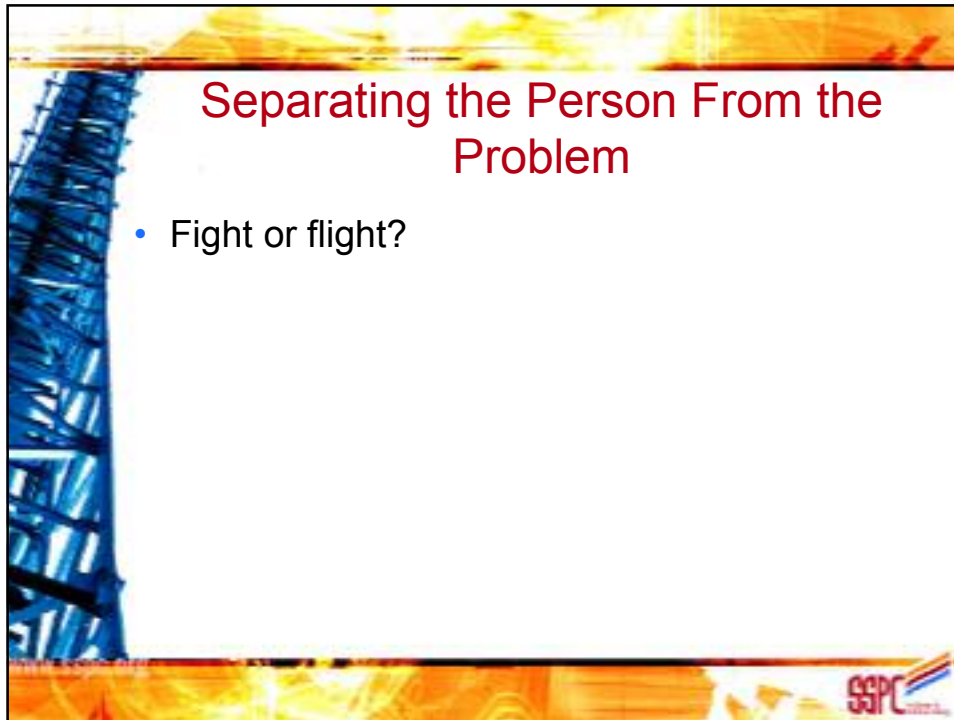




Separating the Person From the Problem

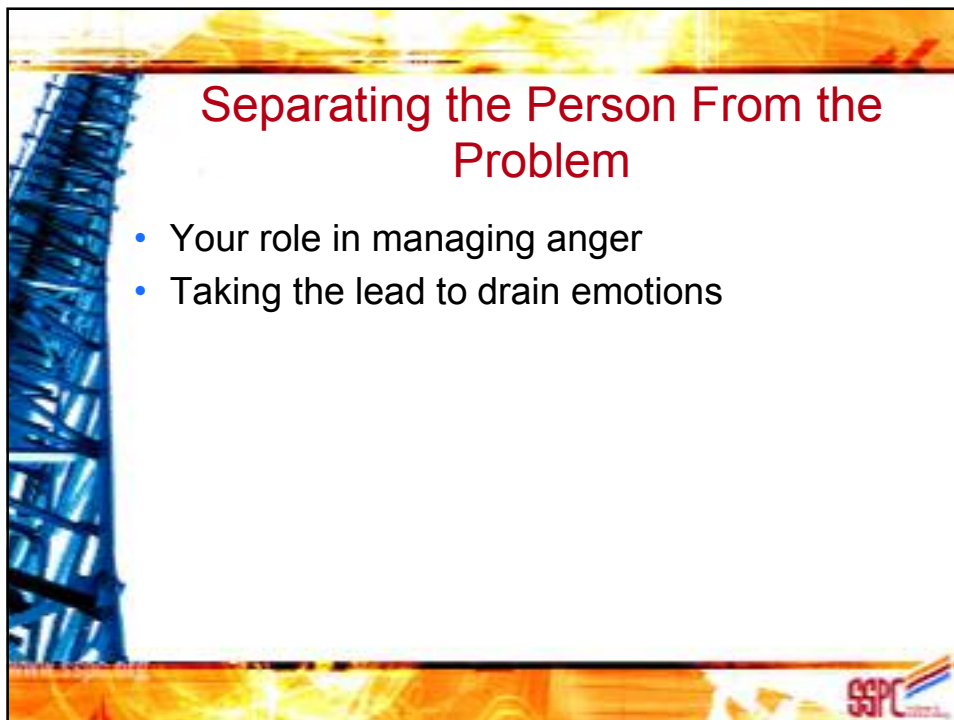

- Emotional barriers to successful agreements






Separating the Person From the Problem

- Fight or flight?



