

Government of India
Department of Atomic Energy
Centralised Cadre Section

Anushakti Bhavan,
C.S.M. Marg,
Mumbai- 400 001

No.19/2/2019-CCS/7568

June 19, 2019

OFFICER MEMORANDUM

Subject : Revision of syllabus for the written examination for post of
Security Officer (Level 8 of Pay Matrix)..

The syllabus and pattern of examination for the post of Security Officer was prescribed vide O.M. No. 26/3/2/95-CCS/256 dated 26.04.1996.

2. In the ever-changing security scenario, it was felt necessary to have revision in the syllabus to keep pace with major changes in the concept and philosophy of nuclear security and the related changes in other topics included in the old syllabus. In order to ensure selection of officers who will be fully competent to render effective support towards implementing the rules and policies of the Department, the existing syllabus for the Limited Departmental Examination for the post of Security Officer has been revised.

3. It was further felt that certain soft skills need to be developed for better professionalism in the contemporary areas of security functioning. Therefore, a few relevant topics of behavioural management are included in the revised syllabus of Paper-III. Study materials of these two topics (viz. Communication Skill and Conflict & Negotiation Management) are attached as **Annexure-A and B**. Units may arrange to distribute these study materials amongst the candidates appearing for the examination of Security Officer for their preparation. However, these study materials will not be allowed while writing examination.

4. The revised syllabus approved by the Competent Authority for various subjects for the Limited Departmental Examination for the post of Security Officer have been prescribed as per **Annexure-I to IV**.

Encl : as above

May 18/19
(Jayashree S.)
Under Secretary

All Heads of Units of DAE

Copy to : Inspector General(Security), DAE

PAPER-I

Syllabus for Security Officer Written Examination

Marks 100

3 Hrs.

Marks

Sr. No.	Main Topic	Sub-Topic	
1.	Physical Protection Systems (PPS)		
1.1	PPS Objectives	Protection against unauthorized removal/theft Locating & recovering of missing nuclear/radioactive material. Protection against sabotage Mitigation or minimization of effects of sabotage	
	PPS Conventions & Concepts	Competent Authority, Responsibilities of the facility owners Threats definitions- Outsider, Insider, Capability of Adversary, Adversary Tactics Insider Threats- Personnel reliability program, Nu. Security Culture, Threats from sub-conventional platforms Threat from Water front Design Basis Threat (DBT),	
	Risk based PPS measures	- risk reduction by <ul style="list-style-type: none"> • implementation of PPS • Increasing Effectiveness of PPS e.g. defense in depth, security culture • Reducing potential consequences of malicious acts 	
	Graded approach	<ul style="list-style-type: none"> • Theft of Nu. Material, Sabotage, Espionage, subversion, • Facility characterization • Security survey – Types & Procedure, • Targets/Vital Area Identification, • Radiation Considerations and PPS • Interaction between PPS and radiation safety, • Unacceptable Radiological Consequences. • Security of Nuclear Material during transportation 	
	PPS Functions:	Overview of Design, Evaluation Process Outline (DEPO) Deterrence, Detection, Delay, Response, Interruption & Neutralization.	
	Sustainability of PPS regime	Major Aspects of effective PPS <ol style="list-style-type: none"> a. Balance Protection b. Protection in Depth c. Graded Approach d. Central Alarm System (CAS)/ Auxiliary Control Room (ACR) e. Security Culture <ul style="list-style-type: none"> • Quality Assurance 	

			<ul style="list-style-type: none"> • Standing Operating Procedure (SOP) • Security Audit • Vulnerability Test 	
	1.2	PPS Measures		
		Intrusion Detection	<p>Watch towers, Perimeter/outdoor & Interior intrusion detection elements. False & Nuisance Alarms, Importance of Probability of Detection</p> <p>Detection sensors- Electric-fence, Vibration, RF-leaky cable, Optical fiber, Capacitive, Microwave & passive & active IR Sensors. Including defeating measures.</p>	
		Assessment, Monitoring & communication	<p>Manual assessment verses CCTV camera. General area CCTV surveillance systems, Alarm assessment & recording</p> <p>Security Lighting.</p> <p>Communication methods & systems- wireless, Telephone, flags etc., Distress/Duress Alarm systems, Security patrolling</p>	
		Personnel Access Control	<p>Personnel Access Control- Credential based, Bio-metric Access Control systems</p> <p>Key & Lock Control/management systems- Manual & Automated systems.</p>	
		Material Access Control	<p>Movement of Material, Special Items/ Computer/ Media Storage Device, Gate Pass, use of X-ray baggage scanners, DFMD& HHMDs, Explosive detectors, use of Dog, SNM Monitors</p>	
		Vehicle Access Control	<p>Manual checking as per the security manual, Under Vehicle Scanners</p>	
	1.2.2	Access Delay Elements	<p>Concept of Delay, Delay in Depth</p> <p>Construction & material used for Security Wall/fences, Gates, Doors.</p> <p>Applications of Delay Elements- Boom Barriers, Road Blockers, Tyre killers, Active / Passive Bollard, turnstile, Tube stile Gates, door locks, dispensable barriers.</p>	
	1.2.3	Response Force Measures & Devices	<ul style="list-style-type: none"> • Contingency Plan (objective, Type of Contingencies) • On –site and off-site Response Force • Interruption & Neutralization probabilities • Bomb Incident Plan <p>Day Vision & Night Vision Devices, Security Communication devices methods, Security Morcha, self protecting devices, explosion suppression wells & blankets Armored vehicle, Weapons etc.</p>	
	1.2.4	Emergencies & Their Management	<p>Crisis to which DAE units are vulnerable, Key features of Crisis & its impact, Crisis Management Group of DAE, Important Features of Crisis planning. Purpose & modes of testing the plans, Review & updating of Emergency plan, Emergency during transpiration of SNM, Dealing with Bomb threat & Bomb Incident plan.</p>	
	1.2.5	Security of DAE Residential Township	<p>General concepts & need, security survey, security measures for various facilities & buildings, role of Private security agencies, screening of population around DAE residential township.</p>	

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PAPER – II

Syllabus for Security Officer Written Examination

3 Hrs.

Sr. No.	Main Topic	Sub-Topic	Marks 100
1	Bare Acts - Indian Penal Code (IPC)		
1.1	General explanations	1. Section 6 to 52	
1.2	Offences against public tranquility	<ul style="list-style-type: none"> - Unlawful assembly Sec 141, 142, 145 - Riot 146 to 148 - Affray 159 160 	
1.3	Offences relating to public servants	Sec. 161, 162, 163	
1.4	Public nuisance	Sec 268	
1.5	Rash driving	Sec 279	
1.6	Offences against human body	<ul style="list-style-type: none"> - Offences affecting life Sec 300, 302, 304A, 306 and 307 - Hurt and grievous hurt Sec 319, 320, 323, 324, 325, 327, 328, 332, 333, 337, 338 - Wrongful restraint Sec 339, 341 - Wrongful confinement Sec 340, 342 - Criminal force Sec 350 - Assault Sec 351, - Assault or Criminal Force to deter public servant from discharge of his duty 353 - Assault or Criminal Force to woman with intent to outrage her modesty Sec 354 - Rape, Unnatural offence sec 375 to 377 - Husband or relative of husband of a woman subjecting her to cruelty 498A - Word, gesture or act intended to insult the modesty of a woman 509 	
1.7	Offences against property	<ul style="list-style-type: none"> - Theft 378 to 381 - Extortion 383, 384 - Robbery 390, 392 - Dacoity 391 - Criminal misappropriation of property 403 - Criminal breach of trust : 405, 406, 408, 409 - Criminal trespass: 441, 447 - House Breaking 445 - Forgery 463 to 476 	
2	Cr.P.C.		
		<ol style="list-style-type: none"> 1. Bailable and non-bailable offences 2. Cognizable and non-cognizable offences 3. Compoundable and Non-compoundable offences 4. Complaint 5. The requisites of complaint 6. Investigation, Inquiry and trial 7. FIR 8. Police custody and jail custody 9. Arrest by private person and procedure on such arrest 	

3	Act of Laws & Instructions			
	3.1	Explosive Act	An overview	
	3.2	Foreigners Act	An overview	
	3.3	Information Technology Act	An overview	
	3.4	Right to Information Act	An overview	
	3.5	Atomic Energy Act	An overview	
	3.6	Official Secrets Act	An overview	
	3.7	Official Language Act	An overview	
	3.8	Private Security Agency Regulation Act	An overview	
	3.9	Departmental Security Instructions	Introduction	
			Security of Information	
			Classification of documents	
			Preventive measures	
			Security of classified documents	
			Dispatch of documents	
			Movement within the building	
			Movement of document outside the premises of custody	
	3.10	Industrial Dispute Act	An overview	
	3.11	Factories Act	An overview	

- (1) Knowledge of Organization & activities of various Units under DAE
[Reference: Annual Report & Website of DAE].
- (2) Noting and drafting (includes précis writing, comprehension, letter writing and various other forms of communications used in Government).
- (3) Constitution of India (with reference to Articles 19 to 24, 32, 51A, 52 to 147, 214, 225 to 228, 230, 231, 245 to 255, 309 to 311).
- (4) General Financial Rules, 2017.
[With reference to Rules 7 to 21, 142 to 176 and 197 to 206]
- (5) CCS (Conduct) Rules, 1964.
- (6) CCS(CCA), Rules, 1965.
- (7) Communication Skill (Topics: Functions of Communication, Communication Process, Direction of Communication, Interpersonal Communication, Organizational Communication, Electronic Communication, Choice of Communication Channel, Barriers of Effective Communication, Global implications, etc.)
- (8) Conflict & Negotiation Management (Topics: Definition of Conflict, Transitions in Conflict Thought, Conflict Process, Definition of Negotiation, Bargaining Strategies, Negotiation Process, Individual Differences in Negotiation Effectiveness, Third-party Negotiation, Global implications, etc.)
[Reference for Sl. No.(7) & (8): "Organizational Behavior" by Stephen P. Robbins et.al. published by Pearson Prentice Hall]

Note: Questions may be designed in mix-n-match pattern (for better assessment of candidates) containing descriptive & objective types, fill-in-the-blanks, one-liner answer and also multiple choice types.

Encl: Annexure 'A' & 'B'

Syllabus for Security Officer - Written Examination

Communication

Constantly talking isn't
necessarily communicating.

—Joel in *Eternal Sunshine of
the Spotless Mind*

11

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- 1 Identify the main functions of communication.
- 2 Describe the communication process and distinguish between formal and informal communication.
- 3 Contrast downward, upward, and lateral communication and provide examples of each.
- 4 Contrast oral, written, and nonverbal communication.
- 5 Contrast formal communication networks and the grapevine.
- 6 Analyze the advantages and challenges of electronic communication.
- 7 Show how channel richness underlies the choice of communication channel.
- 8 Identify common barriers to effective communication.
- 9 Show how to overcome the potential problems in cross-cultural communication.

Although gossip often seems benign, it can have some pretty serious consequences. Just ask four former employees of the town of Hooksett, New Hampshire (population 11,721), who were fired by the town council for gossiping about their boss. (Pictured below: from left, Sandra Piper, Joann Drewniak, Jessica Skorupski, and Michelle Bonsteel.)

The longtime employees—two administrative assistants and two department heads—were fired because one had referred to the town administrator in derogatory

Gossip at Work: The Hooksett Four



terms and because all four had discussed a rumor that he was having an affair with a female subordinate. One of the employees supposedly referred to the town administrator, David Jodoin, as "a little f_____." The fired employees (all of whom are female) also acknowledged feeling resentment toward the woman, who worked in a specially created position and was paid more than two of the employees, despite having less experience and seniority.

The four employees appealed their dismissal. The Hooksett council denied the appeal and issued a statement arguing "These employees do not represent the best interests of the town of Hooksett and the false rumors, gossip and derogatory statements have contributed to a negative working environment and malcontent among their fellow employees."

B. J. Branch, an attorney representing the four women, said his clients were "legitimately questioning the conduct of their supervisor, and whether the female subordinate was getting preferential treatment. It almost cheapens it to call it gossip. It might have been idle, not particularly thoughtful, talk. But there was no harm intended."

The fired employees—Michelle Bonsteel (code enforcement officer), Sandra Piper (tax assessor), and Jessica Skorupski and Joann Drewniak (both administrative assistants)—who have come to be known as the "Hooksett Four," also claimed they heard the rumor of the affair from a town resident, who questioned the late hours shared by the administrator and his female subordinate.

Some employers have policies against office gossip. Balliet's, an Oklahoma City department store, recently added a malicious-gossip paragraph to the store's personnel policies and procedures manual. It reads: "Malicious gossip by employees about other employees or customers is strictly forbidden, as is researching personal information about employees or customers on the Internet or other records. Violation of this policy may result in immediate termination of employment." The policy grew out of two incidents that occurred recently—one in which after-hours socializing led to things being said about people at work and the other in which three employees went online to check out a situation about a coworker. "Both created enormous tension in the store," owner Bob Benham said. "Someone wouldn't talk to someone else, creating a mood customers could feel."

Since they were fired, the Hooksett Four have appeared on *Good Morning America*, and they are considering their legal options. A petition calling for their reinstatement was signed by 419 Hooksett residents and forwarded to the town council. "If we didn't fire them, we would have been sued for sexual harassment and malicious slander. We would have been liable for a lawsuit if we had done nothing," said George Longfellow, town council chair. "I'm definitely not going away, that's for sure," Drewniak said. "They wrongfully fired me, and I shouldn't be out of work."

Whatever the legal merits of the Hooksett Four's claim, it's clear that what may have seemed like benign gossip had pretty malignant consequences.¹ ■

The preceding examples illustrate the profound consequences of communication. In this chapter, we'll analyze the power of communication and ways in which it can be made more effective. One of the topics we'll discuss is gossip. Consider the following self-assessment and how you score on your attitude toward gossip at work.

Self Assessment

AM I A GOSSIP?

In the Self-Assessment Library (available online), take assessment IVE.3 (Am I a Gossip?) and answer the following questions.

1. How did you score relative to your classmates?
2. Do you think gossiping is morally wrong? Why or why not?

Gossip is one communication issue. There are many others. Research indicates that poor communication is probably the most frequently cited source of interpersonal conflict.² Because individuals spend nearly 70 percent of their waking hours communicating—writing, reading, speaking, listening—it seems reasonable to conclude that one of the most inhibiting forces to successful group performance is a lack of effective communication. Watson Wyatt's 2003-2004 and 2005-2006 studies on communication found that communication effectiveness leads to enhanced organizational performance. Companies that communicate effectively are 4.5 times more likely to report high levels of engagement and 20 percent more likely to report lower turnover rates.³ And good communication skills are very important to your career success. A 2007 study of recruiters found that they rated communication skills as *the* most important characteristic of an ideal job candidate.⁴

In India, the importance of good communication skills has been stressed through numerous tales of King Akbar and Birbal, his wise minister. One such story is presented in Exhibit 11-1. No individual, group, or organization can exist without communication: the transfer of meaning among its members. It is only through transmitting meaning from one person to another that information and ideas can be conveyed. Communication, however, is more than merely imparting meaning. It must also be understood. In a group in which one member speaks only German and the others do not know German, the individual speaking German will not be fully understood. Therefore, **communication** must include both the *transfer and the understanding of meaning*.

An idea, no matter how great, is useless until it is transmitted and understood by others. Perfect communication, if there were such a thing, would exist

Exhibit 11-1 Communicate for the Response You Want

Once, when Birbal came to visit King Akbar's court, some courtiers asked him about his profession before he joined the emperor's court. Birbal replied that he was a farmer. They then asked him, "What was the profession of your father and grandfather?" Birbal replied that it was the same. The courtiers then asked him, "What did they die of?" Birbal replied that they both died in the field, one by falling into the well and the other, when lightning struck him. The courtiers then concluded, "Farming is a very bad profession."

Birbal knew who was behind this line of questioning. It was Mulla Do Piaza, a senior minister in Akbar's cabinet. Birbal then directly asked him, "Mulla, what were you before becoming a minister?" Mulla replied that he was a soldier. Birbal then asked him what the profession of his ancestors was. Mulla said that they too were soldiers. Birbal then asked him, "What did they die of?" Mulla replied that his father died while fighting in a battlefield, and so did his grandfather. Birbal then told him that soldiering is not a good profession, and surmised: "All of his majesty's ancestors were kings and they died in bed. So, it would be dangerous to sleep in a bed—wouldn't it?"

Source: Birbalnama

communication The transfer and understanding of meaning.

when a thought or an idea was transmitted so that the mental picture perceived by the receiver was exactly the same as that envisioned by the sender. Although elementary in theory, perfect communication is never achieved in practice, for reasons we shall expand on later in the chapter.

Before making too many generalizations concerning communication and problems in communicating effectively, we need to review briefly the functions that communication performs and describe the communication process.

Functions of Communication

Communication serves four major functions within a group or organization: control, motivation, emotional expression, and information.⁵

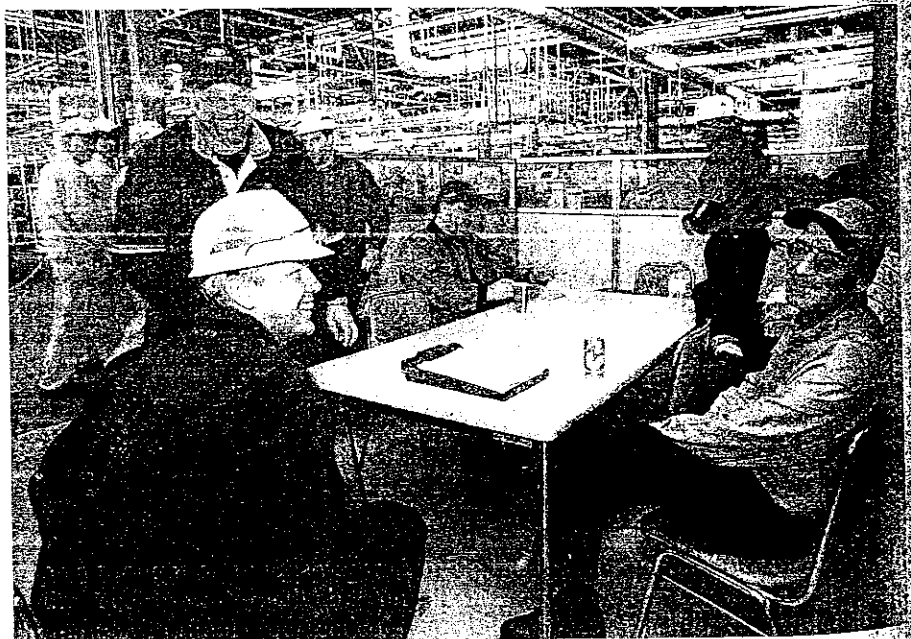
1 Identify the main functions of communication.

Communication acts to *control* member behavior in several ways. Organizations have authority hierarchies and formal guidelines that employees are required to follow. For instance, when employees are required to communicate any job-related grievance to their immediate boss, to follow their job description, or to comply with company policies, communication is performing a control function. But informal communication also controls behavior. When work groups tease or harass a member who produces too much (and makes the rest of the group look bad), they are informally communicating with, and controlling, the member's behavior.

Communication fosters *motivation* by clarifying to employees what is to be done, how well they are doing, and what can be done to improve performance if it's subpar. We saw this operating in our review of goal-setting and reinforcement theories in Chapter 6. The formation of specific goals, feedback on progress toward the goals, and reinforcement of desired behavior all stimulate motivation and require communication.

For many employees, their work group is a primary source for social interaction. The communication that takes place within the group is a fundamental mechanism by which members show their frustrations and feelings of satisfaction

Globalization has changed the way Toyota Motor Corporation provides employees with the information they need for decision making. In the past, Toyota transferred employee knowledge on the job from generation to generation through "tacit understanding," a common communication method used in the conformist and subdued Japanese culture. Today, however, as a global organization, Toyota transfers knowledge of its production methods to overseas employees by bringing them to its training center in Japan, shown here, to teach them production methods by using how-to manuals, practice drills, and lectures.



Communication, therefore, provides a release for the *emotional expression* of feelings and for fulfillment of social needs.

The final function that communication performs relates to its role in facilitating decision making. It provides the *information* that individuals and groups need to make decisions by transmitting the data to identify and evaluate alternative choices.

No one of these four functions should be seen as being more important than the others. For groups to perform effectively, they need to maintain some form of control over members, stimulate members to perform, provide a means for emotional expression, and make decision choices. You can assume that almost every communication interaction that takes place in a group or an organization performs one or more of these four functions.

The Communication Process

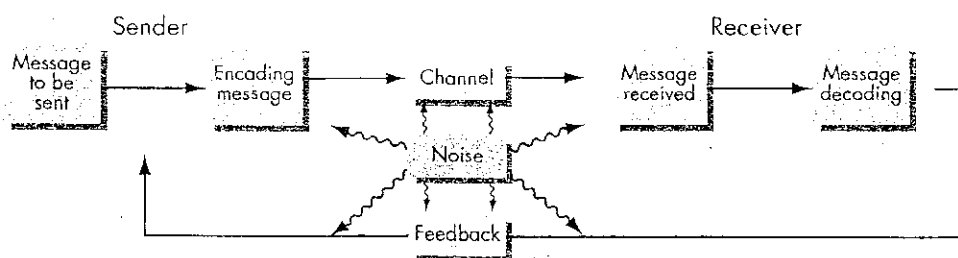
2 Describe the communication process and distinguish between formal and informal communication.

Before communication can take place, a purpose, expressed as a message to be conveyed, is needed. It passes between a sender and a receiver. The message is encoded (converted to a symbolic form) and passed by way of some medium (channel) to the receiver, who retranslates (decodes) the message initiated by the sender. The result is transfer of meaning from one person to another.⁶

Exhibit 11-2 depicts this **communication process**. The key parts of this model are: (1) the sender, (2) encoding, (3) the message, (4) the channel, (5) decoding, (6) the receiver, (7) noise, and (8) feedback.

The *sender* initiates a message by encoding a thought. The *message* is the actual physical product from the sender's *encoding*. When we speak, the speech is the message. When we write, the writing is the message. When we gesture, the movements of our arms and the expressions on our faces are the message. The *channel* is the medium through which the message travels. It is selected by the sender, who must determine whether to use a formal or informal channel. **Formal channels** are established by the organization and transmit messages that are related to the professional activities of members. They traditionally follow the authority chain within the organization. Other forms of messages, such as personal or social, follow **informal channels** in the organization. These informal channels are spontaneous and emerge as a response to individual choices.⁷

Exhibit 11-2 The Communication Process



communication process The steps between a source and a receiver that result in the transfer and understanding of meaning.

formal channels Communication channels established by an organization to transmit messages related to the professional activities of members.

informal channels Communication channels that are created spontaneously and that emerge as responses to individual choices.

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saved. IM is preferable for one- or two-line messages that would just clutter up an e-mail inbox. On the downside, some IM/TM users find the technology intrusive and distracting. Their continual presence can make it hard for employees to concentrate and stay focused. For example, a survey of managers revealed that in 86 percent of meetings, at least some participants checked TM. Finally, because instant messages can be intercepted easily, many organizations are concerned about the security of IM/TM.³²

One other point: It's important to not let the informality of text messaging ("omg! r u serious? brb") spill over into business e-mails. Many prefer to keep business communication relatively formal. A survey of employers revealed that 58 percent rate grammar, spelling, and punctuation as "very important" in e-mail messages.³³ By making sure your professional communications are, well, professional, you'll show yourself to be mature and serious. That doesn't mean, of course, that you have to give up TM or IM; you just need to maintain the boundaries between how you communicate with your friends and how you communicate professionally.

Networking Software Nowhere has communication been transformed more than in the area of networking. You are doubtless familiar with and perhaps a user of social networking platforms such as Facebook, Orkut, and MySpace.

Rather than being one huge site, Facebook, which has 30 million active users, is actually composed of separate networks based on schools, companies, or regions. It might surprise you to learn that individuals over 25 are the fastest-growing users of Facebook.

More than 100 million users have created accounts at MySpace. This site averages more than 40 billion hits per month. MySpace profiles contain two "blurbs": "About Me" and "Who I'd Like to Meet" sections. Profiles can also contain "Interests" and "Details" sections, photos, blog entries, and other details. Compared to Facebook, MySpace is relatively more likely to be used for purely personal reasons, as illustrated by the "Friends Space" portion of a user's account.

Amid the growth of Facebook and MySpace, professional networking sites have entered the marketplace and expanded as well. LinkedIn, Ziggs, and

Facebook founder and CEO Mark Zuckerberg continues to transform communication. He announced a new platform strategy that allows third parties to develop services on the Facebook site, which allows communication opportunities for business entrepreneurs. For Zuckerberg, Facebook is more than a social networking site. He describes it as a communication tool that facilitates the flow of information between users and their friends, family members, and professional connections.

Source: Noah Berger/
The New York Times



So what's the downside? Although some companies have policies in place governing the content of blogs, many don't, and 39 percent of individual bloggers say they have posted comments that could be construed as harmful to their company's reputation. Many bloggers think their personal blogs are outside their employer's purview, but if someone else in a company happens to read a blog entry, there is nothing to keep him or her from sharing that information with others, and the employee could be dismissed as a result. Schwartz says that Sun would not fire an employee over any blog entry short of one that broke the law. "Our blogging policy is 'Be authentic. Period,'" he says. But most organizations are unlikely to be so forgiving of any blog entry that might cast a negative light on them.

When Andrew McDonald landed an internship with Comedy Central, his first day at work, he started a blog. His supervisors asked him to change various things about the blog, essentially removing all specific references to his employer. Kelly Kreth was fired from her job as a marketing director for blogging about her coworkers. So was Jessa Werner, who later said, "I came to the realization that I probably shouldn't have been blogging about work."

One legal expert notes, "Employee bloggers mistakenly believe that First Amendment gives them the right to say whatever they want on their personal blogs. Wrong!" Also, beware of posting personal blog entries at work. More than three-quarters of employers actively monitor employees' Web site connections. In short, if you are going to have a personal blog, maintain a strict work-personal "firewall."³⁵

Video Conferencing *Video conferencing* permits employees in an organization to have meetings with people at different locations. Live audio and video images of members allow them to see, hear, and talk with each other. Video conferencing technology, in effect, allows employees to conduct interactive meetings without the necessity of all being physically in the same location.

In the late 1990s, video conferencing was basically conducted from special rooms equipped with television cameras, located at company facilities. More recently, cameras and microphones are being attached to individual computers, allowing people to participate in video conferences without leaving their desks. As the cost of this technology drops, video conferencing is likely to be increasingly seen as an alternative to expensive and time-consuming travel.

Knowledge Management

Our final topic under organizational communication is **knowledge management (KM)**. This is a process of organizing and distributing an organization's collective wisdom so the right information gets to the right people at the right time. When done properly, KM provides an organization with both a competitive edge and improved organizational performance because it makes its employees smarter. It can also help control leaks of vital company information so that an organization's competitive advantage is preserved for as long as possible. Despite its importance, KM gets low marks from most business leaders. When consulting firm Bain & Co. asked 960 executives about the effectiveness of 25 management tools, KM ranked near the bottom of the list. One expert concluded, "Most organizations are still managing as if we were in the industrial era."³⁶

Effective KM begins by identifying what knowledge matters to the organization.³⁷ Management needs to review processes to identify those that provide the most value. Then it can develop computer networks and databases that can make that information readily available to the people who need it the most. But KM won't work unless the culture supports sharing of information.³⁸ As we'll show in Chapter 14, information that is important and scarce can be a potent source of power. And people who hold that power are often reluctant to share it with others. So KM requires an organizational culture that promotes, values,

The *receiver* is the object to whom the message is directed. But before the message can be received, the symbols in it must be translated into a form that can be understood by the receiver. This step is the *decoding* of the message. *Noise* represents communication barriers that distort the clarity of the message. Examples of possible noise sources include perceptual problems, information overload, semantic difficulties, or cultural differences. The final link in the communication process is a feedback loop. *Feedback* is the check on how successful we have been in transferring our messages as originally intended. It determines whether understanding has been achieved.

Direction of Communication

3 Contrast downward, upward, and lateral communication and provide examples of each.

Communication can flow vertically or laterally. The vertical dimension can be further divided into downward and upward directions.⁸

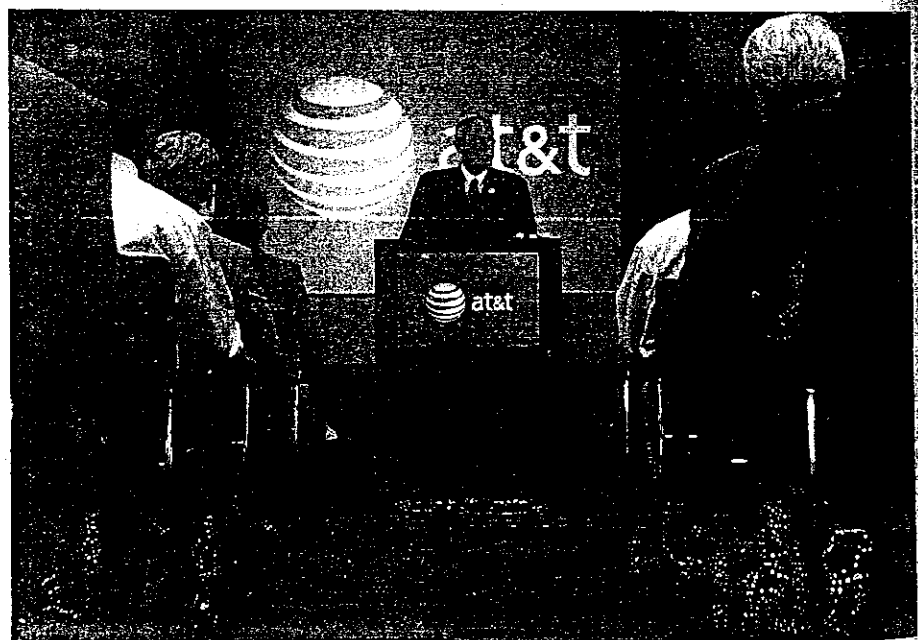
Downward Communication

Communication that flows from one level of a group or organization to a lower level is downward communication. When we think of managers communicating with employees, the downward pattern is the one we are usually thinking of. It's used by group leaders and managers to assign goals, provide job instructions, inform employees of policies and procedures, point out problems that need attention, and offer feedback about performance. But downward communication doesn't have to be oral or face-to-face contact. When management sends letters to employees' homes to advise them of the organization's new sick leave policy, it's using downward communication. Another example of downward communication is an e-mail from a team leader to the members of her team, reminding them of an upcoming deadline.

When engaging in downward communication, managers must explain the reasons *why* a decision was made. One study found that employees were twice as

After AT&T acquired BellSouth and Cingular Wireless, Ed Whitacre, then CEO of AT&T, used downward communication to inform the former BellSouth and Cingular employees about the company's acquisition strategy. Whitacre held meetings to assure employees that he understood the changes resulting from the acquisition caused turmoil and confusion in the short term and asked them to continually provide excellent customer service during the transitional period. The face-to-face meetings gave employees the opportunity to ask questions.

Source: Erik S. Lesser/
The New York Times



likely to be committed to changes when the reasons behind them were fully explained. Although this may seem like common sense, many managers feel they are too busy to explain things, or that explanations will "open up a big can of worms." Evidence clearly indicates, though, that explanations increase employee commitment and support of decisions.⁹

Another problem in downward communication is its one-way nature; generally, managers inform employees but rarely solicit their advice or opinions. A 2006 study revealed that nearly two-thirds of employees say their boss rarely or never asks their advice. The author of the study noted, "Organizations are always striving for higher employee engagement, but evidence indicates they unnecessarily create fundamental mistakes. People need to be respected and listened to." Anne Mulcahy, CEO of Xerox, finds that listening takes work: "Listening is one of those things that is easy to talk about, difficult to do."¹⁰

The best communicators are those who explain the reasons behind their downward communications, but also solicit upward communication from the employees they supervise. That leads us to the next direction: upward communication.

Upward Communication

Upward communication flows to a higher level in the group or organization. It's used to provide feedback to higher-ups, inform them of progress toward goals, and relay current problems. Upward communication keeps managers aware of how employees feel about their jobs, coworkers, and the organization in general. Managers also rely on upward communication for ideas on how things can be improved.

Given that job responsibilities of most managers and supervisors have expanded, upward communication is increasingly difficult because managers are overwhelmed and easily distracted. To engage in effective upward communication, try to reduce distractions (meet in a conference room if you can, rather than your boss's office or cubicle), communicate in headlines not paragraphs (your job is to get your boss's attention, not to engage in a meandering discussion), support your headlines with actionable items (what you believe should happen), and prepare an agenda to make sure you use your boss's attention well.¹¹

Lateral Communication

When communication takes place among members of the same work group, among members of work groups at the same level, among managers at the same level, or among any other horizontally equivalent personnel, we describe it as lateral communications.

Why would there be a need for horizontal communications if a group or an organization's vertical communications are effective? The answer is that horizontal communication is often necessary to save time and facilitate coordination. In some cases, such lateral relationships are formally sanctioned. More often, they are informally created to short-circuit the vertical hierarchy and expedite action. So lateral communications can, from management's viewpoint, be good or bad. Because strict adherence to the formal vertical structure for all communications can impede the efficient and accurate transfer of information, lateral communications can be beneficial. In such cases, they occur with the knowledge and support of superiors. But they can create dysfunctional conflicts when the formal vertical channels are breached, when members go above or around their superiors to get things done, or when bosses find out that actions have been taken or decisions have been made without their knowledge.

Interpersonal Communication

4 Contrast oral, written, and nonverbal communication.

How do group members transfer meaning between and among each other? There are three basic methods. People essentially rely on oral, written, and nonverbal communication.

Oral Communication

The chief means of conveying messages is oral communication. Speeches, formal one-on-one and group discussions, and the informal rumor mill, or grapevine, are popular forms of oral communication.

The advantages of oral communication are speed and feedback. A verbal message can be conveyed and a response received in a minimal amount of time. If the receiver is unsure of the message, rapid feedback allows for early detection by the sender and, hence, allows for early correction. As one professional put it, "Face-to-face communication on a consistent basis is still the best way to get information to and from employees."¹²

The major disadvantage of oral communication surfaces whenever a message has to be passed through a number of people. The more people a message must pass through, the greater the potential distortion. If you've ever played the game "telephone," you know the problem. Each person interprets the message in his or her own way. The message's content, when it reaches its destination, is often very different from that of the original. In an organization, where decisions and other communiqués are verbally passed up and down the authority hierarchy, there are considerable opportunities for messages to become distorted.

MYTH OR SCIENCE?

"People Are Good at Catching Liars at Work"

this statement is essentially false. The core purpose of communication in the workplace may be to convey business-related information. However, in the workplace, we also communicate in order to manage impressions others form of us. Some of this impression management is unintentional and harmless (for example, complimenting your boss on his clothing). However, sometimes people manage impressions through outright lies, such as making up an excuse for missing work or failing to make a deadline.

One of the reasons people lie—in the workplace and elsewhere—is that it works. Although most of us think we're good at detecting a lie, research shows that most people perform no better than chance at detecting whether someone is lying or telling the truth.

A recent review of 108 studies revealed that people detect lies at a rate, on average, only 4.2 percent better than chance. This study also found that people's confidence

in their judgments of whether someone was lying bore almost no relationship to their actual accuracy; we think we're a lot better at catching people lying than we really are. What's even more discouraging is that so-called experts—police officers, parole officers, detectives, judges, and psychologists—perform no better than other people. As the authors of this review conclude, "People are not good detectors of deception regardless of their age, sex, confidence, and experience."

The point? Don't believe everything you hear and don't place too much weight on your ability to catch a liar based just on your intuition. When someone makes a claim that it's reasonable to doubt, ask her or him to back it up with evidence. ■

Source: M. G. Aamodt and H. Custer, "Who Can Best Catch a Liar? A Meta-analysis of Individual Differences in Detecting Deception," *The Forensic Examiner*, Spring 2006, pp. 6–11.

Written Communication

Written communications include memos, letters, fax transmissions, e-mail, instant messaging, organizational periodicals, notices placed on bulletin boards, or any other device that is transmitted via written words or symbols.

Why would a sender choose to use written communications? They're often tangible and verifiable. When they're printed, both the sender and receiver have a record of the communication; and the message can be stored for an indefinite period. If there are questions concerning the content of the message, it is physically available for later reference. This feature is particularly important for complex and lengthy communications. The marketing plan for a new product, for instance, is likely to contain a number of tasks spread out over several months. By putting it in writing, those who have to initiate the plan can readily refer to it over the life of the plan. A final benefit of all written communication comes from the process itself. People are usually more careful with the written word than with the oral word. They're forced to think more thoroughly about what they want to convey in a written message than in a spoken one. Thus, written communications are more likely to be well thought out, logical, and clear.

Of course, written messages have drawbacks. They're time-consuming. You could convey far more information to a college instructor in a 1-hour oral exam than in a 1-hour written exam. In fact, you could probably say the same thing in 10 to 15 minutes that it would take you an hour to write. So, although writing

OB In the News

Communication in Organizations: Oral or Written?

Eleven undertakings (four government and seven private) in Kolkata, Durgapur, Jamshedpur, and Delhi, which had an employee count of 300 to 19,000, were surveyed. It was found that one-half of the government undertakings and slightly over two-fifths of the private undertakings did not inform their employees about what was ahead of them.

All organizations in both sectors were following written communications emanating in the downward direction from top management and addressed to heads at the departmental level. However, from the head of the department to the worker level, oral communication was in practice. In government undertakings, upward communication was found to be in the oral mode from workers to the supervisory level, and

in the written form from the supervisory to the top-management level. Slightly more than four-fifths of the private sector enterprises communicated verbally from the workers up to the head of the department.

One-fourth of the government enterprises and slightly more than four-fifths of the private enterprises had programs for improving the two-way flow of communication. Again, although three-fourths of the government enterprises and slightly less than three-fifths of the private undertakings had suggestion boxes, only one-third of the former and one-fourth of the latter considered employee suggestions to be useful.

Except for two undertakings in the private sector, all organizations under the study were aware of the informal communication system that prevailed in their organization. In over one-half of the organizations, informal communication was found to be more effective than formal communication. However, in one of the government undertakings, it was reported that informal communication was more effective with respect to production matters, but formal communication was more

effective with respect to personnel grievances. In one private-sector undertaking, a top executive reported that the effectiveness of informal communication depended upon the personality of the heads of departments.

The researcher concluded the study with the following pessimistic remark: "Effective communication from the worker to top management in large industrial undertakings does not exist, and communication from management to workers is poor. The existing downward communication is only connected with job and employment policies like wages, working hours, reporting time, and charge sheets. Upward communication is centered on the legal issue of employee grievances. But this is not all in communication. Informing the employee about the company's future expansion program, telling him where he stands, his role in the company's production picture, and so forth, play an important role in productivity."

Source: L.S. Rashotte, "What Does That Smile Mean? The Meaning of Nonverbal Behaviors in Social Interaction," *Social Psychology Quarterly*, March 2002, pp. 92-102.

may be more precise, it also consumes a great deal of time. The other major disadvantage is feedback, or lack of it. Oral communication allows the receiver to respond rapidly to what he thinks he hears. Written communication, however, does not have a built-in feedback mechanism. The result is that the mailing of a memo is no assurance that it has been received, and, if received, there is no guarantee the recipient will interpret it as the sender intended. The latter point is also relevant in oral communiqués, except it's easy in such cases merely to ask the receiver to summarize what you've said. An accurate summary presents feedback evidence that the message has been received and understood.

Nonverbal Communication

Every time we verbally give a message to someone, we also impart a nonverbal message.¹³ In some instances, the nonverbal component may stand alone. For example, in a singles bar, a glance, a stare, a smile, a frown, and a provocative body movement all convey meaning. Therefore, no discussion of communication would be complete without consideration of *nonverbal communication*—which includes body movements, the intonations or emphasis we give to words, facial expressions, and the physical distance between the sender and receiver.

It can be argued that every *body movement* has a meaning, and no movement is accidental. For example, through body language, we say, "Help me, I'm lonely"; "Take me, I'm available"; and "Leave me alone, I'm depressed." Rarely do we send our messages consciously. We act out our state of being with nonverbal body language. We lift one eyebrow for disbelief. We rub our noses for puzzlement. We clasp our arms to isolate ourselves or to protect ourselves. We shrug our shoulders for indifference, wink one eye for intimacy, tap our fingers for impatience, slap our forehead for forgetfulness.¹⁴

The two most important messages that body language conveys are (1) the extent to which an individual likes another and is interested in his or her views and (2) the relative perceived status between a sender and receiver.¹⁵ For instance, we're more likely to position ourselves closer to people we like and touch them more often. Similarly, if you feel that you're of higher status than another, you're more likely to display body movements—such as crossed legs or a slouched seated position—that reflect a casual and relaxed manner.¹⁶

Body language adds to, and often complicates, verbal communication. A body position or movement does not by itself have a precise or universal meaning, but when it is linked with spoken language, it gives fuller meaning to a sender's message.

If you read the verbatim minutes of a meeting, you wouldn't grasp the impact of what was said in the same way you would if you had been there or if you saw the meeting on video. Why? There is no record of nonverbal communication. The emphasis given to words or phrases is missing. Exhibit 11-3 illustrates how *intonations* can change the meaning of a message. *Facial expressions* also convey meaning. A snarling face says something different from a smile. Facial expressions, along with intonations, can show arrogance, aggressiveness, fear, shyness, and other characteristics that would never be communicated if you read a transcript of what had been said.

The way individuals space themselves in terms of *physical distance* also has meaning. What is considered proper spacing is largely dependent on cultural norms. For example, what is considered a businesslike distance in some European countries would be viewed as intimate in many parts of North America. If someone stands closer to you than is considered appropriate, it may indicate aggressiveness or sexual interest; if farther away than usual, it may mean disinterest or displeasure with what is being said.

It's important for the receiver to be alert to these nonverbal aspects of communication. You should look for nonverbal cues as well as listen to the literal

Exhibit 11-3 Intonations: It's the Way You Say It!

Change your tone and you change your meaning:

Placement of the emphasis	What it means
Why don't I take you to dinner tonight?	I was going to take someone else.
Why don't I take you to dinner tonight?	Instead of the guy you were going with.
Why don't I take you to dinner tonight?	I'm trying to find a reason why I shouldn't take you.
Why don't I take you to dinner tonight?	Do you have a problem with me?
Why don't I take you to dinner tonight?	Instead of going on your own.
Why don't I take you to dinner tonight?	Instead of lunch tomorrow.
Why don't I take you to dinner tonight?	Not tomorrow night.

Source: Based on M. Kiely, "When 'No' Means 'Yes,'" *Marketing*, October 1993, pp. 7-9. Reproduced in A. Huczynski and D. Buchanan, *Organizational Behavior*, 4th ed. (Essex, UK: Pearson Education, 2001), p. 194.

meaning of a sender's words. You should particularly be aware of contradictions between the messages. Your boss may say she is free to talk to you about a pressing budget problem, but you may see nonverbal signals suggesting that this is not the time to discuss the subject. Regardless of what is being said, an individual who frequently glances at her wristwatch is giving the message that she would prefer to terminate the conversation. We misinform others when we express one message verbally, such as trust, but nonverbally communicate a contradictory message that reads, "I don't have confidence in you."

Organizational Communication

5 Contrast formal communication networks and the grapevine.

In this section, we move from interpersonal communication to organizational communication. Our first focus will be to describe and distinguish formal networks and the grapevine. In the following section, we discuss technological innovations in communication.

Formal Small-Group Networks

Formal organizational networks can be very complicated. They can, for instance, include hundreds of people and a half-dozen or more hierarchical levels. To simplify our discussion, we've condensed these networks into three common small groups of five people each (see Exhibit 11-4). These three networks are the

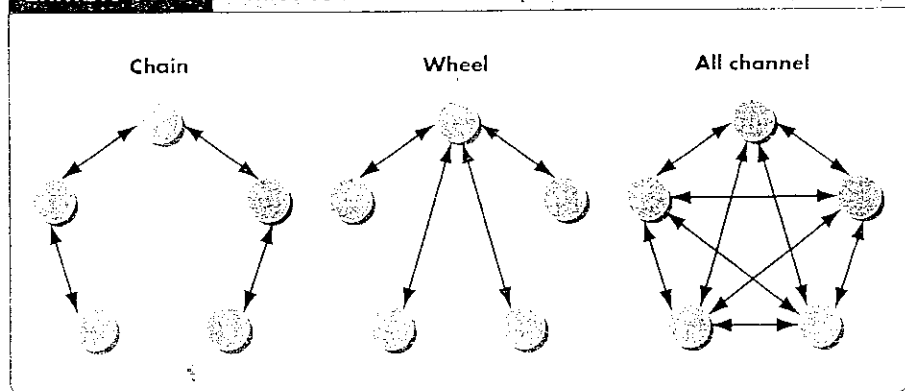
Exhibit 11-4 Three Common Small-Group Networks

Exhibit 11-5 Small-Group Networks and Effective Criteria

Criteria	Networks		
	Chain	Wheel	All Channel
Speed	Moderate	Fast	Fast
Accuracy	High	High	Moderate
Emergence of a leader	Moderate	High	None
Member satisfaction	Moderate	Low	High

chain, wheel, and all channel. Although these three networks have been extremely simplified, they allow us to describe the unique qualities of each.

The *chain* rigidly follows the formal chain of command. This network approximates the communication channels you might find in a rigid three-level organization. The *wheel* relies on a central figure to act as the conduit for all of the group's communication. It simulates the communication network you would find on a team with a strong leader. The *all-channel* network permits all group members to actively communicate with each other. The all-channel network is most often characterized in practice by self-managed teams, in which all group members are free to contribute and no one person takes on a leadership role.

As Exhibit 11-5 demonstrates, the effectiveness of each network depends on the dependent variable you're concerned about. For instance, the structure of the wheel facilitates the emergence of a leader, the all-channel network is best if you are concerned with having high member satisfaction, and the chain is best if accuracy is most important. Exhibit 11-5 leads us to the conclusion that no single network will be best for all occasions.

The Grapevine

The formal system is not the only communication network in a group or organization. There is also an informal one, called the **grapevine**.¹⁷ Although the grapevine may be informal, it's still an important source of information. For instance, a survey found that 75 percent of employees hear about matters first through rumors on the grapevine.¹⁸

The grapevine has three main characteristics.¹⁹ First, it is not controlled by management. Second, it is perceived by most employees as being more believable and reliable than formal communiqués issued by top management. Finally, it is largely used to serve the self-interests of the people within it.

One of the most famous studies of the grapevine investigated the communication pattern among 67 managerial personnel in a small manufacturing firm.²⁰ The basic approach used was to learn from each communication recipient how he or she first received a given piece of information and then trace it back to its source. It was found that, while the grapevine was an important source of information, only 10 percent of the executives acted as liaison individuals (that is, passed the information on to more than one other person). For example, when one executive decided to resign to enter the insurance business, 81 percent of the executives knew about it, but only 11 percent transmitted this information to others.

Is the information that flows along the grapevine accurate? The evidence indicates that about 75 percent of what is carried is accurate.²¹ But what conditions foster an active grapevine? What gets the rumor mill rolling?

It's frequently assumed that rumors start because they make titillating gossip. This is rarely the case. Rumors emerge as a response to situations that are

Exhibit 11-6 Suggestions for Reducing the Negative Consequences of Rumors

1. Announce timetables for making important decisions.
2. Explain decisions and behaviors that may appear inconsistent or secretive.
3. Emphasize the downside, as well as the upside, of current decisions and future plans.
4. Openly discuss worst-case possibilities—it is almost never as anxiety provoking as the unspoken fantasy.

Source: Adapted from L. Hirschhorn, "Managing Rumors," in L. Hirschhorn (ed.), *Cutting Back* (San Francisco: Jossey-Bass, 1983), pp. 54–56. Used with permission.

important to us, when there is *ambiguity*, and under conditions that arouse *anxiety*.²² The fact that work situations frequently contain these three elements explains why rumors flourish in organizations. The secrecy and competition that typically prevail in large organizations—around issues such as the appointment of new bosses, the relocation of offices, downsizing decisions, and the realignment of work assignments—create conditions that encourage and sustain rumors on the grapevine. A rumor will persist either until the wants and expectations creating the uncertainty underlying the rumor are fulfilled or until the anxiety is reduced.