Separating the Person From the Problem

- Your role in managing anger
- Taking the lead to drain emotions





Effective Communication

- Begins with active listening
- Don't make assumptions



Barriers to Communication

- Inflammatory statements
- Talking “at” the other party
- Lack of interest in the other party’s complaint
- Inability to express interests clearly



Separate the Person From the Problem

- Attack the problem
- Don't attack the person



Separate the Person From the Problem

- Step to the other side of the table
- Focus on the problem
- Use persuasion, not coercion



Explore Mutual Interests

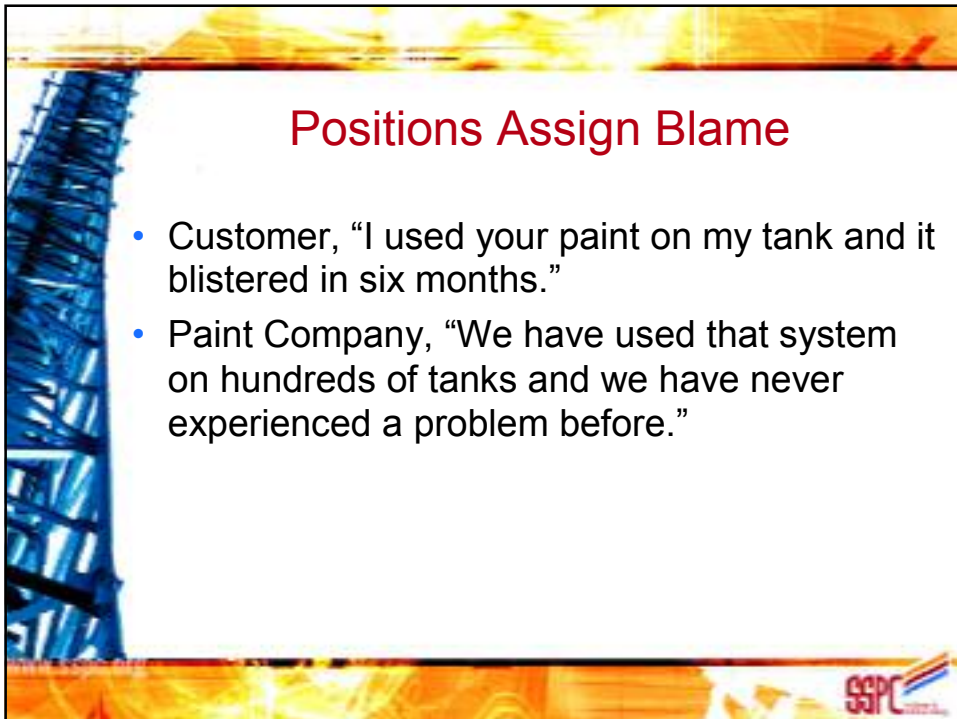
- Avoid positions
- Focus on interests





Positions Assign Blame

- Customer, "I used your paint on my tank and it blistered in six months."
- Paint Company, "We have used that system on hundreds of tanks and we have never experienced a problem before."





Positions Threaten Relationships

- Each party defends their position as correct, valid, better
- Parties attack each other's positions
- Attacks on positions can be seen as personal



Positions Bring out the Soft Person and the Hard Person

- The Softs: Go along to get along
- The Hards: My way or the highway



The Softs Versus the Hards

- The Softs: Perceived as easy to manipulate
- The Hards: Perceived as inflexible, unreasonable



Explore Mutual Interests


- What do all parties have in common?