What can we conclude from the preceding discussion? Certainly the grapevine is an important part of any group or organization communication network and is well worth understanding. It gives managers a feel for the morale of their organization, identifies issues that employees consider important, and helps tap into employee anxieties. The grapevine also serves employees' needs: Small talk serves to create a sense of closeness and friendship among those who share information, although research suggests that it often does so at the expense of those in the "out" group.²³

Can management entirely eliminate rumors? No. What management should do, however, is minimize the negative consequences of rumors by limiting their range and impact. Exhibit 11-6 offers a few suggestions for minimizing those negative consequences.

Electronic Communications

6 Analyze the advantages and challenges of electronic communication.

An indispensable—and in 71 percent of cases, the primary—medium of communication in today's organizations is electronic. Electronic communications include e-mail, text messaging, networking software, Internet or Web logs (blogs), and video conferencing. Let's discuss each.

E-mail E-mail uses the Internet to transmit and receive computer-generated text and documents. Its growth has been spectacular, and its use is now so pervasive that it's hard to imagine life without it.

When Bill Gates goes to work, he has three screens synchronized, two of which are for e-mail (the other is Internet Explorer). As a communication tool, e-mail has a long list of benefits. E-mail messages can be quickly written, edited, and stored. They can be distributed to one person or thousands with a click of a mouse. They can be read, in their entirety, at the convenience of the recipient. And the cost of sending formal e-mail messages to employees is a fraction of the cost of printing, duplicating, and distributing a comparable letter or brochure.²⁴

grapevine An organization's informal communication network.

E-mail, of course, is not without drawbacks. The following are some of the most significant limitations of e-mail and what organizations should do to reduce or eliminate these problems:

- *Misinterpreting the message.* It's true that we often misinterpret verbal messages, but the potential for misinterpretation with e-mail is even greater. One research team at New York University found that we can accurately decode an e-mail's intent and tone only 50 percent of the time, yet most of us vastly overestimate our ability to send and interpret clear messages. If you're sending an important message, make sure you reread it for clarity. And if you're upset about the presumed tone of someone else's message, keep in mind that you may be misinterpreting it.²⁵
- *Communicating negative messages.* When companies have negative information to communicate, managers need to think carefully. E-mail may not be the best way to communicate the message. When Radio Shack decided to lay off 400 employees, it drew down an avalanche of scorn inside and outside the company by doing it via e-mail. Employees need to be careful communicating negative messages via e-mail, too. Justen Deal, 22, wrote an e-mail critical of some strategic decisions made by his employer, pharmaceutical giant Kaiser Permanente. In the e-mail, he criticized the "misleadership" of Kaiser CEO George Halvorson and questioned the financing of several information technology projects. Within hours, Deal's computer was seized; he was later fired.²⁶
- *Overuse of e-mail.* An estimated 6 trillion e-mails are sent every year, and someone has to answer all those messages! As people become established in their careers and their responsibilities expand, so do their inboxes. A survey of Canadian managers revealed that 58 percent spent 2 to 4 hours per day reading and responding to e-mails. Some people, such as venture capitalist Fred Wilson, have become so overwhelmed by e-mail that they've declared "e-mail bankruptcy." Recording artist Moby sent an e-mail to all those in his address book announcing that he was taking a break from e-mail for the rest of the year. Although you probably don't want to declare e-mail bankruptcy or couldn't get away with it even if you did, you should use e-mail judiciously, especially when you're contacting people inside the organization who may already be wading through lots of e-mail messages every day.²⁷
- *E-mail emotions.* We tend to think of e-mail as a sort of sterile, faceless form of communication. But that doesn't mean it's unemotional. As you no doubt know, e-mails are often highly emotional. One CEO said, "I've seen people not talk to each other, turf wars break out and people quit their jobs as a result of e-mails." E-mail tends to have a disinhibiting effect on people: senders write things they'd never be comfortable saying in person. Facial expressions tend to temper our emotional expressions, but in e-mail, there is no other face to look at, and so many of us fire away. An increasingly common way of communicating emotions in e-mail is with emoticons. For example, Yahoo!'s e-mail software allows the user to pick from 32 emoticons. Although emoticons used to be considered for personal use only, increasingly adults are using them in business e-mails. Still, some see them as too informal for business use.

When others send flaming messages, remain calm and try not to respond in kind. Also, when writing new e-mails, try to temper your own tendencies to quickly fire off messages.²⁸

- *Privacy concerns.* There are two privacy issues with e-mail. First, you need to be aware that your e-mails may be, and often are, monitored. Also, you can't always trust that the recipient of your e-mail will keep it confidential. For these reasons, you shouldn't write anything you wouldn't want made public. Before Wal-Mart fired marketing VP Julie Roehm, its managers examined

OB In the News

Factors Driving Adoption of Internet Policy

A survey by the American Management Association revealed that 77 percent of major U.S. companies record and review employee communication, including e-mail, Internet connections, and computer files. Ninety percent of the companies inform their workers of the monitoring.

Some of the most common reasons for the adoption of an Internet usage policy are: controlling personal use of the Internet by employees, reducing

unproductive employee work hours, utilizing the bandwidth optimally, lessening vulnerability to security threats, and reducing sluggish Internet connections due to personal use.

In India, corporations like Hero Honda, Polaris, Birlasoft, ICICI Infotech, and Escorts Agri Machinery have a detailed Internet usage policy in place. At Vertex India, Internet policy has been implemented to enforce appropriate behavior and also for reasons of security. Polaris Software Lab has ensured that its Internet policy is in place to mitigate the risk of a possible disaster in terms of viruses and breach of confidentiality.

In light of studies conducted on the rate of Internet usage and loss of work hours due to personal Internet surfing,

the emphasis on a strict Internet policy is hardly surprising. Asians make maximum use of the Internet. It has been reported that the Asian continent, which holds 56.5 percent of the world population, has an Internet usage growth rate of 282.1 percent, whereas, in Europe, the Internet usage growth rate is 206.2 percent. A study conducted by WebSense on 5,000 employees revealed that about 28,000 working hours were lost due to personal surfing. This is a loss of almost 8 hours per month per employee.

Source: Based on Lou Hirsh, "The Boss is Watching: Workplace Monitoring on the Rise," June 29, 2001, www.toptechnews.com; S. Arora, "Preventing Internet Misuse at the Workplace," IT People, <http://www.itpeopleindia.com/20040308/cover.shtml>; www.internetworldstats.com; www.sify.com/finance.

her e-mails for evidence of an inappropriate romantic relationship. Second, you need to exercise caution in forwarding e-mail from your company's e-mail account to a personal, or "public," (for example, Gmail, Yahoo!, MSN) e-mail account. These accounts often aren't as secure as corporate accounts, so when you forward a company e-mail to them, you may be violating your organization's policy or unintentionally disclosing confidential data. Many employers hire vendors that sift through e-mails, using software to catch not only the obvious ("insider trading") but the vague ("that thing we talked about") or guilt ridden ("regret"). Another survey revealed that nearly 40 percent of companies have employees whose only job is to read other employees' e-mail. You are being watched—so be careful what you e-mail!²⁹

Instant Messaging and Text Messaging Like e-mail, instant messaging (IM) and text messaging (TM) use electronic messages. Unlike e-mail, though, IM and TM are either in "real" time (IM) or use portable communication devices (TM). In just a few years, IM/TM has become pervasive. As you no doubt know from experience, IM is usually sent via desktop or laptop computer, whereas TM is transmitted via cellphones or handheld devices such as Blackberrys.

The growth of TM has been spectacular. In 2001, for instance, just 8 percent of U.S. employees were using it. Now that number is more than 50 percent.³⁰ Why? Because IM and TM represent fast and inexpensive means for managers to stay in touch with employees and for employees to stay in touch with each other. In an increasing number of cases, this isn't just a luxury, it's a business imperative. For example, Bill Green, CEO of the consulting firm Accenture, doesn't have a permanent office. Since he's on the road all the time, visiting Accenture's 100 locations scattered across the globe, TM is essential for him to keep in touch. Although there aren't many other examples so dramatic, the great advantage of TM is that it is flexible; with it, you can be reached almost anywhere, anytime.³¹

Despite their advantages, IM and TM aren't going to replace e-mail. E-mail is still probably a better device for conveying long messages that need to be

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saved. IM is preferable for one- or two-line messages that would just clutter up an e-mail inbox. On the downside, some IM/TM users find the technology intrusive and distracting. Their continual presence can make it hard for employees to concentrate and stay focused. For example, a survey of managers revealed that in 86 percent of meetings, at least some participants checked TM. Finally, because instant messages can be intercepted easily, many organizations are concerned about the security of IM/TM.³²

One other point: It's important to not let the informality of text messaging ("omg! r u serious? brb") spill over into business e-mails. Many prefer to keep business communication relatively formal. A survey of employers revealed that 58 percent rate grammar, spelling, and punctuation as "very important" in e-mail messages.³³ By making sure your professional communications are, well, professional, you'll show yourself to be mature and serious. That doesn't mean, of course, that you have to give up TM or IM; you just need to maintain the boundaries between how you communicate with your friends and how you communicate professionally.

Networking Software Nowhere has communication been transformed more than in the area of networking. You are doubtless familiar with and perhaps a user of social networking platforms such as Facebook, Orkut, and MySpace.

Rather than being one huge site, Facebook, which has 30 million active users, is actually composed of separate networks based on schools, companies, or regions. It might surprise you to learn that individuals over 25 are the fastest growing users of Facebook.

More than 100 million users have created accounts at MySpace. This site averages more than 40 billion hits per month. MySpace profiles contain two "blurbs" "About Me" and "Who I'd Like to Meet" sections. Profiles can also contain "Interests" and "Details" sections, photos, blog entries, and other details. Compared to Facebook, MySpace is relatively more likely to be used for purely personal reasons, as illustrated by the "Friends Space" portion of a user's account.

Amid the growth of Facebook and MySpace, professional networking sites have entered the marketplace and expanded as well. LinkedIn, Ziggs, and

Facebook founder and CEO Mark Zuckerberg continues to transform communication. He announced a new platform strategy that allows third parties to develop services on the Facebook site, which allows communication opportunities for business entrepreneurs. For Zuckerberg, Facebook is more than a social networking site. He describes it as a communication tool that facilitates the flow of information between users and their friends, family members, and professional connections.

Source: Noah Berger/
The New York Times



ZoomInfo are all professional Web sites that allow users to set up lists of contacts and do everything from casually "pinging" them with updates to hosting chat rooms for all or some of the users' contacts. Some companies, such as IBM, have their own social networks (IBM's is called BluePages); IBM is selling the BluePages tool to companies and individual users. Microsoft is doing the same thing with its SharePoint tool.

To get the most out of social networks, while avoiding irritating your contacts, use them "for high-value items only"—not as an everyday or even every-week tool. Also, remember that a prospective employer might check your MySpace or Facebook entry. In fact, some entrepreneurs have developed software that mines such Web sites for companies (or individuals) that want to check up on a job applicant (or potential date). So keep in mind that what you post may be read by people other than your intended contacts.³⁴

Web Logs (Blogs) Sun Microsystems CEO Jonathan Schwartz is a big fan of Web logs (**blogs**), Web sites about a single person or company that are usually updated daily. He encourages his employees to have them and has one himself (<http://blogs.sun.com/jonathan>). Schwartz's blog averages 400,000 hits per month, and Schwartz, like Apple's managers, allows Sun customers to post comments about the company's products on its Web site.

Obviously, Schwartz is not the only fan of blogs. Experts estimate that more than 10 million U.S. workers have blogs, and nearly 40 million people read blogs on a regular basis. Thousands of Microsoft employees have blogs. Google, GM, Nike, IBM, and many other large organizations also have corporate blogs.

OB In the News

Internet Gripe Sites: A Challenge for Management?

Internet gripe sites are the new electronic grapevines. Employees and ex-employees at hundreds of companies—including JPMorgan Chase, Microsoft, BankAmerica, The Limited, Merck, MTV Networks, and Goldman Sachs—have used computer-aided communication to vent their anger and frustration by posting uncensored messages at VaultReports.com, Electronic WaterCooler,

So, a downside to electronic communications is that Internet gripe

sites allow employees a unilateral (and often anonymous) platform to air their grievances. For instance, an analysis of messages found that they cover the entire gamut of organizational life, including organizational policies, pay worries, internal morale, and hiring practices. Although some comments address the benefits of working at a particular organization, most are complaints.

What makes these sites particularly frustrating to management is that there are no checks and balances to ensure that grievances expressed on these sites are accurate. Here is a situation where the adage that "a few bad apples can spoil the barrel" seems entirely appropriate. A few disgruntled employees can go a long way in

undermining an entire workforce's morale. And because these sites are accessible to the public, they can also tarnish an organization's image.

Some organizations are turning a negative into a positive by monitoring their gripe sites to instantly uncover "hot-button" issues among employees, the mood of the workforce, and the perception of internal justice procedures—then using this information to identify areas where they need to improve. Still, most employers undoubtedly see these gripe sites as a downside of the Internet age.

Source: Based on "Internet Gripe Sites a Tool for Management," www.uninews.unimelb.edu.au, March 19, 2003; and C. J. Moebius, "I Can Top That! Inside the World of Employee Complaint Sites," www.bordercross.com.

Blog (Web log) A Web site where entries are written, generally displayed in reverse chronological order, about news, events, and personal diary entries.

So what's the downside? Although some companies have policies in place governing the content of blogs, many don't, and 39 percent of individual bloggers say they have posted comments that could be construed as harmful to their company's reputation. Many bloggers think their personal blogs are outside their employer's purview, but if someone else in a company happens to read a blog entry, there is nothing to keep him or her from sharing that information with others, and the employee could be dismissed as a result. Schwartz says that Sun would not fire an employee over any blog entry short of one that broke the law. "Our blogging policy is 'Be authentic. Period,'" he says. But most organizations are unlikely to be so forgiving of any blog entry that might cast a negative light on them.

When Andrew McDonald landed an internship with Comedy Central, his first day at work, he started a blog. His supervisors asked him to change various things about the blog, essentially removing all specific references to his employer. Kelly Kreth was fired from her job as a marketing director for blogging about her coworkers. So was Jessa Werner, who later said, "I came to the realization that I probably shouldn't have been blogging about work."

One legal expert notes, "Employee bloggers mistakenly believe that First Amendment gives them the right to say whatever they want on their personal blogs. Wrong!" Also, beware of posting personal blog entries at work. More than three-quarters of employers actively monitor employees' Web site connections. In short, if you are going to have a personal blog, maintain a strict work-personal "firewall."³⁵

Video Conferencing *Video conferencing* permits employees in an organization to have meetings with people at different locations. Live audio and video images of members allow them to see, hear, and talk with each other. Video conferencing technology, in effect, allows employees to conduct interactive meetings without the necessity of all being physically in the same location.

In the late 1990s, video conferencing was basically conducted from special rooms equipped with television cameras, located at company facilities. More recently, cameras and microphones are being attached to individual computers, allowing people to participate in video conferences without leaving their desks. As the cost of this technology drops, video conferencing is likely to be increasingly seen as an alternative to expensive and time-consuming travel.

Knowledge Management

Our final topic under organizational communication is **knowledge management (KM)**. This is a process of organizing and distributing an organization's collective wisdom so the right information gets to the right people at the right time. When done properly, KM provides an organization with both a competitive edge and improved organizational performance because it makes its employees smarter. It can also help control leaks of vital company information so that an organization's competitive advantage is preserved for as long as possible. Despite its importance, KM gets low marks from most business leaders. When consulting firm Bain & Co. asked 960 executives about the effectiveness of 25 management tools, KM ranked near the bottom of the list. One expert concluded, "Most organizations are still managing as if we were in the industrial era."³⁶

Effective KM begins by identifying what knowledge matters to the organization.³⁷ Management needs to review processes to identify those that provide the most value. Then it can develop computer networks and databases that can make that information readily available to the people who need it the most. But KM won't work unless the culture supports sharing of information.³⁸ As we'll show in Chapter 14, information that is important and scarce can be a potent source of power. And people who hold that power are often reluctant to share it with others. So KM requires an organizational culture that promotes, values,

OB In the News

Starbucks' Great Communicator

Jim Donald seems to do nothing but communicate. Donald, 52, has been president and CEO of Starbucks since 2005. Donald tracks how he spends his time carefully, and on a typical month, this is how it breaks down:

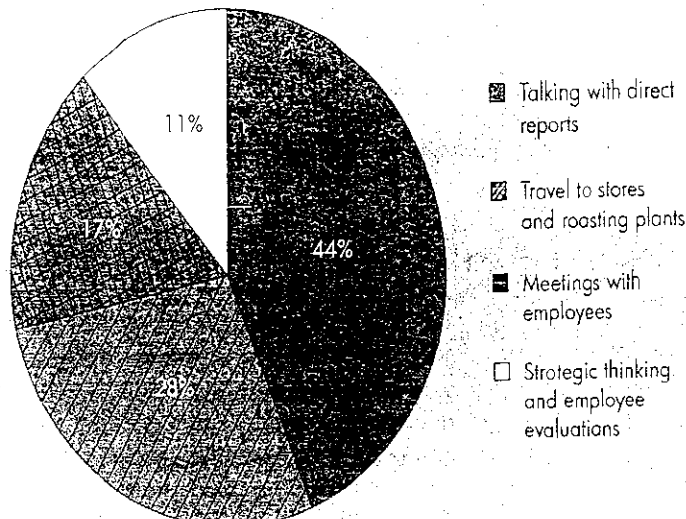
As you can see, Donald spends almost all his time communicating with people. What's more, he even does his own e-mail. He says, "If anyone in our company e-mails me or leaves me a voicemail, they get a response, quickly. I'm fanatical about communicating."

In a typical morning, Donald will leave 6 A.M. voice mail messages for up to 100 managers, write 25 thank-you notes to "partners" (Starbucks lingo for employees), sign birthday cards, and check his Treo portable communication

device and/or e-mail. As you might imagine, he is big on brevity—he limits meetings to 45 minutes, and his e-mail and voice mail messages are usually short. He notes, "I'm brief, but that's better than not responding."

The best part of Donald's job? The store visits. "Whenever I go into a Starbucks, I walk into the back of the counter, put on an apron, and start talking to our partners."

Source: J. Donald, "A Double Shot of Productivity," *Fortune*, October 16, 2006, p. 51.



and rewards sharing knowledge. Finally, KM must provide the mechanisms and the motivation for employees to share knowledge that employees find useful on the job and enables them to achieve better performance.³⁹ More knowledge isn't necessarily better knowledge. Information overload needs to be avoided by designing the system to capture only pertinent information and then organizing it so it can be quickly accessed by the people whom it can help.

Finally, security is a huge concern with any KM system. A Merrill Lynch survey of 50 executives found that 52 percent rated leaks of company information as their number-one information security concern, topping viruses and hackers. In response, most companies actively monitor employee Internet use and e-mail records, and some even use video surveillance and record phone conversations. Necessary though they may be, such surveillance and monitoring practices may seem invasive to employees. An organization can buttress employee concerns by involving them in the creation of information-security policies and giving them some control over how their personal information is used.⁴⁰

knowledge management (KM) The process of organizing and distributing an organization's collective wisdom so the right information gets to the right people at the right time.

Sunil Bharti Mittal, Chairman and Group CEO, Bharti Enterprises, emphasizes the importance of knowledge management. Airtel runs a series of knowledge management initiatives under his leadership. These initiatives have saved the company INR 10 million by guarding against duplication and errors.

Source: Bharti Enterprises



Choice of Communication Channel

7 Show how channel richness underlies the choice of communication channel.

Neal L. Patterson, CEO at medical software maker Cerner Corp., like e-mail. Maybe too much so. Upset with his staff's work ethic, he recently sent a seething e-mail to his firm's 400 managers.⁴¹ Here are some of that e-mail's highlights:

Hell will freeze over before this CEO implements ANOTHER EMPLOYEE benefit in this Culture. . . . We are getting less than 40 hours of work from a large number of our Kansas City-based employees. The parking lot is sparsely used at 8 A.M.; likewise at 5 P.M. As managers—you either do not know what your EMPLOYEES are doing; or YOU do not CARE. . . . You have a problem and you will fix it or I will replace you. . . . What you are doing, as managers, with this company makes me SICK.

Patterson's e-mail additionally suggested that managers schedule meetings at 7 A.M., 6 P.M., and Saturday mornings; promised a staff reduction of 5 percent; and institution of a time-clock system; and Patterson's intention to charge unapproved absences to employees' vacation time.

Within hours of this e-mail, copies of it had made its way onto a Yahoo! Web site. And within 3 days, Cerner's stock price had plummeted 22 percent. Although one can argue whether such harsh criticism should be communicated at all, one thing is certainly clear: Patterson erred by selecting the wrong channel for his message. Such an emotional and sensitive message would likely have been better received in a face-to-face meeting.

Why do people choose one channel of communication over another—for instance, a phone call instead of a face-to-face talk? Is there any general insight we might be able to provide regarding choice of communication channel? The answer to the latter question is a qualified "yes." A model of media richness has been developed to explain channel selection among managers.⁴²

Research has found that channels differ in their capacity to convey information. Some are rich in that they have the ability to (1) handle multiple cues

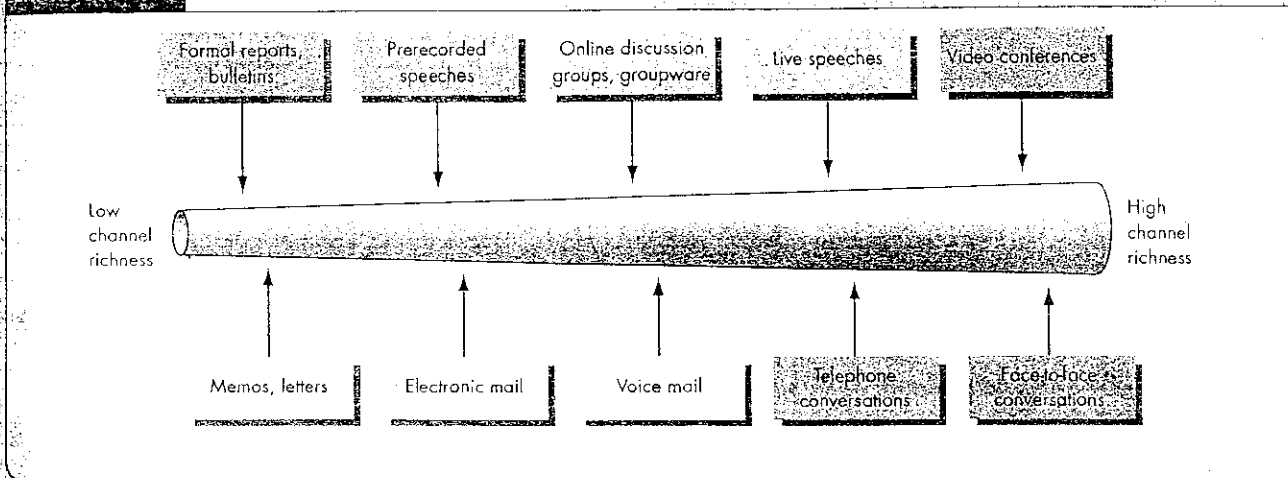
simultaneously, (2) facilitate rapid feedback, and (3) be very personal. Others are lean in that they score low on these three factors. As Exhibit 11-7 illustrates, face-to-face conversation scores highest in terms of **channel richness** because it provides for the maximum amount of information to be transmitted during a communication episode. That is, it offers multiple information cues (words, postures, facial expressions, gestures, intonations), immediate feedback (both verbal and nonverbal), and the personal touch of "being there." Impersonal written media such as formal reports and bulletins rate lowest in richness.

The choice of one channel over another depends on whether the message is routine or nonroutine. The former types of messages tend to be straightforward and have a minimum of ambiguity. The latter are likely to be complicated and have the potential for misunderstanding. Managers can communicate routine messages efficiently through channels that are lower in richness. However, they can communicate nonroutine messages effectively only by selecting rich channels. Referring back to the Cerner Corp. example, it appears that Neal Patterson used a channel relatively low in richness (e-mail) to convey a message that, because of its nonroutine nature and complexity, should have been conveyed using a rich communication medium.

Evidence indicates that high-performing managers tend to be more media sensitive than low-performing managers.⁴³ That is, they're better able to match appropriate media richness with the ambiguity involved in the communication.

The media richness model is consistent with organizational trends and practices of the past decade. It is not just coincidence that more and more senior managers have been using meetings to facilitate communication and regularly leaving the isolated sanctuary of their executive offices to manage by walking around. These executives are relying on richer channels of communication to transmit the more ambiguous messages they need to convey. The past decade has been characterized

Exhibit 11-7 Information Richness of Communication Channels



Source: Based on R. H. Lengel and R. L. Daft, "The Selection of Communication Media as an Executive Skill," *Academy of Management Executive*, August 1988, pp. 225-232; and R. L. Daft and R. H. Lengel, "Organizational Information Requirements, Media Richness, and Structural Design," *Managerial Science*, May 1996, pp. 554-572. Reproduced from R. L. Daft and R. A. Noe, *Organizational Behavior* (Fort Worth, TX: Harcourt, 2001), p. 311.

Channel richness The amount of information that can be transmitted during a communication episode.

OB In the News

Out-of-the-Box Thinking in the Choice of Communication Channels

On a sunny afternoon in 1991, the front page of the newspaper *The Afternoon Despatch & Courier* was a washout. Apart from the usual sensational tabloid headlines and stories, readers were confronted with an even more sensational blank page with just one announcement: "NO NEWS." It wasn't a joke played by the publication's editors, though. The fine print explained the disappearance of the regular stuff. "NO NEWS," it said, "... is good news, because Nestle Premium Chocolates have arrived in Mumbai. Now everything else can wait! Including the news."

Nestle pulled off another coup in Delhi too. On June 1, 1991, the company hired the ear panels of *The Times of*

India and put in the words "LET" to the left of the masthead and "WAIT" to the right. Nobody would have noticed, but for the fact that the lettering was in the same typeface as the newspaper's masthead. Thus, as any reader of *The Times of India* would have noticed, the whole message read thus: "Let the Times of India Wait." Snugly tucked below "wait" was the small print, "Until you turn to the back page of the Saturday Times supplement." The supplement, as promised, carried the actual Nestle ad about the launch of its chocolates.

In India's rural markets, Lever pasted special stickers of Lifebuoy and Wheel on hand pumps, walls of wells, and on trees around ponds. This was in order to hook the audience's attention right at the place of product usage. These were places for bathing and washing, and any communication about soaps and detergents can be expected to be effective at the point of usage.

Britannia too made an excellent use of the 50:50 rule in the Star Plus program

Kaun Banega Crorepati (KBC) for its 50:50 brand of biscuits. This, and the clever co-branding contest (*Britannia khao, KBC mein jao*—eat Britannia and go to KBC), helped the company to increase sales volume in its 50:50 biscuit brand by 20 percent.

ICICI Prudential Insurance chose Mumbai's famous *dabbawalla* network, which carries lunch boxes to more than 200,000 office goers in Mumbai. The company attached mailers of tax-saving financial products with the *dabbawalla* (lunch box). What could be a better mode of micromarketing than this to effectively reach 200,000 users of this network?

Radio Mirchi, one of the private FM stations in Mumbai, used the same network to promote its breakfast show "Hello Mumbai." It sent a dried red chilly ("mirchi" means "chilly" in Hindi) in each lunch box with a sticker on the box saying, "For more spice, tune in to Hello Mumbai with RJ Harsh and get to know what's hot in Mumbai."

by organizations closing facilities, imposing large layoffs, restructuring, merging, consolidating, and introducing new products and services at an accelerated pace—all nonroutine messages high in ambiguity and requiring the use of channels that can convey a large amount of information. It is not surprising, therefore, to see the most effective managers expanding their use of rich channels.

Barriers to Effective Communication



Identify common barriers to effective communication.

A number of barriers can retard or distort effective communication. In this section, we highlight the most important of these barriers.

Filtering

Filtering refers to a sender's purposely manipulating information so it will be seen more favorably by the receiver. For example, when a manager tells his boss what he feels his boss wants to hear, he is filtering information.

The major determinant of filtering is the number of levels in an organization's structure. The more vertical levels in the organization's hierarchy, the more opportunities there are for filtering. But you can expect some filtering to occur wherever there are status differences. Factors such as fear of conveying bad news and the desire to please one's boss often lead employees to tell the superiors what they think those superiors want to hear, thus distorting upward communications.

Call center operators at Vipro Solutions in New Delhi, India, speak English in serving their customers from the United States and the United Kingdom. But even though the operators and customers speak a common language, communication barriers exist because of differences in the countries' cultures and language accents. To overcome these barriers, the operators receive training in American and British pop culture so they can make small talk and are taught to speak with Western accents so they can be more easily understood by the calling clients.



Selective Perception

We have mentioned selective perception before in this book. It appears again here because the receivers in the communication process selectively see and hear based on their needs, motivations, experience, background, and other personal characteristics. Receivers also project their interests and expectations into communications as they decode them. An employment interviewer who expects a female job applicant to put her family ahead of her career is likely to see that in female applicants, regardless of whether the applicants actually feel that way. As we said in Chapter 5, we don't see reality; we interpret what we see and call it reality.

Information Overload

Individuals have a finite capacity for processing data. When the information we have to work with exceeds our processing capacity, the result is **information overload**. And with e-mails, IM, phone calls, faxes, meetings, and the need to keep current in one's field, the potential for today's managers and professionals to suffer from information overload is high.

What happens when individuals have more information than they can sort out and use? They tend to select, ignore, pass over, or forget information. Or they may put off further processing until the overload situation is over. In any case, the result is lost information and less effective communication.

Emotions

How the receiver feels at the time of receipt of a communication influences how he or she interprets it. The same message received when you're angry or distraught is often interpreted differently than it is when you're happy. Extreme emotions such as jubilation or depression are most likely to hinder effective

filtering A sender's manipulation of information so that it will be seen more favorably by the receiver.

information overload A condition in which information inflow exceeds an individual's processing capacity.

communication. In such instances, we are most prone to disregard our rational and objective thinking processes and substitute emotional judgments.

Language

Even when we're communicating in the same language, words mean different things to different people. Age and context are two of the biggest factors that influence the language a person uses and the definitions he or she gives to words.

When Michael Schiller, a business consultant, was talking with his 15-year-old daughter about where she was going with her friends, he told her, "You need to recognize your ARAs and measure against them." Schiller said that in response, his daughter "looked at him like he was from outer space." (For the record, ARA stands for accountability, responsibility, and authority.) Those of you new to corporate lingo may find acronyms such as ARA, words such as "skeds" (schedules), or phrases such as "bake your noodle" (provide a service) to be bewildering, much in the same way that your parents may be mystified by the slang of your generation.⁴⁴

The point is that although you and I probably speak a common language—English—our use of that language is far from uniform. If we knew how each of us modified the language, communication difficulties would be minimized. The problem is that members in an organization usually don't know how those with whom they interact have modified the language. Senders tend to assume that the words and terms they use mean the same to the receiver as they do to them. This assumption is often incorrect.

Communication Apprehension

Another major barrier to effective communication is that some people—an estimated 5 to 20 percent of the population⁴⁵—suffer from debilitating **communication apprehension**, or anxiety. Lots of people dread speaking in front of a group, but communication apprehension is a more serious problem because it affects a whole category of communication techniques. People who suffer from it experience undue tension and anxiety in oral communication, written communication, or both.⁴⁶ For example, oral apprehensives may find it extremely difficult to talk with others face-to-face or may become extremely anxious when they have to use the telephone. As a result, they may rely on memos or faxes to convey messages when a phone call would be not only faster but more appropriate.

Studies demonstrate that oral-communication apprehensives avoid situations that require them to engage in oral communication.⁴⁷ We should expect to find some self-selection in jobs so that such individuals don't take positions, such as teacher, for which oral communication is a dominant requirement.⁴⁸ But almost all jobs require some oral communication. And of greater concern is the evidence that high-oral-communication apprehensives distort the communication demands of their jobs in order to minimize the need for communication.⁴⁹ So we need to be aware that there is a set of people in organizations who severely limit their oral communication and rationalize this practice by telling themselves that more communication isn't necessary for them to do their job effectively.

Gender Differences

Gender differences are sometimes a barrier to effective communication. Deborah Tannen's research shows that men tend to use talk to emphasize status, whereas women tend to use it to create connections. These tendencies, of course, don't apply to *every* man and *every* woman. As Tannen puts it, her generalization means "a larger percentage of women or men *as a group* talk in a particular way, or individual women and men *are more likely* to talk one way or the other."⁵⁰ She has found that women speak and hear a language of connection and intimacy; men speak

Exhibit 11-8

THE FAR SIDE[®] BY GARY LARSON

"Well, actually, Doreen, I rather resent being called a 'swamp thing.' ... I prefer the term 'wetlands-challenged mutant.'"

The Far Side by Gary Larson © 1994 Far Works, Inc. All Rights Reserved. Used with permission.

Source: The Far Side by Gary Larson © 1994 Far Works, Inc. All rights reserved. Used with permission.

and hear a language of status, power, and independence. So, for many men, conversations are primarily a means to preserve independence and maintain status in a hierarchical social order. For many women, conversations are negotiations for closeness in which people try to seek and give confirmation and support.

For example, men frequently complain that women talk on and on about their problems. Women criticize men for not listening. What's happening is that when men hear a problem, they frequently assert their desire for independence and control by offering solutions. Many women, on the other hand, view telling a problem as a means to promote closeness. The women present the problem to gain support and connection, not to get advice. Mutual understanding is symmetrical. But giving advice is asymmetrical—it sets up the advice giver as more knowledgeable, more reasonable, and more in control. This contributes to distancing men and women in their efforts to communicate.

"Politically Correct" Communication

A final barrier to effective communication is politically correct communication, communication so concerned with being inoffensive that meaning and simplicity are lost or free expression is hampered. When Don Imus used inappropriate language to describe the Rutgers women's basketball team, he lost his job. There is no doubt that what Imus said was wrong. But is one consequence of his downfall that people will become even more politically correct in what they say, at least in certain company?

communication apprehension
Undue tension and anxiety about
oral communication, written
communication, or both.

There are plenty of words and phrases we can use that invoke neither race slur nor politically correct language. But there are also situations in which our desire to avoid offense blocks communication (by keeping us from saying what's really on our mind) or alters our communication in such a way as to make it unclear. When does being respectful turn into being politically correct? Consider a few examples:⁵¹

- The *Los Angeles Times* allows its journalists to use the term *old age* but cautions that the onset of old age varies from "person to person," so a group of 75-year-olds aren't necessarily all old.
- CNN has fined its broadcasters for using the word *foreign* instead of *international*.
- Little People of America (LPA) association prefers the term *little people* to *dwarfs* or *midgets*.

Certain words can and do stereotype, intimidate, and insult individuals. In an increasingly diverse workforce, we must be sensitive to how words might offend others. But there's a downside to political correctness: It can complicate our vocabulary, making it more difficult for people to communicate. To illustrate, you probably know what these three terms mean: *garbage*, *quotas*, and *women*. But each of these words also has been found to offend one or more groups. They've been replaced with terms such as *postconsumer waste material*, *educational equity*, and *people of gender*. The problem is that this latter group of terms is much less likely to convey a uniform message than the words they replaced. By removing certain words from our vocabulary, we make it harder to communicate accurately. When we further replace these words with new terms whose meanings are less well understood, we reduce the likelihood that our messages will be received as we intended them.

We must be sensitive to how our choice of words might offend others. But we also have to be careful not to sanitize our language to the point at which it clearly restricts clarity of communication. There is no simple solution to this dilemma. However, you should be aware of the trade-offs and the need to find a proper balance.

Global Implications

Effective communication is difficult under the best of conditions. Cross-cultural factors clearly create the potential for increased communication problems.

9 Show how to overcome the potential problems in cross-cultural communication.

This is illustrated in Exhibit 11-9. A gesture that is well understood and acceptable in one culture can be meaningless or lewd in another. Unfortunately, as business has become more global, companies' communication approaches have not kept pace. Only 18 percent of companies have documented strategies for communicating with employees across cultures, and only 31 percent of companies require that corporate messages be customized for consumption in other cultures. P&G seems to be an exception; more than half of the company's employees don't speak English as their first language, so the company focuses on simple messages to make sure everyone knows what's important.⁵²

Cultural Barriers One author has identified four specific problems related to language difficulties in cross-cultural communications.⁵³

First, there are *barriers caused by semantics*. As we've noted previously, words mean different things to different people. This is particularly true for people from different national cultures. Some words, for instance, don't translate between cultures. Understanding the word *sisu* will help you in communicating with people from Finland, but this word is untranslatable into English. It means

Exhibit 11-9**Hand Gestures Mean Different Things in Different Countries****The A-OK Sign**

In the United States, this is just a friendly sign for "All right!" or "Good going." In Australia and Islamic countries, it is equivalent to what generations of high school students know as "flipping the bird."

The "Hook'em Horns" Sign

This sign encourages University of Texas athletes, and it's a good luck gesture in Brazil and Venezuela. In parts of Africa, it is a curse. In Italy, it is signaling to another that "your spouse is being unfaithful."

"V" for Victory Sign

In many parts of the world, this means "victory" or "peace." In England, if the palm and fingers face inward, it means "Up yours!" especially if executed with an upward jerk of the fingers.

Finger-Beckoning Sign

This sign means "come here" in the United States. In Malaysia, it is used only for calling animals. In Indonesia and Australia, it is used for beckoning "ladies of the night."

Source: "What's A-O-K in the U.S.A. Is Lewd and Worthless Beyond," *New York Times*, August 18, 1996, p. E7. From Roger E. Axtell, *GESTURES: The Do's and Taboos of Body Language Around the World*. Copyright © 1991. This material is used by permission of Wiley.

something akin to "guts" or "dogged persistence." Similarly, the new capitalists in Russia may have difficulty communicating with their British or Canadian counterparts because English terms such as *efficiency*, *free market*, and *regulation* are not directly translatable into Russian.

Second, there are *barriers caused by word connotations*. Words imply different things in different languages. Negotiations between Americans and Japanese executives, for instance, can be difficult because the Japanese word *hai* translates as "yes," but its connotation is "yes, I'm listening" rather than "yes, I agree."

Third are *barriers caused by tone differences*. In some cultures, language is formal, and in others, it's informal. In some cultures, the tone changes, depending on the context: People speak differently at home, in social situations, and at work. Using a personal, informal style in a situation in which a more formal style is expected can be embarrassing and off-putting.

Fourth, there are *barriers caused by differences among perceptions*. People who speak different languages actually view the world in different ways. Eskimos perceive snow differently because they have many words for it. Thais perceive "no" differently than do Americans because the former have no such word in their vocabulary.

Cultural Context A better understanding of the cultural barriers just discussed and their implications for communicating across cultures can be achieved by considering the concepts of high- and low-context cultures.⁵⁻¹

Cultures tend to differ in the importance to which context influences the meaning that individuals take from what is actually said or written in light of

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Lost in Translation?

In global commerce, language can be a barrier to conducting business effectively. Many U.S. companies have overseas parents, including DaimlerChrysler AG, Bertelsmann, Diageo PLC, and Anglo-Dutch Unilever PLC. Similarly, U.S. companies have an overseas presence; for example, Ford has manufacturing plants in Belgium, Germany, Spain, Sweden, Turkey, and the United Kingdom. To make matters more complicated, as a result of mergers and acquisitions, companies are often owned by multiple overseas parents, creating an even greater strain on communication. Although English is the dominant language

at many multinational companies, failing to speak a host country's language can make it tougher for managers to do their jobs well, especially if they are misinterpreted or if they misinterpret what others are saying. Such communication problems make it tougher to conduct business effectively and efficiently and may result in lost business opportunities.

To avoid communication problems, many companies require their managers to learn the local language. For example, German-based Siemens requires its managers to learn the language of their host country. Ernst Behrens, the head of Siemens's China operations, learned to speak Mandarin fluently. Robert Kinimett, a former Siemens board member, believes that learning a host country's language gives managers "a better grasp of what is going on inside a company... not just the

facts and figures but also texture and nuance."

However, learning a foreign language can be difficult for managers. The challenge for North Americans is often deepened when the language is Asian, such as Japanese or Mandarin, because it is so different. To compensate, U.S. managers sometimes rely solely on body language and facial expressions to communicate. The problem? Cultural differences in these nonverbal forms of communication may result in serious misunderstandings. To avoid this pitfall, managers should to familiarize themselves with their host country's culture.

Source: Based on K. Kanhold, D. Biletsky, M. Karnitschnig, and G. Parker, "Lost in Translation? Managers at Multinationals May Miss the Job's Nuances If They Speak Only English," *Wall Street Journal*, May 18, 2004, p. B.1.

Exhibit 11-10

High-Versus Low-Context Cultures

High context

Chinese
Korean
Japanese
Vietnamese
Arab
Greek
Spanish
Italian
English
North American
Scandinavian
Swiss
German

Low context

who the other person is. Countries such as China, Korea, Japan, and Vietnam are **high-context cultures**. They rely heavily on nonverbal and subtle situational cues in communicating with others. What is *not* said may be more significant than what *is* said. A person's official status, place in society, and reputation carry considerable weight in communications. In contrast, people from Europe and North America reflect their **low-context cultures**. They rely essentially on words to convey meaning. Body language and formal titles are secondary to spoken and written words (see Exhibit 11-10).

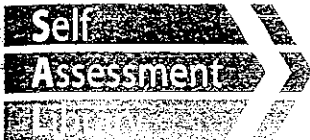
What do these contextual differences mean in terms of communication? Actually, quite a lot. Communication in high-context cultures implies considerably more trust by both parties. What may appear, to an outsider, as casual and insignificant conversation is important because it reflects the desire to build a relationship and create trust. Oral agreements imply strong commitments in high-context cultures. And who you are—your age, seniority, rank in the organization—is highly valued and heavily influences your credibility. But in low-context cultures, enforceable contracts tend to be in writing, precisely worded, and highly legalistic. Similarly, low-context cultures value directness. Managers are expected to be explicit and precise in conveying intended meaning. It's quite different in high-context cultures, in which managers tend to "make suggestions" rather than give orders.

A Cultural Guide When communicating with people from a different culture, what can you do to reduce misperceptions, misinterpretations, and misvaluations? You can begin by trying to assess the cultural context. You're likely to have fewer difficulties if people come from a similar cultural context to you. In addition, the following four rules can be helpful:⁵⁵

1. *Assume differences until similarity is proven.* Most of us assume that others are more similar to us than they actually are. But people from different countries are often very different from us. You are therefore far less likely to

make an error if you assume that others are different from you rather than assume similarity until difference is proven.

2. *Emphasize description rather than interpretation or evaluation.* Interpreting or evaluating what someone has said or done, in contrast to description, is based more on the observer's culture and background than on the observed situation. As a result, delay judgment until you've had sufficient time to observe and interpret the situation from the differing perspectives of all the cultures involved.
3. *Practice empathy.* Before sending a message, put yourself in the recipient's shoes. What are his or her values, experiences, and frames of reference? What do you know about his or her education, upbringing, and background that can give you added insight? Try to see the other person as he or she really is.
4. *Treat your interpretations as a working hypothesis.* Once you've developed an explanation for a new situation or think you empathize with someone from a foreign culture, treat your interpretation as a hypothesis that needs further testing rather than as a certainty. Carefully assess the feedback provided by recipients to see if it confirms your hypothesis. For important decisions or communiqués, you can also check with other foreign and home-country colleagues to make sure that your interpretations are on target.



HOW GOOD ARE MY LISTENING SKILLS?

In the Self-Assessment Library (available online), take assessment II.A.2 (How Good Are My Listening Skills?).

Summary and Implications for Managers

A careful review of this chapter yields a common theme regarding the relationship between communication and employee satisfaction: The less the uncertainty, the greater the satisfaction. Distortions, ambiguities, and incongruities in communications all increase uncertainty and, hence, they have a negative impact on satisfaction.⁵⁶

The less distortion that occurs in communication, the more that goals, feedback, and other management messages to employees will be received as they were intended.⁵⁷ This, in turn, should reduce ambiguities and clarify the group's task. Extensive use of vertical, lateral, and informal channels will increase communication flow, reduce uncertainty, and improve group performance and satisfaction. We should also expect incongruities between verbal and nonverbal communiqués to increase uncertainty and to reduce satisfaction.

Findings in the chapter further suggest that the goal of perfect communication is unattainable. Yet there is evidence that demonstrates a positive relationship between effective communication (which includes factors such as perceived trust, perceived accuracy, desire for interaction, top-management receptiveness, and upward information requirements) and worker productivity.⁵⁸ Choosing the correct channel, being an effective listener, and using

high-context cultures Cultures that rely heavily on nonverbal and subtle situational cues in communication.

low-context cultures Cultures that rely heavily on words to convey meaning in communication.

feedback may, therefore, make for more effective communication. But the human factor generates distortions that can never be fully eliminated. The communication process represents an exchange of messages, but the outcome is meanings that may or may not approximate those that the sender intended. Whatever the sender's expectations, the decoded message in the mind of the receiver represents his or her reality. And it is this "reality" that will determine performance, along with the individual's level of motivation and degree of satisfaction.

Paying close attention to communication effectiveness is all the more important given the ways in which communication technology has transformed the workplace. Despite the great advantages of electronic communication formats, the pitfalls are numerous. Because we gather so much meaning from how a message is communicated (voice tone, facial expressions, body language), the potential for misunderstandings in electronic communication is great. E-mail, IM, and TM, and networking software are vital aspects of organizational communication, but we need to use these tools wisely, or we'll not be as effective as managers as we might be.

Finally, there are a lot of barriers to effective communication, such as gender and culture. By keeping these barriers in mind, we can overcome them and increase our communication effectiveness.

Point

Counterpoint

KEEP IT A SECRET

We're better off keeping more things to ourselves.⁵⁹ Workplace gossip is out of control, and very often, we can't trust people with secrets. Tell a friend never, ever to tell something to someone else, and you've aroused in them an irresistible desire to share the "juicy news" with others. A good rule of thumb is that if you're sure a confidante has told no one else, that probably means he or she has told only three other people. You might think this is a paranoid reaction, but research suggests that so-called confidantes rarely keep secrets, even when they swear they will.

Keeping our own secrets is normal, and most children learn to do so at any early age. People survive by protecting themselves, and when someone is keeping a secret, he usually has a good reason for doing so.

Even when we feel like confiding in someone else, it's prudent to keep confidential information to ourselves. Research shows that few of us are able to keep secrets and that if we fear certain negative consequences of telling our secrets (for example, our confidante will think less of us or will tell others), those fears not only don't keep us from blabbing, they are often justified.

It is all the more important to keep silent about organizational secrets. Organizations are rumor mills, and we can permanently damage our careers and the organizations for which we work by disclosing confidential information. Improper disclosure of organizational proprietary information is a huge cost and concern for organizations. Look at the HP debacle when board chair Patricia Dunn lost her job and two other board members resigned. The cause of this disaster? Board members telling reporters secrets they had no business telling.

The problem with keeping secrets is that they're expensive to maintain.

One social psychologist found that when people are instructed not to disclose certain information, it becomes more distracting and difficult for them to do so. In fact, the more people are instructed to keep something to themselves, the more they see the secret in everything they do. "We don't realize that in keeping it secret we've created an obsession in a jar," he says. So keeping things hidden takes a toll on our psyche—it (usually unnecessarily) adds to the mental burdens we carry with us.

Another psychologist has found that these costs are real. This researcher found that young people who experienced a traumatic experience often had more health problems later in life. As he researched the topic further, he found out why. Generally, these people conceal the event from others. He even did an experiment which showed that when people who have experienced traumatic events shared them, they later had fewer health problems than people who hadn't shared them. There isn't one identifiable reason why sharing these traumatic events seems to help people, but the result has been found repeatedly.

Thus, for mental and physical health reasons, we're better off not keeping secrets from others.

Questions for Review

- 1 What are the primary functions of the communication process in organizations?
- 2 What are the key parts of the communication process, and how do you distinguish formal and informal communication?
- 3 What are the differences among downward, upward, and lateral communication?
- 4 What are the unique challenges to oral, written, and nonverbal communication?
- 5 How are formal communication networks and the grapevine similar and different?
- 6 What are the main forms of electronic communication? What are their unique benefits and challenges?
- 7 Why is channel richness fundamental to the choice of communication channels?
- 8 What are some common barriers to effective communication?
- 9 What unique problems underlie cross-cultural communication?