Common Interests

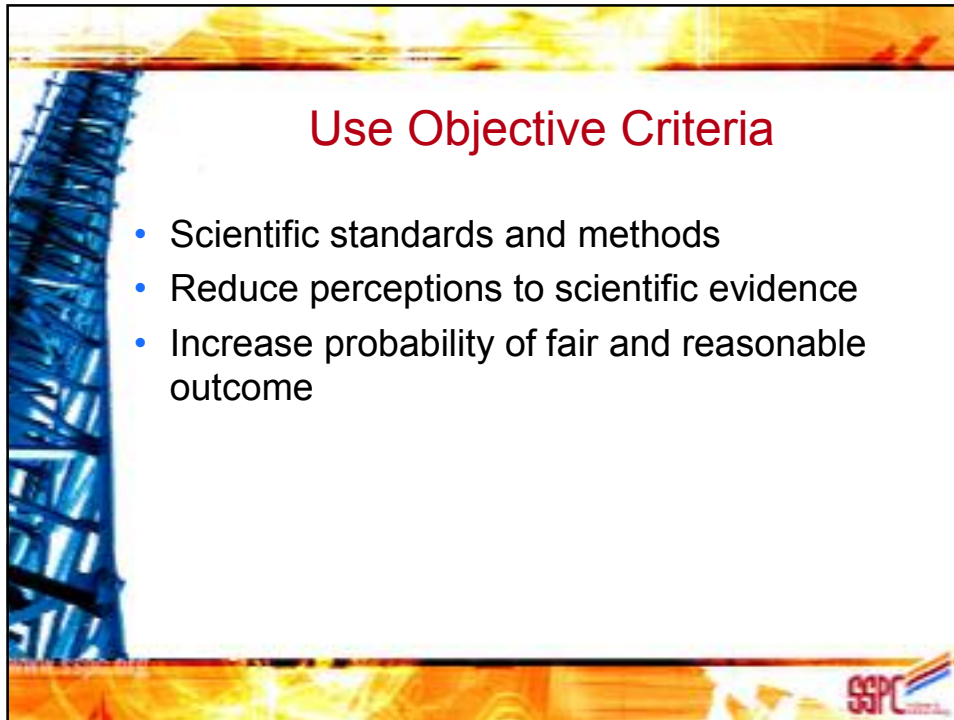
- Security
- Economic well being
- Control
- Business relationships
- Reputations



Understanding the Other Party's Interests

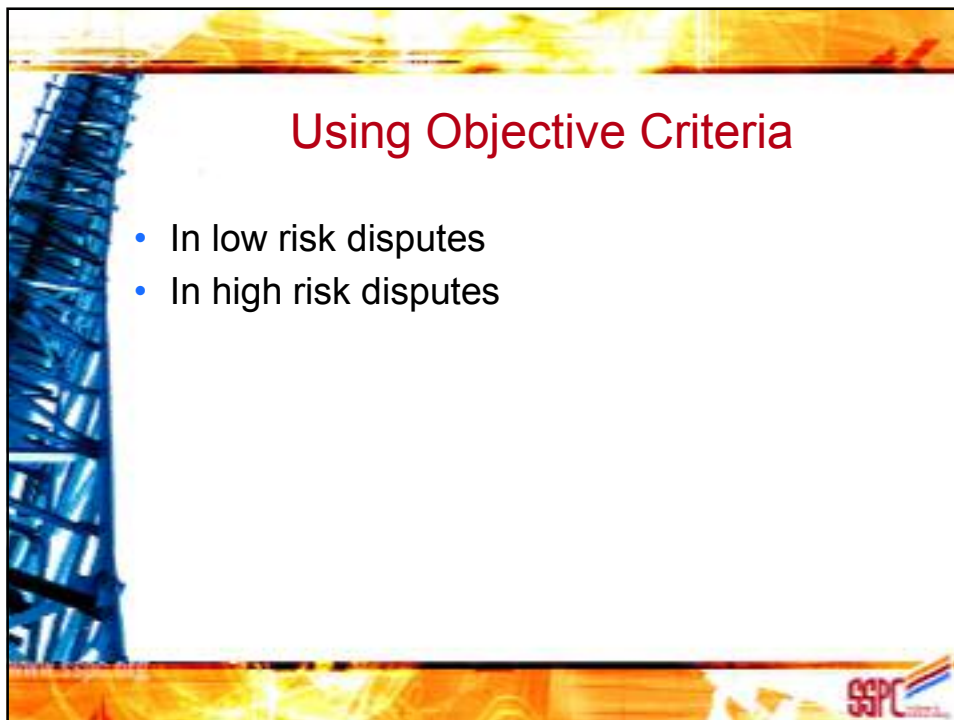

- Step to their side of the table
- Put yourself in their shoes
- Acknowledge the other party's interests
- Treat negotiations as joint problem solving






Use Objective Criteria

- Scientific standards and methods
- Reduce perceptions to scientific evidence
- Increase probability of fair and reasonable outcome



Using Objective Criteria

- In low risk disputes
- In high risk disputes



Generate Multiple Options

- A single option can be perceived as coercion
- Multiple options are tools of agreement
- Create as many mutually beneficial options as possible



Multiple Options

- Should be based on objective criteria
- Should be based on mutual interests
- Should be beneficial to all parties



Protect Yourself From a Bad Agreement

- Establish your bottom line
- Base your bottom line on genuine interests



When Negotiations Fail: BATNA

- “Best alternative to a negotiated agreement”