Think and Do

- 1 Who do you think is responsible for "ineffective communication?" Is it the fault of the sender or the receiver?
- 2 How might managers use the grapevine for their benefit?
- 3 Using the concept of channel richness, give examples of messages best conveyed by e-mail, by face-to-face communication, and through the company bulletin board.
- 4 "Most people are poor listeners." Do you agree or disagree? Defend your position.
- 5 Imagine yourself in the position of a manager and a leader you have met. Think of the various kinds of communication they use. How important is it for them to be effective communicators? Also, describe an incident, in both cases, where the communication was not effective and led to unwanted consequences.

Experiential Exercise

AN ABSENCE OF NONVERBAL COMMUNICATION

This exercise will help you to see the value of nonverbal communication to interpersonal relations.

1. The class is to split up into pairs (Party A and Party B).
2. Party A is to select a topic from the following list:
 - a. Managing in the Middle East is significantly different from managing in North America.
 - b. Employee turnover in an organization can be functional.
 - c. Some conflict in an organization is good.
 - d. Whistle-blowers do more harm than good for an organization.
 - e. An employer has a responsibility to provide every employee with an interesting and challenging job.
 - f. Everyone should register to vote.
 - g. Organizations should require all employees to undergo regular drug tests.
 - h. Individuals who have majored in business or economics make better employees than those who have majored in history or English.
 - i. The place where you get your college degree is more important in determining your career success than what you learn while you're there.
 - j. It's unethical for a manager to purposely distort communications to get a favorable outcome.
3. Party B is to choose a position on this topic (for example, arguing *against* the view that "some conflict in an organization is good"). Party A now must automatically take the opposite position.

4. The two parties have 10 minutes in which to debate their topic. The catch is that the individuals can only communicate verbally. They may *not* use gestures, facial expressions, body movements, or any other nonverbal communication. It may help for each party to sit with their hands to remind them of their restrictions and to maintain an expressionless look.
5. After the debate is over, form groups of six to eight and spend 10 minutes discussing the following:
 - a. How effective was communication during these debates?
 - b. What barriers to communication existed?
 - c. What purposes does nonverbal communication serve?
 - d. Relate the lessons learned in this exercise to problems that might occur when communicating on the telephone or through e-mail.

Ethical Dilemma

DEFINING THE BOUNDARIES OF TECHNOLOGY

You work for a company that has no specific policies regarding non-work-related uses of computers and the Internet. It also has no electronic monitoring devices to determine what employees are doing on their computers. Are any of the following actions unethical? Explain your position in each.

- a. Using the company's e-mail system for personal reasons during the workday
- b. Playing computer games during the workday
- c. Using your office computer for personal use (to check ESPN.com, shop online) during the workday
- d. Looking for a mate on an Internet dating service Web site during the workday
- e. Visiting "adult" Web sites on your office computer during the workday
- f. Using your employer's portable communication device (Blackberry) for personal use
- g. Conducting any of the above activities at work but before or after normal work hours
- h. For telecommuters working from home, using a computer and Internet access line paid for by your employer to visit online shopping or dating-service sites during normal working hours

Case Incident 1

DIANNA ABDALA

To illustrate how precious e-mail is, consider the case of Dianna Abdala. In 2005, Abdala was a recent graduate of Suffolk University's law school, and she passed the bar exam. She then interviewed with and was offered a job at a law firm started by William Korman, a former state prosecutor.

The following is a summary of their e-mail communications:

-----Original Message-----

From: Dianna Abdala
Sent: Friday, February 03, 2006 9:23 p.m.
To: William A. Korman
Subject: Thank you

Dear Attorney Korman,

At this time, I am writing to inform you that I will not be accepting your offer. After careful consideration, I have come to the conclusion that the pay you are offering would

neither fulfill me nor support the lifestyle I am living in light of the work I would be doing for you. I have decided instead to work for myself, and reap 100% of the benefits that I sew [sic].

Thank you for the interviews.

Dianna L. Abdala, Esq.

-----Original Message-----

From: William A. Korman
To: Dianna Abdala
Sent: Monday, February 06, 2006 12:15 p.m.
Subject: RE: Thank you

Dianna--

Given that you had two interviews, were offered and accepted the job (indeed, you had a definite start date), I am surprised that you chose an e-mail and a 9:30 p.m. voicemail message to convey this information to me. If

smacks of immaturity and is quite unprofessional. Indeed, I did rely upon your acceptance by ordering stationary [sic] and business cards with your name, reformatting a computer and setting up both internal and external e-mails for you here at the office. While I do not quarrel with your reasoning, I am extremely disappointed in the way this played out. I sincerely wish you the best of luck in your future endeavors.

Will Korman

-----Original Message-----

From: Dianna Abdala
Sent: Monday, February 06, 2006 4:01 p.m.
To: William A. Korman
Subject: Re: Thank you

A real lawyer would have put the contract into writing and not exercised any such reliance until he did so.

Again, thank you.

-----Original Message-----

From: William A. Korman
To: Dianna Abdala
Sent: Monday, February 06, 2006 4:18 p.m.
Subject: RE: Thank you

Thank you for the refresher course on contracts. This is not a bar exam question. You need to realize that this is a

very small legal community, especially the criminal defense bar. Do you really want to start pissing off more experienced lawyers at this early stage of your career?

-----Original Message-----

From: Dianna Abdala
To: William A. Korman
Sent: Monday, February 06, 2006 4:28 p.m.
Subject: Re: Thank you

bla bla bla

After this e-mail exchange, Korman forwarded the correspondence to several colleagues, and it quickly spread exponentially.

Questions

1. With whom do you side here—Abdala or Korman?
2. What mistakes do you think each party made?
3. Do you think this exchange will damage Abdala's career? Korman's firm?
4. What does this exchange tell you about the limitations of e-mail?

Source: "Dianna Abdala," *Wikipedia* (http://en.wikipedia.org/wiki/Dianna_Abdala); and J. Sandberg, "Infamous Email Writers Aren't Always Killing Their Careers After All," *Wall Street Journal*, February 21, 2006, p. B1.

Case Incident 2

DO YOU NEED A SPEECH COACH?

Speech coaching is a growing business. In a way, this is surprising. As noted earlier, more and more communication is electronic, seemingly making the quality of one's speaking skills less important. Although electronic forms of communication clearly have grown exponentially, that doesn't mean that oral communication no longer matters, especially for some jobs.

Consider Michael Sipe, president of Private Equities, a small mergers and acquisitions firm in Silicon Valley. Sipe worked with a communications coach to give him the edge when pitching his company's services relative to competitors. "If a customer can't determine who is any better or different or worse, then they are left with a conversation about price," says Sipe. "And as a business owner, if you're only in a price conversation, that's a losing conversation. It is really important to paint a picture of why should do business with them in a very compelling way." Sipe felt a speech coach helped him do that.

To look at it another way, you can have all the expertise in the world, but if you can't effectively communicate

that expertise, then you're not getting the most from your talents. R. W. Armstrong & Associates, an Indianapolis-based engineering project management company, has used speech coaches to refine its pitches. Although the investment wasn't small—the company estimates it paid \$8,000 to \$10,000 per day to train 25 employees—the firm believes it helped land several lucrative contracts.

Asset manager David Freeman agrees. "We may fly across the country to present for 45 minutes to a pension fund or consulting firm that can be worth \$25 million, \$50 million, or \$100 million in the amount of money we are being given to manage," he says. "You want to increase the probability that you are going to be remembered."

So what do these coaches do? Some of their training is oriented around speech—how to communicate with excitement, how to use inflection effectively—and body language. One of the big areas is to teach people to use short sentences, to speak in sound bites, and to pause so listeners can absorb what's been said.

Questions

1. What do you think explains the growth of speech coaches in business?
2. Do you think hiring a speech coach is a good investment for managers to make?

Source: H. Chiu, "U.S. Firms Like Call in the Speech Coach," *New York Times*, January 11, 2007, p. C7

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Syllabus for Security officers -

ANNEXURE 'B'

PAPER - III

Written Examination

Conflict and Negotiation

Let us never negotiate out of fear. But let us never fear to negotiate.

—John F. Kennedy

15

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- 1 Define conflict.
- 2 Differentiate between the traditional, human relations, and interactionist views of conflict.
- 3 Outline the conflict process.
- 4 Define negotiation.
- 5 Contrast distributive and integrative bargaining.
- 6 Apply the five steps of the negotiation process.
- 7 Show how individual differences influence negotiations.
- 8 Assess the roles and functions of third-party negotiations.
- 9 Describe cultural differences in negotiations.

Despite a storied history and one of the best-known brand names in all of consumer products, H. J. Heinz Co. has had its share of troubles in the past decade. The company's earnings have been flat, and despite a recent upswing, Heinz's stock is well below the price at which it traded 10 years ago.

Enter Nelson Peltz, CEO and founding partner of Trian Fund Management L.P. Peltz thought Heinz's underperforming stock represented an opportunity, so

Ketchup Fight



he gradually acquired 3 percent of Heinz's shares—enough to land a seat on Heinz's board of directors, where he began lobbying for changes.

Peltz's play at Heinz is nothing new to him—he bought a 3 percent share in Kraft, a 2.98 percent stake in Cadbury Schweppes PLC, a 5.54 percent stake in Tiffany & Co., and a 5.5 percent share of Wendy's International, Inc. His goal is to buy a big enough stake to be able to lobby for changes that will raise the company's stock price, at which time he can cash in on his investment. Generally, Peltz targets high-profile consumer products companies whose stock has been underperforming.

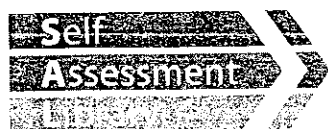
When investors such as Peltz, Carl Icahn, or Kirk Kerkorian push for shareholder-led changes in a company, often the CEO chafes. However, in this case, the conflict became personal. Heinz CEO William R. Johnson angrily wrote to Peltz, "Now is not the time for adding a self-interested and divisive voice inside the Heinz boardroom." Peltz retorted, "Maybe they need some adult supervision." Another Heinz director entered the fight, calling Peltz "infuriating."

Like many other conflicts that turn personal, this one started out as a difference in strategies and tactics. Johnson's focus for Heinz's turnaround was on restructuring. He believed Heinz was spread too thin, and he has tried to focus the company on its best-selling brands. Peltz's goal was to cut costs even further and, at the same time, invest more in advertising to make the most of the Heinz brand.

Though it's hard to make cause-and-effect inferences for a single incident, it appears that the conflict has produced some tasty results for Heinz and its stakeholders. Since Heinz's aggressive advertising campaign last fall, the company's stock is up roughly 11 percent.

While you'd think the company's successes would ease tensions between Peltz and Johnson, personality conflicts don't often heal. Recently, when Peltz was told that Johnson claimed ownership of the idea for the advertising campaign, Peltz called that "an utter lie."¹

As we see in the Heinz example, conflict can often turn personal. It can create chaotic conditions that make it nearly impossible for employees to work as a team. However, conflict also has a less-well-known positive side. We'll explain the difference between negative and positive conflicts in this chapter and provide a guide to help you understand how conflicts develop. We'll also present a topic closely akin to conflict: negotiation. But first, gauge how you handle conflict by taking the following self-assessment.



WHAT'S MY PREFERRED CONFLICT-HANDLING STYLE?

In the Self-Assessment Library (available online), take assessment II.C.5 (What's My Preferred Conflict-Handling Style?) and answer the following questions.

1. Judging from your highest score, what's your primary conflict-handling style?
2. Do you think your style varies, depending on the situation?
3. Would you like to change any aspects of your conflict-handling style?

A Definition of Conflict

1 Define conflict.

There has been no shortage of definitions of *conflict*.² Despite the divergent meanings the term has acquired, several common themes underlie most definitions. Conflict must be perceived by the parties to

in whether or not conflict exists is a perception issue. If no one is aware of a conflict, then it is generally agreed that no conflict exists. Additional commonalities in the definitions are opposition or incompatibility and some form of interaction.³ These factors set the conditions that determine the beginning point of the conflict process.

We can define **conflict**, then, as a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.⁴ This definition is purposely broad. It describes that point in any ongoing activity when an interaction "crosses over" to become an interparty conflict. It encompasses the wide range of conflicts that people experience in organizations—incompatibility of goals, differences over interpretations of facts, disagreements based on behavioral expectations, and the like. Finally, our definition is flexible enough to cover the full range of conflict levels—from overt and violent acts to subtle forms of disagreement.

Transitions in Conflict Thought

2 Differentiate between the traditional, human relations, and interactionist views of conflict.

It is entirely appropriate to say there has been conflict over the role of conflict in groups and organizations. One school of thought has argued that conflict must be avoided—that it indicates a malfunctioning within the group. We call this the *traditional* view. Another school of thought, the *human relations* view, argues that conflict is a natural and inevitable outcome in any group and that it need not be evil but rather has the potential to be a positive force in determining group performance. The third, and most recent, perspective proposes not only that conflict can be a positive force in a group but explicitly argues that some conflict is *absolutely necessary* for a group to perform effectively. We label this third school the *interactionist* view. Let's take a closer look at each of these views.

The Traditional View of Conflict

The early approach to conflict assumed that all conflict was bad. Conflict was viewed negatively, and it was used synonymously with such terms as *violence*, *destruction*, and *irrationality* to reinforce its negative connotation. Conflict, by definition, was harmful and was to be avoided. The **traditional view of conflict** was consistent with the attitudes that prevailed about group behavior in the 1930s and 1940s. Conflict was seen as a dysfunctional outcome resulting from poor communication, a lack of openness and trust between people, and the failure of managers to be responsive to the needs and aspirations of their employees.

The view that all conflict is bad certainly offers a simple approach to looking at the behavior of people who create conflict. Because all conflict is to be avoided, we need merely direct our attention to the causes of conflict and correct those malfunctions to improve group and organizational performance. Although research studies now provide strong evidence to dispute that this approach to conflict reduction results in high group performance, many of us still evaluate conflict situations using this outmoded standard.

conflict A process that begins when one party perceives that another party has negatively affected, or is about to negatively affect, something that the first party cares about.

traditional view of conflict The belief that all conflict is harmful and must be avoided.

The Human Relations View of Conflict

The **human relations view of conflict** argued that conflict was a natural occurrence in all groups and organizations. Because conflict was inevitable, the human relations school advocated acceptance of conflict. Proponents rationalized its existence: It cannot be eliminated, and there are even times when conflict may benefit a group's performance. The human relations view dominated conflict theory from the late 1940s through the mid-1970s.

The Interactionist View of Conflict

Whereas the human relations view accepted conflict, the **interactionist view of conflict** encourages conflict on the grounds that a harmonious, peaceful, tranquil, and cooperative group is prone to becoming static, apathetic, and nonresponsive to needs for change and innovation.⁵ The major contribution of the interactionist view, therefore, is encouraging group leaders to maintain an ongoing minimum level of conflict—enough to keep the group viable, self-critical, and creative.

The interactionist view does not propose that all conflicts are good. Rather, some conflicts support the goals of the group and improve its performance; these are **functional**, constructive, forms of conflict. In addition, there are conflicts that hinder group performance; these are **dysfunctional**, or destructive, forms of conflict. What differentiates functional from dysfunctional conflict? The evidence indicates that you need to look at the *type* of conflict.⁶ Specifically, there are three types: task, relationship, and process.

Task conflict relates to the content and goals of the work. **Relationship conflict** focuses on interpersonal relationships. **Process conflict** relates to how the work gets done. Studies demonstrate that relationship conflicts are almost always dysfunctional.⁷ Why? It appears that the friction and interpersonal hostilities inherent in relationship conflicts increase personality clashes and decrease mutual understanding, which hinders the completion of organizational tasks. Unfortunately, managers spend a lot of their time resolving personality conflicts; one survey indicated that 18 percent of managers' time is spent trying to resolve personality conflicts among staff members.⁸

Unlike with relationship conflict, low levels of process conflict and low-to-moderate levels of task conflict are functional. For process conflict to be productive, it must be kept low. Intense arguments about who should do what become dysfunctional when they create uncertainty about task roles, increase the time to complete tasks, and lead to members working at cross purposes. Low-to-moderate levels of task conflict consistently demonstrate a positive effect on group performance because it stimulates discussion of ideas that helps groups perform better.

The Conflict Process

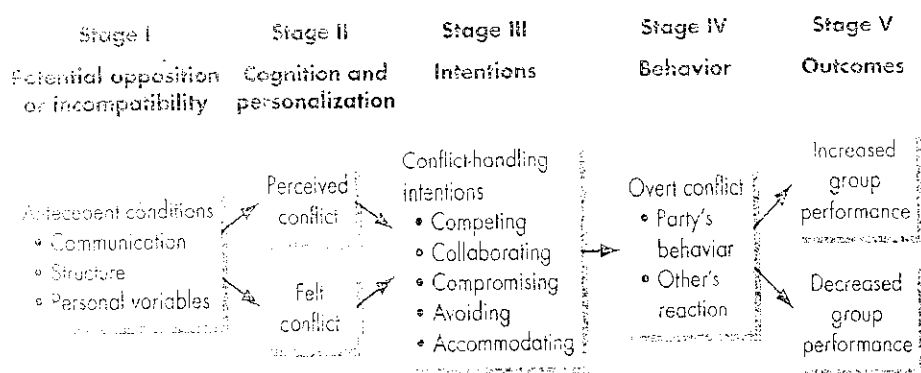
3

Outline the conflict process.

The **conflict process** has five stages: potential opposition or incompatibility, cognition and personalization, intentions, behavior, and outcomes. The process is diagrammed in Exhibit 15-1.

Stage I: Potential Opposition or Incompatibility

The first step in the conflict process is the presence of conditions that create opportunities for conflict to arise. They *need not* lead directly to conflict, but one of these conditions is necessary if conflict is to surface. For simplicity's sake, these conditions (which we can also look at as causes or sources of conflict)

Exhibit 15.1**The Conflict Process**

have been condensed into three general categories: communication, structure, and personal variables.

Communication Deepa had worked in supply-chain management at Bristol Hotel for 3 years. She enjoyed her work in large part because her boss, Ranjan, was a great guy to work for. Then Ranjan got promoted 6 months ago, and Vijay took his place. Deepa says her job is a lot more frustrating now. "Ranjan and I were on the same wavelength. It's not that way with Vijay. He tells me something and I do it. Then he tells me I did it wrong. I think he means one thing but says something else. It's been like this since the day he arrived. I don't think a day goes by when he isn't yelling at me for something. You know, there are some people you just find it easy to communicate with. Well, Vijay isn't one of those!"

Deepa's comments illustrate that communication can be a source of conflict.⁹ They represent the opposing forces that arise from semantic difficulties, misunderstandings, and "noise" in the communication channels. Much of this discussion can be related to our comments on communication in Chapter 11.

A review of the research suggests that differing word connotations, jargon, insufficient exchange of information, and noise in the communication channel are all barriers to communication and potential antecedent conditions to conflict. Research has further demonstrated a surprising finding: The potential for conflict increases when either too little or too much communication takes place. Apparently, an increase in communication is functional up to a point, whereupon it is possible to overcommunicate, with a resultant increase in the potential for conflict.

Structure Meera and Rubina both work at InStyle—a large discount furniture retailer. Meera is a salesperson on the floor, and Rubina is the company credit manager. The two women have known each other for years and have

human relations view of conflict The belief that conflict is a natural and inevitable outcome in any group.

interactionist view of conflict The belief that conflict is not only a positive force in a group but that it is also an absolute necessity for a group to perform effectively.

functional conflict Conflict that supports the goals of the group and improves its performance.

dysfunctional conflict Conflict that hinders group performance.

task conflict Conflict over content and goals of the work.

relationship conflict Conflict based on interpersonal relationships.

process conflict Conflict over how work gets done.

conflict process A process that has five stages: potential opposition or incompatibility, cognition and personalization, intentions, behavior, and outcomes.

much in common: They live within two blocks of each other, and their oldest daughters attend the same middle school and are best friends. In reality, if Meera and Rubina had different jobs, they might be best friends themselves, but these two women are consistently fighting battles with each other. Meera's job is to sell furniture, and she does a heck of a job. But most of her sales are made on credit. Because Rubina's job is to make sure the company minimizes credit losses, she regularly has to turn down the credit application of a customer with whom Meera has just closed a sale. It's nothing personal between Meera and Rubina; the requirements of their jobs just bring them into conflict.

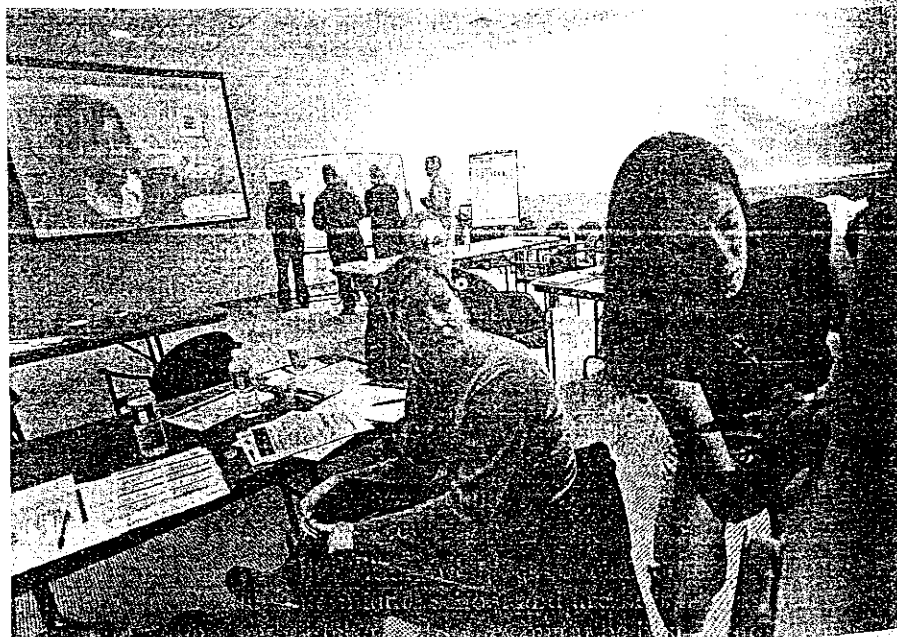
The conflicts between Meera and Rubina are structural in nature. The term *structure* is used, in this context, to include variables such as size, degree of specialization in the tasks assigned to group members, jurisdictional clarity, member-goal compatibility, leadership styles, reward systems, and the degree of dependence between groups.

Research indicates that size and specialization act as forces to stimulate conflict. The larger the group and the more specialized its activities, the greater the likelihood of conflict. Tenure and conflict have been found to be inversely related. The potential for conflict tends to be greatest when group members are younger and when turnover is high.

The greater the ambiguity in precisely defining where responsibility for actions lies, the greater the potential for conflict to emerge. Such jurisdictional ambiguities increase intergroup fighting for control of resources and territory. Diversity of goals among groups is also a major source of conflict. When groups within an organization seek diverse ends, some of which—like sales and credit at InStyle—are inherently at odds, there are increased opportunities for conflict. Reward systems, too, are found to create conflict when one member's gain is at another's expense. Finally, if a group is dependent on another group (in contrast to the two being mutually independent) or if interdependence allows one group to gain at another's expense, opposing forces are stimulated.¹⁰

Personal variables such as personality differences can be the source of conflict among coworkers.

To reduce conflict resulting from personality differences, Vertex Pharmaceuticals teaches employees how to identify other people's personality types and then how to communicate effectively with them. At Vertex, innovation is critical to the company's mission of developing drugs that treat life-threatening diseases. By training employees to work harmoniously in spite of personality differences, Vertex hopes to eliminate unproductive conflict that impedes innovation.



Personal Variables Have you ever met someone to whom you took an immediate disliking? You disagreed with most of the opinions they expressed. Even insignificant characteristics—the sound of their voice, the smirk when they smiled, their personality—annoyed you. We've all met people like that. When you have to work with such individuals, there is often the potential for conflict.

Our last category of potential sources of conflict is personal variables, which include personality, emotions, and values. Evidence indicates that certain personality types—for example, individuals who are highly authoritarian and dogmatic—lead to potential conflict. Emotions can also cause conflict. For example, an employee who shows up to work irate from her hectic morning commute may carry that anger with her to her 9 A.M. meeting. The problem? Her anger can annoy her colleagues, which may lead to a tension-filled meeting.¹¹

Stage II: Cognition and Personalization

If the conditions cited in Stage I negatively affect something that one party cares about, then the potential for opposition or incompatibility becomes actualized in the second stage.

As we noted in our definition of conflict, perception is required. Therefore, one or more of the parties must be aware of the existence of the antecedent conditions. However, because a conflict is **perceived conflict** does not mean that it is personalized. In other words, "A may be aware that B and A are in serious disagreement. . . but it may not make A tense or anxious, and it may have no effect whatsoever on A's affection toward B."¹² It is at the **felt conflict** level, when individuals become emotionally involved, that parties experience anxiety, tension, frustration, or hostility.

Keep in mind two points. First, Stage II is important because it's where conflict issues tend to be defined. This is the place in the process where the parties decide what the conflict is about.¹³ In turn, this "sense making" is critical because the way a conflict is defined goes a long way toward establishing the sort of outcomes that might settle it. For instance, if I define our salary disagreement as a zero-sum situation (that is, if you get the increase in pay you want, there will be just that amount less for me) I am going to be far less willing to compromise than if I frame the conflict as a potential win/win situation (that is, the dollars in the salary pool might be increased so that both of us could get the added pay we want). So the definition of a conflict is important because it typically delineates the set of possible settlements. Our second point is that emotions play a major role in shaping perceptions.¹⁴ For example, negative emotions have been found to produce oversimplification of issues, reductions in trust, and negative interpretations of the other party's behavior.¹⁵ In contrast, positive feelings have been found to increase the tendency to see potential relationships among the elements of a problem, to take a broader view of the situation, and to develop more innovative solutions.¹⁶

Stage III: Intentions

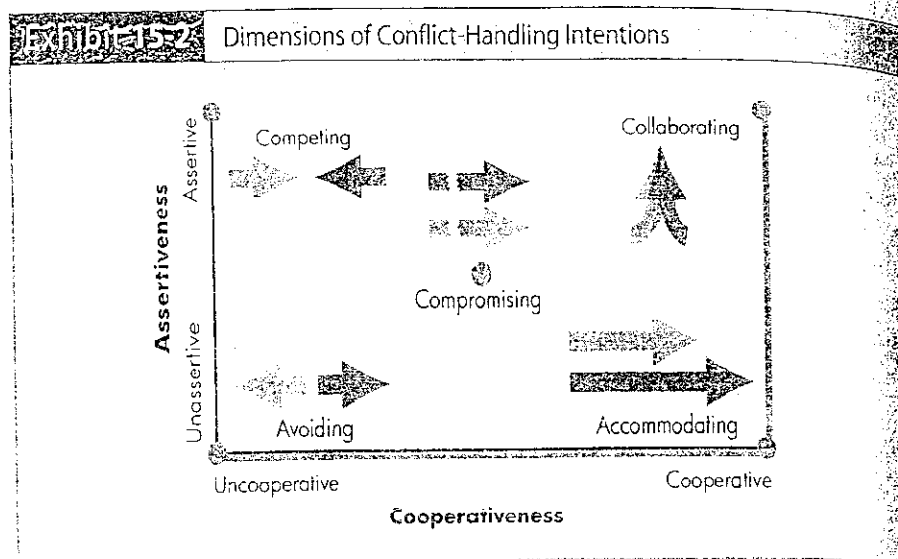
Intentions intervene between people's perceptions and emotions and their overt behavior. These intentions are decisions to act in a given way.¹⁷

Intentions are separated out as a distinct stage because you have to infer the other's intent to know how to respond to that other's behavior. A lot of conflicts

perceived conflict Awareness by one or more parties of the existence of conditions that create opportunities for conflict to arise.

felt conflict Emotional involvement in a conflict that creates anxiety, tenseness, frustration, or hostility.

intentions Decisions to act in a given way.



Source: K. Thomas, "Conflict and Negotiation Processes in Organizations," in M. D. Dunnette and L. M. Hough (eds.), *Handbook of Industrial and Organizational Psychology*, 2nd ed., vol. 3 (Palo Alto, CA: Consulting Psychologists Press, 1992), p. 668. Used with permission.

are escalated merely by one party attributing the wrong intentions to the other party. In addition, there is typically a great deal of slippage between intentions and behavior, so behavior does not always accurately reflect a person's intentions.

Exhibit 15-2 represents one author's effort to identify the primary conflict-handling intentions. Using two dimensions—*cooperativeness* (the degree to which one party attempts to satisfy the other party's concerns) and *assertiveness* (the degree to which one party attempts to satisfy his or her own concerns)—five conflict-handling intentions can be identified: *competing* (assertive and uncooperative), *collaborating* (assertive and cooperative), *avoiding* (unassertive and uncooperative), *accommodating* (unassertive and cooperative), and *compromising* (midrange on both assertiveness and cooperativeness).¹⁸

Competing When one person seeks to satisfy his or her own interests, regardless of the impact on the other parties to the conflict, that person is **competing**. Competing is when you, for example, win a bet and your opponent loses.

Collaborating When the parties to conflict each desire to fully satisfy the concerns of all parties, there is cooperation and a search for a mutually beneficial outcome. In **collaborating**, the intention of the parties is to solve a problem by clarifying differences rather than by accommodating various points of view. If you attempt to find a win/win solution that allows both parties' goals to be completely achieved, that's collaborating.

Avoiding A person may recognize that a conflict exists and want to withdraw from it or suppress it. Examples of **avoiding** include trying to just ignore a conflict and avoiding others with whom you disagree.

Accommodating When one party seeks to appease an opponent, that party may be willing to place the opponent's interests above his or her own. In other words, in order for the relationship to be maintained, one party needs to be willing to be self-sacrificing. We refer to this intention as **accommodating**. Supporting someone else's opinion despite your reservations about it, for example, would represent accommodating.

Compromising When each party to a conflict seeks to give up something, sharing occurs, resulting in a compromised outcome. In **compromising**, there is no clear winner or loser. Rather, there is a willingness to ration the object of the

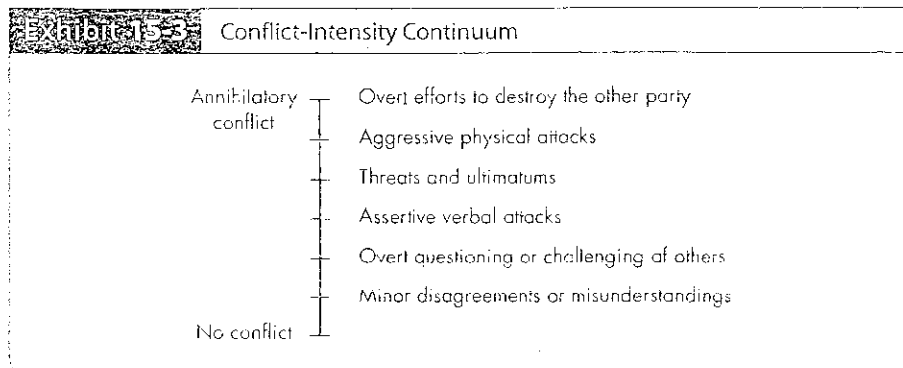
conflict and accept a solution that provides incomplete satisfaction of both parties' concerns. The distinguishing characteristic of compromising, therefore, is that each party intends to give up something.

Intentions are not always fixed. During the course of a conflict, they might change because of reconceptualization or because of an emotional reaction to the behavior of the other party. However, research indicates that people have an underlying disposition to handle conflicts in certain ways.¹⁹ Specifically, individuals have preferences among the five conflict-handling intentions just described; these preferences tend to be relied on quite consistently, and a person's intentions can be predicted rather well from a combination of intellectual and personality characteristics.

Stage IV: Behavior

When most people think of conflict situations, they tend to focus on Stage IV because this is where conflicts become visible. The behavior stage includes the statements, actions, and reactions made by the conflicting parties. These conflict behaviors are usually overt attempts to implement each party's intentions. But these behaviors have a stimulus quality that is separate from intentions. As a result of miscalculations or unskilled enactments, overt behaviors sometimes deviate from original intentions.²⁰

It helps to think of Stage IV as a dynamic process of interaction. For example, you make a demand on me, I respond by arguing, you threaten me, I threaten you back, and so on. Exhibit 15-3 provides a way of visualizing conflict behavior. All conflicts exist somewhere along this continuum. At the lower part of the continuum are conflicts characterized by subtle, indirect, and highly controlled forms of tension. An illustration might be a student questioning in class a point the instructor has just made. Conflict intensities escalate as they move upward along the continuum until they become highly destructive. Strikes, riots, and wars clearly fall in this upper range. For the most part, you should assume that conflicts that reach the upper ranges of the continuum are almost



Source: Based on S. P. Robbins, *Managing Organizational Conflict: A Nontraditional Approach* (Upper Saddle River, NJ: Prentice Hall, 1974), pp. 93-97; and F. Glasziou, "The Process of Conflict Escalation and the Roles of Third Parties," in G. B. J. Bomers and R. Peterson (eds.), *Conflict Management and Industrial Relations* (Boston: Kluwer-Nijhoff, 1982), pp. 119-140.

competing A desire to satisfy one's interests, regardless of the impact on the other party to the conflict.

collaborating A situation in which the parties to a conflict each desire to satisfy fully the concerns of all parties.

avoiding The desire to withdraw from or suppress a conflict.

accommodating The willingness of one party in a conflict to place the opponent's interests above his or her own.

compromising A situation in which each party to a conflict is willing to give up something.

Exhibit 15-4 Conflict-Management Techniques	
Conflict-Resolution Techniques	
<i>Problem solving</i>	Face-to-face meeting of the conflicting parties for the purpose of identifying the problem and resolving it through open discussion.
<i>Superordinate goals</i>	Creating a shared goal that cannot be attained without the cooperation of each of the conflicting parties.
<i>Expansion of resources</i>	When a conflict is caused by the scarcity of a resource—say, money, promotion, opportunities, office space—expansion of the resource can create a win/win solution.
<i>Avoidance</i>	Withdrawal from or suppression of the conflict.
<i>Smoothing</i>	Playing down differences while emphasizing common interests between the conflicting parties.
<i>Compromise</i>	Each party to the conflict gives up something of value.
<i>Authoritative command</i>	Management uses its formal authority to resolve the conflict and then communicates its desires to the parties involved.
<i>Altering the human variable</i>	Using behavioral change techniques such as human relations training to alter attitudes and behaviors that cause conflict.
<i>Altering the structural variables</i>	Changing the formal organization structure and the interaction patterns of conflicting parties through job redesign, transfers, creation of coordinating positions, and the like.
Conflict-Stimulation Techniques	
<i>Communication</i>	Using ambiguous or threatening messages to increase conflict levels.
<i>Bringing in outsiders</i>	Adding employees to a group whose backgrounds, values, attitudes, or managerial styles differ from those of present members.
<i>Restructuring the organization</i>	Realigning work groups, altering rules and regulations, increasing interdependence, and making similar structural changes to disrupt the status quo.
<i>Appointing a devil's advocate</i>	Designating a critic to purposely argue against the majority positions held by the group.

Source: Based on S. P. Robbins, *Managing Organizational Conflict: A Nontraditional Approach* (Upper Saddle River, NJ: Prentice Hall, 1974), pp. 59–89.

always dysfunctional. Functional conflicts are typically confined to the lower range of the continuum.

If a conflict is dysfunctional, what can the parties do to de-escalate it? Or, conversely, what options exist if conflict is too low and needs to be increased? This brings us to **conflict-management** techniques. Exhibit 15-4 lists the major resolution and stimulation techniques that allow managers to control conflict levels. Note that several of the resolution techniques were described earlier as conflict-handling intentions. This, of course, shouldn't be surprising. Under ideal conditions, a person's intentions should translate into comparable behaviors.

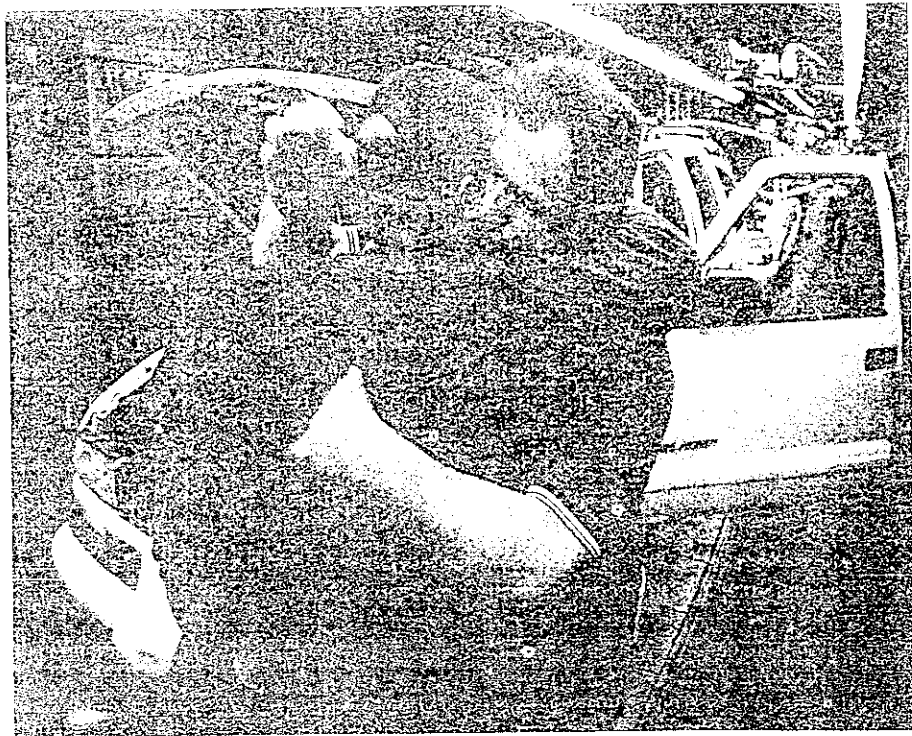
Stage V: Outcomes

The action–reaction interplay between the conflicting parties results in consequences. As our model (see Exhibit 15-1) demonstrates, these outcomes may be functional in that the conflict results in an improvement in the group's performance or dysfunctional in that it hinders group performance.

Functional Outcomes How might conflict act as a force to increase group performance? It is hard to visualize a situation in which open or violent aggression could be functional. But there are a number of instances in which it's possible to envision how low or moderate levels of conflict could improve the effectiveness of a group. Because people often find it difficult to think of instances in which conflict can be constructive, let's consider some examples and then review the research evidence. Note how all these examples focus on task and process conflicts and exclude the relationship variety.

Conflict is constructive when it improves the quality of decisions, stimulates creativity and innovation, encourages interest and curiosity among group

A lack of functional conflict among General Motors management in past decades resulted in concessions to union demands for generous health benefits and pensions. Today, burdened by health costs that GM provides to more than 1 million employees, retirees, and dependents, the automaker is eliminating jobs and closing assembly plants as part of a cost-cutting strategy. The two employees shown here embrace as the last automobile rolls off the assembly line at GM's plant in Linden, New Jersey, which GM closed after 68 years of operation.



members, provides the medium through which problems can be aired and tensions released, and fosters an environment of self-evaluation and change. The evidence suggests that conflict can improve the quality of decision making by allowing all points, particularly the ones that are unusual or held by a minority, to be weighed in important decisions.²¹ Conflict is an antidote for groupthink. It doesn't allow the group to passively "rubber-stamp" decisions that may be based on weak assumptions, inadequate consideration of relevant alternatives, or other debilities. Conflict challenges the status quo and therefore furthers the creation of new ideas, promotes reassessment of group goals and activities, and increases the probability that the group will respond to change.

For an example of a company that suffered because it had too little functional conflict, you don't have to look further than automobile behemoth General Motors.²² Many of GM's problems, from the late 1960s to the present day, can be traced to a lack of functional conflict. GM hired and promoted individuals who were yespeople, loyal to GM to the point of never questioning company actions. Many, like investor Kirk Kekorian, fault GM management's conflict aversion for its acceding to the UAW's demands for generous health care and pension benefits. (GM's labor costs average \$73.26 per hour, which is much higher than for its Japanese competitors.) In fairness to GM, Chrysler and Ford also approved similar benefits, but they've struggled mightily as well.

Conflict aversion is not limited to the automakers. Yahoo!'s former CEO Tim Koogle was so conflict averse that a sense of complacency settled in that left managers afraid to challenge the status quo. Even though Yahoo! started out much more successful than Google, it was soon overtaken, and most now believe it will never catch up.

Research studies in diverse settings confirm the functionality of conflict. Consider the following findings. Conflict can also positively relate to productivity.

conflict management The use of resolution and stimulation techniques to achieve the desired level of conflict.

For instance, it was demonstrated that, among established groups, performance tended to improve more when there was conflict among members than when there was fairly close agreement. The investigators observed that when groups analyzed decisions that had been made by the individual members of that group, the average improvement among the high-conflict groups was 73 percent greater than that of those groups characterized by low-conflict conditions.²³ Others have found similar results: Groups composed of members with different interests tend to produce higher-quality solutions to a variety of problems than do homogeneous groups.²⁴

The preceding leads us to predict that the increasing cultural diversity of the workforce should provide benefits to organizations. And that's what the evidence indicates. Research demonstrates that heterogeneity among group and organization members can increase creativity, improve the quality of decisions, and facilitate change by enhancing member flexibility.²⁵ For example, researchers compared decision-making groups composed of all-Caucasian individuals with groups that also contained members from Asian, Hispanic, and black ethnic groups. The ethnically diverse groups produced more effective and more feasible ideas and the unique ideas they generated tended to be of higher quality than the unique ideas produced by the all-Caucasian group.

Dysfunctional Outcomes The destructive consequences of conflict on a group's or an organization's performance are generally well known. A reasonable summary might state: Uncontrolled opposition breeds discontent, which acts to dissolve common ties and eventually leads to the destruction of the group. And, of course, there is a substantial body of literature to document how conflict—the dysfunctional varieties—can reduce group effectiveness.²⁶ Among the more undesirable consequences are a retarding of communication, reductions in group cohesiveness, and subordination of group goals to the primacy of infighting among members. At the extreme, conflict can bring group functioning to a halt and potentially threaten the group's survival.

The demise of an organization as a result of too much conflict isn't as unusual as it might first appear. For instance, one of New York's best-known law firms, Shea & Gould, closed down solely because the 80 partners just couldn't get along.²⁷ As one legal consultant familiar with the organization said: "This was a firm that had basic and principled differences among the partners that were basically irreconcilable." That same consultant also addressed the partners at their last meeting: "You don't have an economic problem," he said. "You have a personality problem. You hate each other!"

Creating Functional Conflict If managers accept the interactionist view toward conflict, what can they do to encourage functional conflict in their organizations?²⁸

There seems to be general agreement that creating functional conflict is a tough job, particularly in large U.S. corporations. As one consultant put it: "A high proportion of people who get to the top are conflict avoiders. They don't like hearing negatives; they don't like saying or thinking negative things. They frequently make it up the ladder in part because they don't irritate people on the way up." Another suggests that at least 7 out of 10 people in U.S. business hush up when their opinions are at odds with those of their superiors, allowing bosses to make mistakes even when they know better.

Such anticonflict cultures may have been tolerable in the past but are not in today's fiercely competitive global economy. Organizations that don't encourage and support dissent may find their survival threatened. Let's look at some approaches organizations are using to encourage their people to challenge the system and develop fresh ideas.

Hewlett-Packard rewards dissenters by recognizing go-against-the-grain types, or people who stay with the ideas they believe in even when those ideas are rejected by management. Herman Miller Inc., an office furniture manufacturer, has a formal system in which employees evaluate and criticize their bosses. IBM also has a formal system that encourages dissension. Employees can question their boss with impunity. If the disagreement can't be resolved, the system provides a third party for counsel. Anheuser-Busch builds devil's advocates into the decision process. When the policy committee considers a major move, such as getting into or out of a business or making a major capital expenditure, it often assigns teams to make the case for each side of the question. This process frequently results in decisions and alternatives that hadn't been considered previously.

One common ingredient in organizations that successfully create functional conflict is that they reward dissent and punish conflict avoiders. The real challenge for managers, however, is when they hear news they don't want to hear. The news may make their blood boil or their hopes collapse, but they can't show it. They have to learn to take the bad news without flinching. No tirades, no tight-lipped sarcasm, no eyes rolling upward, no gritting of teeth. Rather, managers should ask calm, even-tempered questions: "Can you tell me more about what happened?" "What do you think we ought to do?" A sincere "Thank you for bringing this to my attention" will probably reduce the likelihood that managers will be cut off from similar communications in the future.

Having considered conflict—its nature, causes, and consequences—we now turn to negotiation. Negotiation and conflict are closely related because negotiation often resolves conflict.

Negotiation



Define negotiation.

Negotiation permeates the interactions of almost everyone in groups and organizations. There's the obvious: Labor bargains with management. There's the not-so-obvious: Managers negotiate with employees, peers, and bosses; salespeople negotiate with customers; purchasing agents negotiate with suppliers. And there's the subtle: An employee agrees to answer a colleague's phone for a few minutes in exchange for some past or future benefit. In today's loosely structured organizations, in which members are increasingly finding themselves having to work with colleagues over whom they have no direct authority and with whom they may not even share a common boss, negotiation skills become critical.

We can define **negotiation** as a process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them.²⁹ Note that we use the terms *negotiation* and *bargaining* interchangeably. In this section, we contrast two bargaining strategies, provide a model of the negotiation process, ascertain the role of moods and personality traits on bargaining, review gender and cultural differences in negotiation, and take a brief look at third-party negotiations.

negotiation A process in which two or more parties exchange goods or services and attempt to agree on the exchange rate for them.

Exhibit 15-5 Distributive Versus Integrative Bargaining

Bargaining Characteristic	Distributive Bargaining	Integrative Bargaining
Goal	Get as much of the pie as possible	Expand the pie so that both parties are satisfied
Motivation	Win/lose	Win/win
Focus	Positions ("I can't go beyond this point on this issue.")	Interests ("Can you explain why this issue is so important to you?")
Interests	Opposed	Congruent
Information sharing	Low (sharing information will only allow other party to take advantage)	High (sharing information will allow each party to find ways to satisfy interests of each party)
Duration of relationship	Short term	Long term

Bargaining Strategies

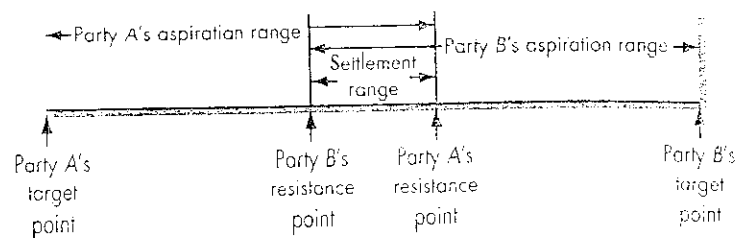
5 Contrast distributive and integrative bargaining.

There are two general approaches to negotiation—*distributive bargaining* and *integrative bargaining*.³⁰ As Exhibit 15-5 shows, distributive and integrative bargaining differ in their goal and motivation, focus, interests, information sharing, and duration of relationship. We now define distributive and integrative bargaining and illustrate the differences between these two approaches.

Distributive Bargaining You see a used car advertised for sale in the newspaper. It appears to be just what you've been looking for. You go out to see the car. It's great, and you want it. The owner tells you the asking price. You don't want to pay that much. The two of you then negotiate over the price. The negotiating strategy you're engaging in is called **distributive bargaining**. Its most identifying feature is that it operates under zero-sum conditions. That is, any gain I make is at your expense and vice versa. In the used-car example, every dollar you can get the seller to cut from the car's price is a dollar you save. Conversely, every dollar more the seller can get from you comes at your expense. So the essence of distributive bargaining is negotiating over who gets what share of a fixed pie. By **fixed pie**, we mean that the bargaining parties believe there is only a set amount of goods or services to be divvied up. Therefore, fixed pies are zero-sum games in that every dollar in one party's pocket is a dollar out of their counterpart's pocket. When parties believe the pie is fixed, they tend to bargain distributively.

Probably the most widely cited example of distributive bargaining is in labor-management negotiations over wages. Typically, labor's representatives come to the bargaining table determined to get as much money as possible out of management. Because every cent more that labor negotiates increases management's costs, each party bargains aggressively and treats the other as an opponent who must be defeated.