BATNA

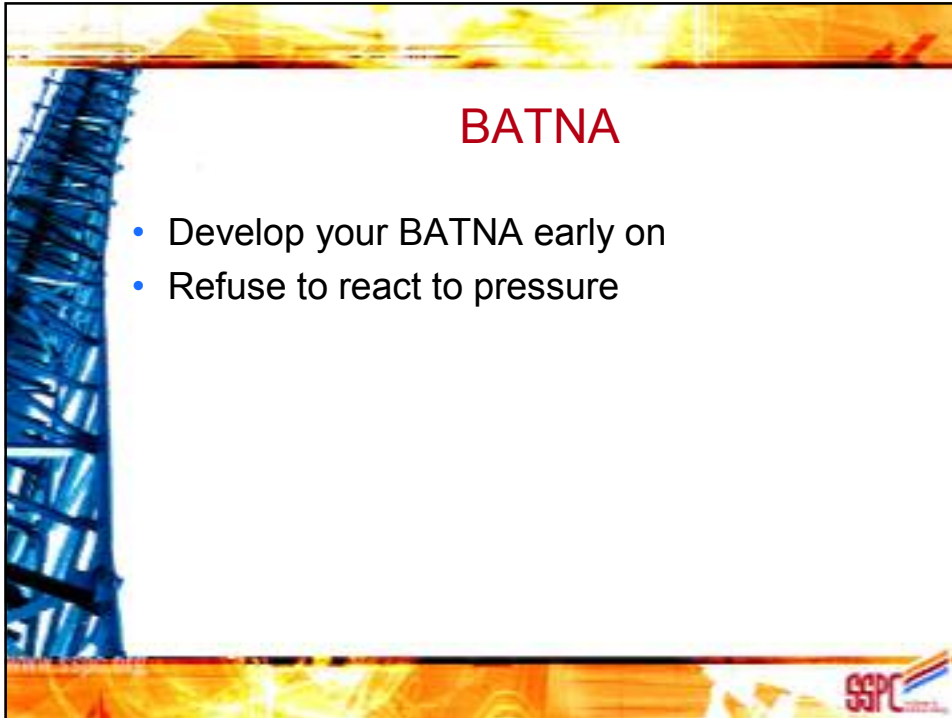
- If this dispute cannot be resolved, I will . . .
- BATNA is your fall-back position
- Know your BATNA from the beginning



Possible BATNA's


- Mediation
- Arbitration
- Move toward court





BATNA

- Develop your BATNA early on
- Refuse to react to pressure



Principled Negotiations Versus the Prolonged Battle

- Mutually acceptable solutions
- Difficult process
- Worthwhile results
- Can save time, money, emotions



Mediation

- What is mediation?
Negotiations with the assistance of a third party.



Elements of the Mediation Process

- Parties retain control of the process and the outcome
- Mediator has no power
- Confidentiality is a critical component
- Frequently, mediation is the first opportunity disputing parties meet face to face
- Parties are free to end the mediation at any time
- No requirement that an agreement must be reached



The Role of the Mediator

- Mediator clarifies what the parties truly want
- Listens carefully and makes sure parties understand each other's views
- Works to develop trust (critical part of the process)



Mediator's Role (cont'd.)

- Remove artificial barriers to resolution
 - > Posturing;
 - > Pouting;
 - > Pontificating;
- Keep the discussions going



Mediator's Role (cont'd.)

- Reduce personal hostilities
- Suggest new or creative ways to settle
- Keep the parties focused on legitimate needs and interests, not positions



Mediator's Role (cont'd.)

- Provide some form of “Face Saving” for a party who early in mediation, took extreme position but now wants to settle
- Only late in mediation, give parties her/his assessment of dispute (i.e., “Evaluative” approach)
- Attempt to maintain important relationships, even if dispute doesn't get resolved



When To Mediate

- When early resolution is desirable, whatever the reason
- Parties wish to resolve dispute and maintain their relationship
- Adverse publicity likely to occur and with it, additional problems to follow



Arbitration: The “Traditional” Alternative to Litigation

- What is arbitration?
The use of a 3rd party to conduct a hearing between disputing parties and make a final decision



Characteristics of Arbitration

- 3rd party
- Privacy
- Conducts a “Hearing”
- Parties present evidence
- Each party has the right to be present
- Right to cross-examine witnesses
- “Finality”



Other Aspects of Arbitration

- Parties usually have right to participate in selection of arbitrator
- Parties can decide which disputes will be subject to arbitration
- Arbitrations sometimes involve more than one arbitrator





Lastly- Litigation

- Courts decide

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QUESTIONS?

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