The essence of distributive bargaining is depicted in Exhibit 15-6. Parties A and B represent two negotiators. Each has a *target point* that defines what he or she would like to achieve. Each also has a *resistance point*, which marks the lowest outcome that is acceptable—the point below which they would break off negotiations rather than accept a less-favorable settlement. The area between these two points makes up each one's aspiration range. As long as there is some overlap between A's and B's aspiration ranges, there exists a settlement range in which each one's aspirations can be met.

Exhibit 15-6 Staking Out the Bargaining Zone

When engaged in distributive bargaining, one of the best things you can do is to make the first offer, and to make it an aggressive one. Research consistently shows that the best negotiators are those who make the first offer, and whose initial offer has very favorable terms. Why is this so? One reason is that making the first offer shows power; research shows that individuals in power are much more likely to make initial offers, speak first at meetings, and thereby gain the advantage. Another reason was mentioned in Chapter 5. Recall that we discussed the anchoring bias, which is the tendency for people to fixate on initial information. Once that anchoring point is set, people fail to adequately adjust it based on subsequent information. A savvy negotiator sets an anchor with the initial offer, and scores of negotiation studies show that such anchors greatly favor the person who sets it.³¹

For example, say you have a job offer, and your prospective employer asks you what sort of starting salary you'd be looking for. You need to realize that you've just been given a great gift—you have a chance to set the anchor, meaning that you should ask for the highest salary that you think the employer could reasonably offer. For most of us, asking for a million dollars is only going to make us look ridiculous, which is why we suggest being on the high end of what you think is reasonable. Too often, we err on the side of caution, being afraid of scaring off the employer and thus settling for too little. It is possible to scare off an employer, and it's true that employers don't like candidates to be assertive in salary negotiations, but liking isn't the same as respect or doing what it takes to hire or retain someone.³² You should realize that what happens much more often is that we ask for less than what we could have gotten.

Another distributive bargaining tactic is revealing a deadline. Consider the following example. Sandhya is a human resources manager. She is negotiating salary with Anuj, who is a highly sought after new hire. Because Anuj knows the company needs him, he decides to play hardball and ask for an extraordinary salary and many benefits. Sandhya tells Anuj that the company can't meet his requirements. Anuj tells Sandhya he is going to have to think things over. Worried the company is going to lose Anuj to a competitor, Sandhya decides to tell Anuj that she is under time pressure and that she needs to reach an agreement with him immediately, or she will have to offer the job to another candidate. Would you consider Sandhya to be a savvy negotiator? Well, she is. Why? Negotiators who reveal deadlines speed concessions from their negotiating counterparts, making them reconsider their position. And even though negotiators don't *think* this tactic works, in reality, negotiators who reveal deadlines do better.³³

distributive bargaining Negotiation that seeks to divide up a fixed amount of resources, a win/lose situation.

fixed pie The belief that there is only a set amount of goods or services to be divvied up between the parties.

MYTH OR SCIENCE?

*"When Selling in an Auction,
Start the Bidding High"*

this statement is false. That might surprise you, given that we just reviewed evidence on anchoring bias, which would seem to suggest that if I'm selling something in an auction, I should set the initial bid as high as possible. Research shows that, while this generally is true, for auctions, this would be a mistake. In fact, the opposite strategy is better.

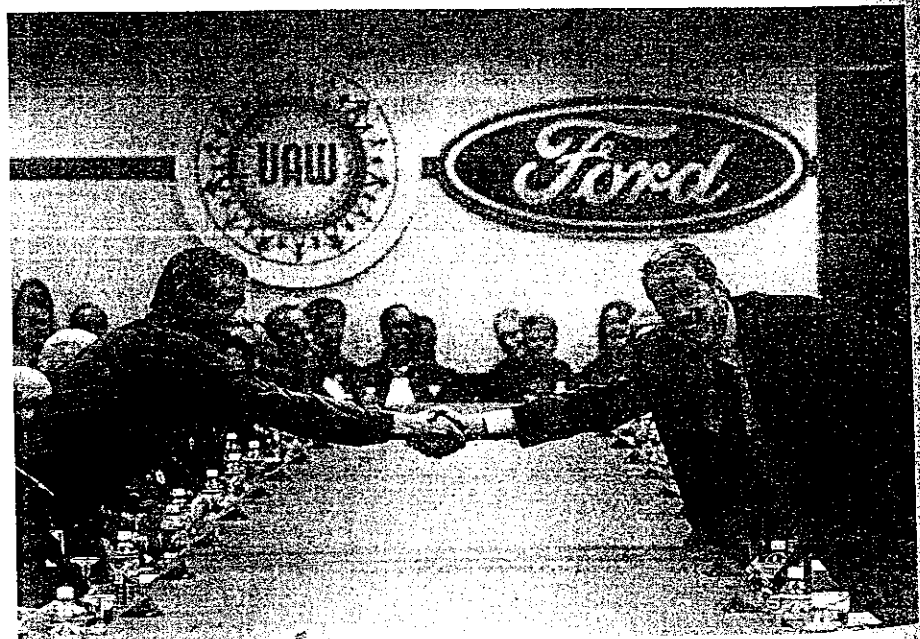
Analyzing auction results on eBay, a group of researchers found that *lower* starting bids generated higher final prices. As just one example, Nikon digital cameras with ridiculously low starting bids (one penny) sold for an average of \$312,

whereas those with higher starting prices went for an average of \$204.³⁴

What explains such a counterintuitive result? The researchers found that low starting bids attract more bidders, and the increased traffic generates more competing bidders so that in the end, the price is higher. Although this may seem irrational, negotiation and bidding behavior aren't always rational, and as you've probably experienced firsthand, once you start bidding for something, you want to "win," forgetting that for many auctions, the one with the highest bid is often the loser (the so-called winner's curse). ■

Integrative Bargaining A sales representative for a women's sportswear manufacturer has just closed an INR 1.5 million order from a small clothing retailer. The sales representative calls in the order to her firm's credit department. She is told that the firm can't approve credit to this customer because of a past slow payment record. The next day, the sales rep and the firm's credit manager meet to discuss the problem. The sales representative doesn't want to lose the business. Neither does the credit manager, but he also doesn't want to get stuck with an uncollectible debt. The two openly review their options. After considerable discussion, they agree on a solution that meets both their needs: The credit manager will approve the sale, but the clothing store's owner will provide a bank guarantee that will ensure payment if the bill isn't paid within 60 days.

United Auto Workers President Ron Gettelfinger (left) shakes hands with Ford Motor Company Executive Chairman Bill Ford at the opening of negotiations for a new union contract. Both the union and Ford say they are committed to integrative bargaining in finding mutually acceptable solutions to issues such as funding retiree health care and pensions that will boost Ford's competitiveness with Japanese automakers.



This sales-credit negotiation is an example of **integrative bargaining**. In contrast to distributive bargaining, integrative bargaining operates under the assumption that there are one or more settlements that can create a win/win solution.

In terms of intraorganizational behavior, all things being equal, integrative bargaining is preferable to distributive bargaining. Why? Because the former builds long-term relationships. It bonds negotiators and allows them to leave the bargaining table feeling that they have achieved a victory. Distributive bargaining, however, leaves one party a loser. It tends to build animosities and deepen divisions when people have to work together on an ongoing basis. Research shows that over repeated bargaining episodes, when the "losing" party feels positive about the negotiation outcome, he is much more likely to bargain cooperatively in subsequent negotiations. This points to the important advantage of integrative negotiations: Even when you "win," you want your opponent to feel positively about the negotiation.³⁵

Why, then, don't we see more integrative bargaining in organizations? The answer lies in the conditions necessary for this type of negotiation to succeed. These include parties who are open with information and candid about their concerns, a sensitivity by both parties to the other's needs, the ability to trust one another, and a willingness by both parties to maintain flexibility.³⁶ Because these conditions often don't exist in organizations, it isn't surprising that negotiations often take on a win-at-any-cost dynamic.

There are some ways to achieve more integrative outcomes. For example, individuals who bargain in teams reach more integrative agreements than those who bargain individually. This happens because more ideas are generated when more people are at the bargaining table. So try bargaining in teams.³⁷ Another way to achieve higher joint-gain settlements is to put more issues on the table. The more negotiable issues that are introduced into a negotiation, the more opportunity there is for "logrolling" where issues are traded because of differences in preferences. This creates better outcomes for each side than if each issue were negotiated individually.³⁸

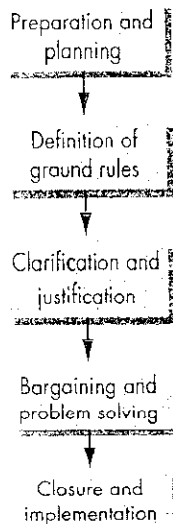
Finally, you should realize that compromise may be your worst enemy in negotiating a win/win agreement. This is because compromising reduces the pressure to bargain integratively. After all, if you or your opponent caves in easily, it doesn't require anyone to be creative to reach a settlement. Thus, people end up settling for less than they could have obtained if they had been forced to consider the other party's interests, trade off issues, and be creative.³⁹ Think of the classic example where two sisters are arguing over who gets an orange. Unbeknownst to each other, one sister wants the orange to drink the juice, whereas the other sister wants the orange peel to bake a cake. If one sister simply capitulates and gives the other sister the orange, then they will not be forced to explore their reasons for wanting the orange, and thus they will never find the win/win solution: They could *each* have the orange because they want different parts of it!

The Negotiation Process

6 Apply the five steps of the negotiation process.

Exhibit 15-7 provides a simplified model of the negotiation process. It views negotiation as made up of five steps: (1) preparation and planning, (2) definition of ground rules, (3) clarification and justification, (4) bargaining and problem solving, and (5) closure and implementation.⁴⁰

integrative bargaining Negotiation that seeks one or more settlements that can create a win/win solution.

Exhibit 15-7**The Negotiation**

Preparation and Planning Before you start negotiating, you need to do your homework. What's the nature of the conflict? What's the history leading up to this negotiation? Who's involved and what are their perceptions of the conflict? What do you want from the negotiation? What are *your* goals? If you're a supply manager at Dell Computer, for instance, and your goal is to get a significant cost reduction from your supplier of keyboards, make sure that this goal stays paramount in your discussions and doesn't get overshadowed by other issues. It often helps to put your goals in writing and develop a range of outcomes—from "most hopeful" to "minimally acceptable"—to keep your attention focused.

You also want to prepare an assessment of what you think the other party's goals are. What are they likely to ask for? How entrenched are they likely to be in their position? What intangible or hidden interests may be important to them? What might they be willing to settle on? When you can anticipate your opponent's position, you are better equipped to counter arguments with the facts and figures that support your position.

Once you've gathered your information, use it to develop a strategy. For example, expert chess players have a strategy. They know ahead of time how they will respond to any given situation. As part of your strategy, you should determine yours and the other side's *best alternative to a negotiated agreement* (BATNA).⁴¹ Your BATNA determines the lowest value acceptable to you for a negotiated agreement. Any offer you receive that is higher than your BATNA is better than an impasse. Conversely, you shouldn't expect success in your negotiation effort unless you're able to make the other side an offer they find more attractive than their BATNA. If you go into your negotiation having a good idea of what the other party's BATNA is, even if you're not able to meet theirs, you might be able to get them to change it.

Definition of Ground Rules Once you've done your planning and developed a strategy, you're ready to begin defining the ground rules and procedures with the other party over the negotiation itself. Who will do the negotiating? Where will it take place? What time constraints, if any, will apply? To what issues will negotiation be limited? Will there be a specific procedure to follow if an impasse is reached? During this phase, the parties will also exchange their initial proposals or demands.

Clarification and Justification When initial positions have been exchanged, both you and the other party will explain, amplify, clarify, bolster, and justify your original demands. This needn't be confrontational. Rather, it's an opportunity for educating and informing each other on the issues, why they are important, and how each arrived at their initial demands. This is the point at which you might want to provide the other party with any documentation that helps support your position.

Bargaining and Problem Solving The essence of the negotiation process is the actual give-and-take in trying to hash out an agreement. This is where both parties will undoubtedly need to make concessions.

Closure and Implementation The final step in the negotiation process is formalizing the agreement that has been worked out and developing any procedures that are necessary for implementation and monitoring. For major negotiations—which would include everything from labor-management negotiations to bargaining over lease terms to buying a piece of real estate to negotiating a job offer for a senior management position—this requires hammering out the specifics in a formal contract. For most cases, however, closure of the negotiation process is nothing more formal than a handshake.

Individual Differences in Negotiation Effectiveness

7 Show how individual differences influence negotiations.

Are some people better negotiators than others? Though the answer to this question might seem obvious, as it turns out the answers are more complex than you might think. Here we discuss three factors that influence how effectively individuals negotiate: personality, mood/emotions, and gender.

Personality Traits in Negotiation Can you predict an opponent's negotiating tactics if you know something about his or her personality? It's tempting to answer "yes" to this question. For instance, you might assume that high-risk takers would be more aggressive bargainers who make fewer concessions. Surprisingly, the evidence hasn't always supported this intuition.⁴²

Assessments of the personality–negotiation relationship have been that personality traits have no significant direct effect on either the bargaining process or the negotiation outcomes. However, recent research has started to question the theory that personality and the negotiation process aren't connected. In fact, it appears that several of the Big Five traits are related to negotiation outcomes. For example, negotiators who are agreeable or extraverted are not very successful when it comes to distributive bargaining. Why? Because extraverts are outgoing and friendly, they tend to share more information than they should. And agreeable people are more interested in finding ways to cooperate rather than butt heads. These traits, while slightly helpful in integrative negotiations, are liabilities when interests are opposed. So the best distributive bargainer appears to be a disagreeable introvert—that is, someone who is interested in his own outcomes versus pleasing the other party and having a pleasant social exchange. Research also suggests that intelligence predicts negotiation effectiveness, but, as with personality, the effects aren't especially strong.⁴³

Though personality and intelligence do appear to have some influence on negotiation, it's not a strong effect. In a sense, that's good news because it means even if you're an agreeable extrovert, you're not severely disadvantaged when it comes time to negotiate. We all can learn to be better negotiators.

Moods/Emotions in Negotiation Do moods and emotions influence negotiation? They do, but the way they do appears to depend on the type of negotiation. In distributive negotiations, it appears that negotiators who show anger negotiate better outcomes, because their anger induces concessions from their opponents. This appears to hold true even when the negotiators are instructed to show anger despite not being truly angry.

In integrative negotiations, in contrast, positive moods and emotions appear to lead to more integrative agreements (higher levels of joint gain). This may happen because, as we noted in Chapter 5, positive mood is related to creativity.⁴⁴

Gender Differences in Negotiations Do men and women negotiate differently? And does gender affect negotiation outcomes? The answer to the first question appears to be no.⁴⁵ The answer to the second is a qualified yes.⁴⁶

A popular stereotype is that women are more cooperative and pleasant in negotiations than are men. The evidence doesn't support this belief. However, men have been found to negotiate better outcomes than women, although the

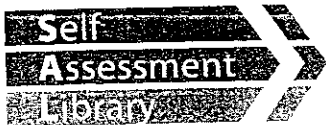
BATNA The best alternative to a negotiated agreement; the least the individual should accept.

Respected for her intelligence, confident negotiating skills, and successful outcomes, Christine Lagarde was appointed by French President Nicholas Sarkozy to the powerful position of minister for the economy, finance, and employment. As the first female finance minister of a G-8 nation, Lagarde brings to her new post experience as the trade minister of France, where she used her negotiating skills in boosting French exports by 10 percent. Before that, Lagarde was a noted labor and antitrust lawyer for the global law firm Baker & McKenzie. Among her tasks, Lagarde must negotiate with France's trade unions to change the country's labor laws, including raising the 35-hour workweek, to help boost the nation's sluggish economy.



difference is relatively small. It's been postulated that this difference might be due to men and women placing divergent values on outcomes. "It is possible that a few hundred dollars more in salary or the corner office is less important to women than forming and maintaining an interpersonal relationship."⁴⁷

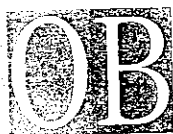
The belief that women are "nicer" than men in negotiations is probably due to a confusion between gender and the lower degree of power women typically hold in most large organizations. Because women are expected to be "nice" and men "tough," research shows that, relative to men, women are penalized when they initiate negotiations.⁴⁸ What's more, when women and men actually do conform to these stereotypes—women act "nice" and men "tough"—it becomes a self-fulfilling prophecy, reinforcing the stereotypical gender differences between male and female negotiators.⁴⁹ Thus, one of the reasons why negotiations favor men is that women are "damned if they do, damned if they don't. Negotiate tough and they are penalized for violating a gender stereotype. Negotiate nice and it only reinforces the stereotype (and is taken advantage of).



WHAT'S MY NEGOTIATING STYLE?

In the Self-Assessment Library (available online), take assessment II.C.6 (What's My Negotiating Style?).

In addition to the other party's attitudes and behaviors, the evidence also suggests that women's own attitudes and behaviors hurt them in negotiations. Managerial women demonstrate less confidence in anticipation of negotiating and are less satisfied with their performance after the process is complete, even when their performance and the outcomes they achieve are similar to those for men.⁵⁰ This latter conclusion suggests that women may unduly penalize themselves by failing to engage in negotiations when such action would be in their best interests.



Negotiating Across Cultures

Obtaining a favorable outcome in a negotiation may in part depend on the cultural characteristics of your opponent. A study of negotiators in the United States, China, and Japan found that culture plays an important role in successful negotiation. The study found that, overall, negotiators who had both a self-serving "egoistic" orientation and a high goal level fared the best overall compared with negotiators with an other-serving "prosocial" orientation and low goal level. In other words, the strategy combining a self-serving negotiation position, where one is focused only on maximizing one's

own outcomes, coupled with a strong desire to obtain the best outcomes, led to the most favorable negotiation results.

However, the degree to which this particular strategy resulted in better outcomes depended on the negotiating partner. The results showed that being self-serving and having a high negotiation goal level resulted in higher outcomes (in this case, profits) only when the negotiating opponent was other-serving. Negotiators from the United States are more likely to be self-serving and have high goal levels. In China and Japan, however, there is a greater likelihood that negotiators are other-serving and thus are more concerned with others' outcomes. Consequently, negotiators from the United States are likely to obtain better outcomes for themselves when negotiating with individuals

from China and Japan because American negotiators tend to be more concerned with their own outcomes, sometimes at the expense of the other party.

Though this study suggests that being self-serving can be beneficial in some situations, negotiators should be wary of being too self-serving. U.S. negotiators may benefit from a self-serving negotiation position and a high goal level when negotiating with individuals from China or Japan, but being too self-serving may result in damaged relationships, leading to less favorable outcomes in the long run.

Source: Based on Y. Chen, E. A. Mannix, and T. Okumura, "The Importance of Who You Meet: Effects of Self- Versus Other- Concerns Among Negotiators in the United States, the People's Republic of China, and Japan," *Journal of Experimental Social Psychology*, January, 2003, pp. 1-15.

Third-Party Negotiations



Assess the roles and functions of third-party negotiations.

To this point, we've discussed bargaining in terms of direct negotiations. Occasionally, however, individuals or group representatives reach a stalemate and are unable to resolve their differences through direct negotiations. In such cases, they may turn to a third party to help them find a solution. There are four basic third-party roles: mediator, arbitrator, conciliator, and consultant.⁵¹

A **mediator** is a neutral third party who facilitates a negotiated solution by using reasoning and persuasion, suggesting alternatives, and the like. Mediators are widely used in labor-management negotiations and in civil court disputes. The overall effectiveness of mediated negotiations is fairly impressive. The settlement rate is approximately 60 percent, with negotiator satisfaction at about 75 percent. But the situation is the key to whether or not mediation will succeed; the conflicting parties must be motivated to bargain and resolve their conflict. In addition, conflict intensity can't be too high; mediation is most effective under moderate levels of conflict. Finally, perceptions of the mediator are important; to be effective, the mediator must be perceived as neutral and noncoercive.

An **arbitrator** is a third party with the authority to dictate an agreement. Arbitration can be voluntary (requested by the parties) or compulsory (forced on the parties by law or contract). The big plus of arbitration over mediation is

mediator A neutral third party who facilitates a negotiated solution by using reasoning, persuasion, and suggestions for alternatives.

arbitrator A third party to a negotiation who has the authority to dictate an agreement.

OB In the News

"Marriage Counseling" for the Top Bosses

That the two top executives of a company conflicted with one another is no surprise. What's surprising is what they did about it.

When Watermark, a struggling maker of kayaks and car racks, brought in a new executive team, the top two executives came from very different backgrounds. CEO Jim Clark, 43, was an avid hunter and outdoorsman. COO Thomas Fumarelli, 50, was an urbane professional used to high finance in New York and Paris. Because the organization was struggling, with anxious employees who

were playing them off one another, the two executives knew their differences were likely to overwhelm them. So they headed off personality conflicts at the pass with 2½ years of joint executive-coaching sessions.

Although such joint coaching sessions are highly unusual, both Clark and Fumarelli (it was his idea) credit the weekly sessions for helping them work through their differences. "It was like marriage counseling," said Clark. "You get all the issues on the table."

Early on, the coaches asked Clark and Fumarelli what they needed from another. Clark said that he needed Fumarelli to be his eyes and ears for the company and to "cover his back." Fumarelli replied that he needed Clark to support him. "I can check my ego at the door," he recalls saying. "But I

need validation and support from you for the role I'm playing to support you."

The two discovered a conflict, though, when the coaches asked them separately how much time they should spend on various corporate activities. Both Clark and Fumarelli thought that development of the annual budget was his responsibility. After getting this out in the open, Clark realized the budget should primarily be Fumarelli's responsibility. "Very early on, we knew we were going to be stepping on each other's toes," Clark said.

When a private equity company bought Watermark, both left the company. But even then, the two used coaches to handle what they called their "divorce."

Source: Based on P. Dvorak, "CEO and COO Try 'Marriage Counseling,'" *Wall Street Journal*, July 31, 2006, p. B1, B3.

that it always results in a settlement. Whether or not there is a negative side depends on how "heavy-handed" the arbitrator appears. If one party is left feeling overwhelmingly defeated, that party is certain to be dissatisfied and unlikely to graciously accept the arbitrator's decision. Therefore, the conflict may resurface at a later time.

A **conciliator** is a trusted third party who provides an informal communication link between the negotiator and the opponent. This role was made famous by Robert Duval in the first *Godfather* film. As Don Corleone's adopted son and a lawyer by training, Duval acted as an intermediary between the Corleone family and the other Mafioso families. Comparing its effectiveness to mediation has proven difficult because the two overlap a great deal. In practice, conciliators typically act as more than mere communication conduits. They also engage in fact-finding, interpreting messages, and persuading disputants to develop agreements.

A **consultant** is a skilled and impartial third party who attempts to facilitate problem solving through communication and analysis, aided by a knowledge of conflict management. In contrast to the previous roles, the consultant's role is not to settle the issues, but, rather, to improve relations between the conflicting parties so that they can reach a settlement themselves. Instead of putting forward specific solutions, the consultant tries to help the parties learn to understand and work with each other. Therefore, this approach has a longer-term focus: to build new and positive perceptions and attitudes between the conflicting parties.

Global Implications

9 Describe cultural differences in negotiations.

Conflict and Culture

Although there is relatively little research on cross-cultural differences in conflict resolution strategies, some research suggests differences between U.S. and Asian managers. Some research indicates that individuals in

Japan and in the United States view conflict differently. Compared to Japanese negotiators, their U.S. counterparts are more likely to see offers from their counterparts as unfair and to reject them. Another study revealed that whereas U.S. managers were more likely to use competing tactics in the face of conflicts, compromising and avoiding are the most preferred methods of conflict management in China.⁵²

Cultural Differences in Negotiations

Compared to the research on conflict, there is a lot more research on how negotiating styles vary across national cultures.⁵³ One study compared U.S. and Japanese negotiators. These researchers found that the Japanese negotiators tended to communicate indirectly and adapt their behaviors to the situation. A follow-up study showed that whereas among U.S. managers making early offers led to the anchoring effect we noted when discussing distributive negotiation, for Japanese negotiators, early offers led to more information sharing and better integrative outcomes.⁵⁴

Another study compared North American, Arab, and Russian negotiators.⁵⁵ North Americans tried to persuade by relying on facts and appealing to logic. They countered opponents' arguments with objective facts. They made small concessions early in the negotiation to establish a relationship and usually reciprocated opponents' concessions. North Americans treated deadlines as very important. The Arabs tried to persuade by appealing to emotion. They countered opponents' arguments with subjective feelings. They made concessions throughout the bargaining process and almost always reciprocated opponents' concessions. Arabs approached deadlines very casually. The Russians based their arguments on asserted ideals. They made few, if any, concessions. Any concession offered by an opponent was viewed as a weakness and almost never reciprocated. Finally, the Russians tended to ignore deadlines.

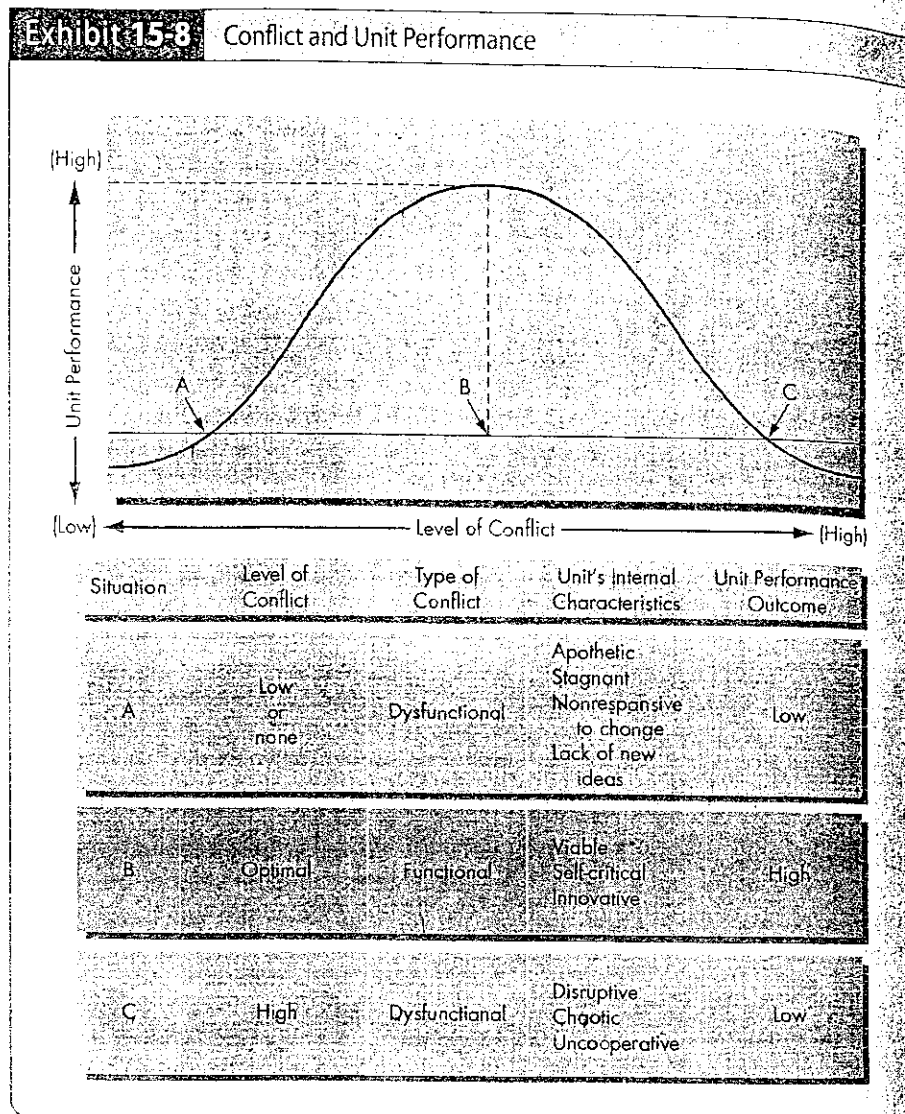
Another study looked at verbal and nonverbal negotiation tactics exhibited by North Americans, Japanese, and Brazilians during half-hour bargaining sessions.⁵⁶ Some of the differences were particularly interesting. For instance, the Brazilians on average said "no" 83 times, compared to 5 times for the Japanese and 9 times for the North Americans. The Japanese displayed more than 5 periods of silence lasting longer than 10 seconds during the 30-minute sessions. North Americans averaged 3.5 such periods; the Brazilians had none. The Japanese and North Americans interrupted their opponent about the same number of times, but the Brazilians interrupted 2.5 to 3 times more often than the North Americans and the Japanese. Finally, the Japanese and the North Americans had no physical contact with their opponents during negotiations except for handshaking, but the Brazilians touched each other almost 5 times every half hour.

Summary and Implications for Managers

Many people automatically assume that conflict is related to lower group and organizational performance. This chapter has demonstrated that this assumption is frequently incorrect. Conflict can be either constructive or destructive to the functioning of a group or unit. As shown in Exhibit 15-8, levels of conflict

conciliator A trusted third party who provides an informal communication link between the negotiator and the opponent.

consultant An impartial third party, skilled in conflict management, who attempts to facilitate creative problem solving through communication and analysis.

Exhibit 15-8 Conflict and Unit Performance

can be either too high or too low. Either extreme hinders performance. An optimal level is one at which there is enough conflict to prevent stagnation, stimulate creativity, allow tensions to be released, and initiate the seeds for change, yet not so much as to be disruptive or to deter coordination of activities.

What advice can we give managers faced with excessive conflict and the need to reduce it? Don't assume that one conflict-handling intention will always be best! You should select an intention appropriate for the situation. The following are some guidelines.⁵⁷

- Use *competition* when quick, decisive action is vital (in emergencies), on important issues, where unpopular actions need to be implemented (in cost cutting, enforcing unpopular rules, discipline), on issues vital to the organization's welfare when you know you're right, and against people who take advantage of noncompetitive behavior.
- Use *collaboration* to find an integrative solution when both sets of concerns are too important to be compromised, when your objective is to learn, to merge insights from people with different perspectives, to gain commitment by incorporating concerns into a consensus, and to work through feelings that have interfered with a relationship.

- Use *avoidance* when an issue is trivial or when more important issues are pressing, when you perceive no chance of satisfying your concerns, when potential disruption outweighs the benefits of resolution, to let people cool down and regain perspective, when gathering information supersedes immediate decision, when others can resolve the conflict more effectively, and when issues seem tangential or symptomatic of other issues.
- Use *accommodation* when you find that you're wrong and to allow a better position to be heard, to learn, and to show your reasonableness; when issues are more important to others than to yourself and to satisfy others and maintain cooperation; to build social credits for later issues; to minimize loss when you are outmatched and losing; when harmony and stability are especially important; and to allow employees to develop by learning from mistakes.
- Use *compromise* when goals are important but not worth the effort of potential disruption of more assertive approaches; when opponents with equal power are committed to mutually exclusive goals; to achieve temporary settlements to complex issues; to arrive at expedient solutions under time pressure; and as a backup when collaboration or competition is unsuccessful.

Negotiation is an ongoing activity in groups and organizations. Distributive bargaining can resolve disputes, but it often negatively affects the satisfaction of one or more negotiators because it is focused on the short term and because it is confrontational. Integrative bargaining, in contrast, tends to provide outcomes that satisfy all parties and that build lasting relationships. When engaged in negotiation, make sure you set aggressive goals and try to find creative ways to achieve the goals of both parties, especially when you value the long-term relationship with the other party. That doesn't mean "giving in" on your self-interest; rather, it means trying to find creative solutions that give both parties what they really want.

Point

Counterpoint

CONFLICT BENEFITS ORGANIZATIONS

Let's briefly review how stimulating conflict can provide benefits to the organization:

- **Conflict is a means to solve problems and bring about radical change.** It's an effective device by which management can drastically change the existing power structure, current interaction patterns, and entrenched attitudes. If there is no conflict, it means the real problems aren't being addressed.
- **Conflict facilitates group cohesiveness.** Whereas conflict increases hostility between groups, external threats tend to cause a group to pull together as a unit. Conflict with another group brings together those within each group. Such intragroup cohesion is a critical resource that groups draw on in good and especially in bad times.
- **Conflict improves group and organizational effectiveness.** Groups or organizations devoid of conflict are likely to suffer from apathy, stagnation, groupthink, and other debilitating diseases. In fact, more organizations probably fail because they have *too little* conflict, not because they have too much. Stagnation is the biggest threat to organizations, but since it occurs slowly, its ill effects often go unnoticed until it's too late. Conflict can break complacency—though most of us don't like conflict, it often is the last best hope of saving an organization.

In general, conflicts are dysfunctional, and it is one of management's major responsibilities to keep conflict intensity as low as humanly possible. A few points support this case:

- **The negative consequences from conflict can be devastating.** The list of negatives associated with conflict is awesome. The most obvious negatives are increased turnover, decreased employee satisfaction, inefficiencies between work units, sabotage, and labor grievances and strikes. One study estimated that managing conflict at work costs the average employer nearly 450 days of management time a year.⁵⁸
- **Effective managers build teamwork.** A good manager builds a coordinated team. Conflict works against such an objective. When a team works well, the whole becomes greater than the sum of the parts. Management creates teamwork by minimizing internal conflicts and facilitating internal coordination.
- **Conflict is avoidable.** It may be true that conflict is inevitable when an organization is in a downward spiral, but the goal of good leadership and effective management is to avoid the spiral to begin with. You don't see Warren Buffett getting into a lot of conflicts with his board of directors. It's possible they're complacent, but we think it's more likely because Berkshire Hathaway is a well-run company, doing what it should, and avoiding conflict as a result.

Questions for Review

- 1 What is conflict?
- 2 What are the differences among the traditional, human relations, and interactionist views of conflict?
- 3 What are the steps of the conflict process?
- 4 What is negotiation?
- 5 What are the differences between distributive and integrative bargaining?
- 6 What are the five steps in the negotiation process?
- 7 How do the individual differences of personality and gender influence negotiations?
- 8 What are the roles and functions of third-party negotiations?
- 9 How does culture influence negotiations?

Think and Do

- 1 What problems might Indians have in negotiating with people from collectivist cultures like China and Japan in comparison to negotiating with Americans?
- 2 "Participation is an excellent method for identifying differences and resolving conflicts." Do you agree or disagree? Discuss.
- 3 From your own experience, describe a situation you were involved in, where the conflict was dysfunctional.

Describe another example, from your experience, where the conflict was functional. Now analyze how the other parties in both the conflict situations might have interpreted the situation in terms of whether the conflicts were functional or dysfunctional.

- 4 Assume a Canadian had to negotiate a contract with someone from Spain. What problems might come up? What suggestions would you make to help facilitate a settlement?

Experiential Exercise

A NEGOTIATION ROLE PLAY

This role play is designed to help you develop your negotiating skills. The class is to break into pairs. One person will play the role of Kapoor, the department supervisor. The other person will play C. J., Kapoor's boss. Both participants should read "The Situation," "The Negotiation," and then their role only.

The Situation

Kapoor and C. J. work for Adidas in New Delhi. Kapoor supervises a research laboratory. C. J. is the manager of research and development. Kapoor and C. J. are former college runners who have worked for Adidas for more than 6 years. C. J. has been Kapoor's boss for 2 years. One of Kapoor's employees has greatly impressed Kapoor. This employee is Mrinalini. Mrinalini was hired 11 months ago. She is 24 years old and holds a master's degree in mechanical engineering. Her entry-level salary was INR 240,000 per year. Kapoor told her that, in accordance with corporation policy, she would receive an initial performance evaluation in 6 months and a comprehensive review after 1 year. Based on her performance record, Mrinalini was

told she could expect a salary adjustment at the time of the 1-year evaluation.

Kapoor's evaluation of Mrinalini after 6 months was very positive. Kapoor commented on the long hours Mrinalini was putting in, her cooperative spirit, the fact that others in the lab enjoyed working with her, and that she was making an immediate positive impact on the project she had been assigned. Now that Mrinalini's first anniversary is coming up, Kapoor has again reviewed her performance. Kapoor thinks Mrinalini may be the best new person the R&D group has ever hired. After only a year, Kapoor has ranked Mrinalini as the number-three performer in a department of 11.

Salaries in the department vary greatly. Kapoor, for instance, has a base salary of INR 540,000, plus eligibility for a bonus that might add another INR 150,000 to 300,000 a year. The salary range of the 11 department members is INR 200,000 to INR 380,000. The individual with the lowest salary is a recent hire with a bachelor's degree in physics. The two people whom Kapoor has

rated above Mrinalini earn base salaries of INR 300,000 and INR 380,000. They're both 27 years old and have been at Adidas for 3 and 4 years, respectively. The median salary in Kapoor's department is INR 280,000.

Kapoor's Role

You want to give Mrinalini a big raise. Although she's young, she has proven to be an excellent addition to the department. You don't want to lose her. More importantly, she knows in general what other people in the department are earning and she thinks she's underpaid. The company typically gives 1-year raises of 5 percent, although 10 percent is not unusual, and 20 to 30 percent increases have been approved on occasion. You'd like to get Mrinalini as large an increase as C.J. will approve.

C.J.'s Role

All your supervisors typically try to squeeze you for as much money as they can for their people. You understand this because you did the same thing when you were a supervisor,

but your boss wants to keep a lid on costs. He wants you to keep raises for recent hires generally in the 5 to 8 percent range. In fact, he's sent a memo to all managers and supervisors saying this. He also said that managers will be evaluated on their ability to maintain budgetary control. However, your boss is also concerned with equity and paying people what they're worth. You feel assured that he will support any salary recommendation you make, as long as it can be justified. Your goal, consistent with cost reduction, is to keep salary increases as low as possible.

The Negotiation

Kapoor has a meeting scheduled with C.J. to discuss Mrinalini's performance review and salary adjustment. Take a couple of minutes to think through the facts in this exercise and to prepare a strategy. Then you have up to 15 minutes to conduct your negotiation. When your negotiation is complete, the class will compare the various strategies used and pair outcomes.

Ethical Dilemma

IS IT UNETHICAL TO LIE, DECEIVE, OR COLLUDE DURING NEGOTIATIONS?

In Chapter 11, we addressed lying in the context of communication. Here we return to the topic of lying but specifically as it relates to negotiation. We think this issue is important because, for many people, there is no such thing as lying when it comes to negotiating.

It's been said that the whole notion of negotiation is built on ethical quicksand: To succeed, you must deceive. Is this true? Apparently, a lot of people think so. For instance, one study found that 28 percent of negotiators lied about at least one issue during negotiations, while another study found that 100 percent of negotiators either failed to reveal a problem or actively lied about it during negotiations if they were not directly asked about the issue. Why do you think these numbers are so high? The research on negotiation provides numerous examples of lying giving the negotiator a strategic advantage.⁵⁹

We can probably agree that bald-faced lies during negotiation are wrong. At least most ethicists would probably agree. The universal dilemma surrounds the little lies: The omissions, evasions, and concealments that are often necessary to best an opponent.

During negotiations, when is a lie a *lie*? Is exaggerating benefits, downplaying negatives, ignoring flaws, or saying "I don't know" when in reality you do considered lying? Is declaring "this is my final offer and nonnegotiable" (even when you're posturing) a lie? Is pretending to bend over backward to make meaningful concessions lying? Rather than being considered unethical, the use of these "lies" is considered by many as an indicator that a negotiator is strong, smart, and savvy.

Or consider the issue of colluding, as when two bidders agree not to bid against one another in an (concealed) effort to keep the bids down. In some cases, such collusion is illegal, but even when it isn't illegal, is it ethical?

Questions

1. When are deception, evasiveness, or collusion out of bounds?
2. Can such tactics be legal and still be unethical?
3. Is it naive to be completely honest and bare your soul during negotiations?
4. Are the rules of negotiations unique? Is any tactic that will improve your chance of winning acceptable?

Source: Based on R. Cohen, "Bad Bidness," *New York Times Magazine*, September 2, 2006, p. 22; M. E. Schweitzer, "Deception in Negotiations," in S. J. Hoch and H. C. Kunreuther (eds.), *Wharton on Making Decisions* (New York: Wiley, 2001), pp. 187–200; and M. Diener, "Fair Enough," *Entrepreneur*, January 2002, pp. 100–102.

Case Incident 1

DAVID OUT-NEGOTIATING GOLIATH: APOTEX AND BRISTOL-MYERS SQUIBB

Peter Dolan survived many crises in his five-year tenure as CEO of drug giant Bristol-Myers Squibb. There were a corporate accounting scandal, allegations of insider trading, FBI raids of his office, and a stock price that dropped 60 percent during his tenure. But in the end, what may have done Dolan in was his negotiation performance against the head of Apotex, a Canadian drug company founded by Dr. Barry Sherman.

At its peak, Plavix—a drug to prevent heart attacks—was Bristol-Myers's best-selling drug and accounted for a staggering one-third of its profits. So when Apotex developed a generic Plavix knockoff, Dolan sought to negotiate an agreement that would pay Apotex in exchange for a delayed launch of Apotex's generic competitor. Dolan sent one of his closest lieutenants, Andrew Bodnar, to negotiate with Sherman. Bodnar and Sherman developed a good rapport, and at several points in their negotiations asked their attorneys to leave them alone. At one key point in the negotiations, Bodnar flew to Toronto alone, without Bristol-Myers's attorneys, as a "gesture of goodwill. The thinking was that the negotiations would be more effective this way."

As Dolan, Bodnar, and Bristol-Myers became increasingly concerned with reaching an agreement with Sherman and Apotex, they developed a blind spot. Privately, Sherman was betting that the Federal Trade Commission (FTC) wouldn't approve the noncompete agreement the two parties were negotiating, and his goal in the negotiation was to extract an agreement from Bristol-Myers that would position Apotex favorably should

the FTC reject the deal. Indeed, he nonchalantly inserted a clause in the deal that would require Bristol-Myers to pay Apotex \$60 million if the FTC rejected the deal. "I thought the FTC would turn it down, but I didn't let on that I did," Sherman said. "They seemed blind to it."

In the meantime, Apotex covertly began shipping its generic equivalent, and it quickly became the best-selling generic drug ever. Thus, Sherman also managed to launch the generic equivalent without Bristol-Myers's even considering the possibility that he would do so while still engaged in negotiations.

"It looks like a much smaller generic private company completely outmaneuvered two of the giants of the pharmaceutical industry," said Gbola Amusa, European pharmaceutical analyst for Sanford C. Bernstein & Company. "It's not clear how or why that happened. The reaction from investors and analysts has ranged from shock to outright anger." Within a few months, Dolan was out at Bristol-Myers.

Questions

1. What principles of distributive negotiation did Sherman use to gain his advantage?
2. Do you think Sherman behaved ethically? Why or why not?
3. What does this incident tell you about the role of deception in negotiation?

Source: Based on J. Carreyrou and J. S. Lublin, "How Bristol-Myers Fumbled Defense of \$4 Billion Drug," *Wall Street Journal*, September 2, 2006, pp. A1, A7; and S. Saul, "Marketers of Plavix Outfoxed on a Deal," *New York Times*, August 9, 2006.

Case Incident 2

NEGOTIATION PUTS HOCKEY IN THE PENALTY BOX

Not every negotiation ends on a good note. Just ask National Hockey League (NHL) Commissioner Gary Bettman, who, on February 16, 2005, cancelled all the games remaining in the season following a 5-month lock-out by the owners. Though professional sports such as hockey and baseball have had close calls with losing an entire season, Bettman's decision was a first: The whole schedule was lost. Said Bettman, "This is a sad, regrettable day."

On the other side of the dispute, Bob Goodenow, executive director of the NHL Player's Association,

similarly regretted the impasse. He said, "Yes, we apologize to the fans." Though the repercussions to the league and its players are obvious, canceling the season also had ramifications on a broader level, including lost revenues for local businesses and NHL game merchandise sales.

So, why did Bettman cancel the season? The primary issue was a salary cap, but Goodenow said, "The players never asked for more money. They didn't want to be locked out. Gary owes the apology. He started the lockout. We've done an awful lot to try to get to a fair resolution." According to reports, negotiations began when the league

attempted to lower the average salary from \$1.8 million per year to \$1.3 million per year—a 28 percent decrease. The league's reason? Although the NHL's total revenue had reached \$2.1 billion a year, players were paid 75 percent of this revenue. According to the league, this high percentage kept the league from being profitable and directly contributed to the league's loss of \$479 million over the past two seasons. The player's union then countered with an offer to reduce salaries by 24 percent rather than the 28 percent the league wanted. Bettman then tried an alternative solution: to persuade the union to accept a salary percentage of no more than 55 percent of league revenues. Instead of reducing pay to an average level, this proposal would link players' pay to the leagues' revenues, which could fluctuate up or down. The league's players opposed both ideas until Bettman and the NHL team owners offered a salary cap that did not link payroll and revenue. At this point, negotiations looked promising.

However, neither party could agree on an amount. The owners offered a cap of \$40 million per team and then increased it to \$42.5 million. But the players wanted a cap of \$52 million per team and then lowered their proposal to \$49 million. Although the dollar difference in this round of negotiations amounted to only 6.5 million, neither side could agree, negotiations stopped, and the season was cancelled.

Said Goodenow, "Gary gave us a final offer, a take-it-or-leave-it offer. We made a counterproposal and events ground to a halt." A reporter asked both sides whether they would have accepted a compromise of around \$45 million per team. Such a compromise may have saved the season. Bettman stated, "If they wanted \$45 million, I'm not saying we would have gone there, but they sure should have told us." Goodenow, however, wouldn't speculate: "The what-ifs aren't for real."

So how did the two sides eventually get the players back on the ice? They agreed to a 6-year deal that set a

salary cap of \$39 million per team for the 2005-2006 season. (Remember that the players wanted a cap of \$49 million.) Many players were unhappy with the terms of the deal but felt that fighting the salary cap was a waste of time that did nothing but alienate the fans. Many players spoke out against Goodenow, arguing that he put the players in a no-win situation. Less than a week after the lockout ended, Goodenow resigned as executive director of the NHL Player's Association. He denied that his resignation was in response to the players' complaints. The lack of an agreement in the NHL negotiations was a loss to everyone—the league and businesses connected to the league, the owners, the players, and, of course, the fans.

Questions

1. How would you characterize the NHL negotiation—as distributive or integrative? From what perspective (distributive or integrative) did the parties approach the negotiation? How might this approach have affected the outcome?
2. What factors do you believe led to the lack of a settlement in the NHL negotiations? How might you have handled the negotiation if you were a representative of the league? of the player's union?
3. Negotiating parties are often reluctant to reveal their BATNA (best alternative to a negotiated agreement) to the opposing party. Do you believe that parties in the NHL negotiation were aware of each other's BATNA? How might this knowledge have affected the negotiation?
4. It appears that a point of compromise (a \$45 million-per-team salary cap, for example) may have existed. What steps could both parties have taken to reach this point of compromise?

Source: Based on J. Lapointe, and R. Westhead, "League Cancels Hockey Season in Labor Battle," *New York Times*, February 17, 2005, p. A1.

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Sr. No.	Main Topic	Sub-Topic	Marks 100
1	Intelligence & Surveillance	Definition, Aim, Scope and basic principle, types and process of intelligence at various stages, type of sources, selection	
		Role of intelligence in industrial establishment in connection with trade unions, labour unrest prevention and detection of crime, scope and limitations.	
		Selection and training of intelligence staff and their duties.	
		Documents to be maintained, reports and returns to be submitted, daily situation report.	
		Cultivation, Planting & Handling of Sources	
		Surveillance - Introduction	
		Need and importance of surveillance methods	
		Shadowing, Planning & precaution, Quality of a shadow, observation.	
2	Enquires & Reports		
4	Plant Protection Scheme and handling of strikes/ Lock out	Occasions when enquires must be conducted	
		Process of Enquiry	
		Place of occurrences	
		Road Accidents	
		Incidents to be reported to police	
		Examining Witnesses	
		Interrogating an offender	
		Legal Limitation	
		Writing an enquiry report	
		Submission of enquiry report	
		Practice of Report Writing	
5	Investigation & Panchanama	Introduction	
		Methods of investigation	
		Basic features	
		Panchanama	

		Drafting Investigation report & Panchanama	
		Legal aspects	
6	Radiation Detection, equipment & Nuclear/ Radiological Emergency.	Atom, Element	
		Stable & Unstable nuclides, Radioactivity	
		Detection & Measurement	
		Natural & man made radiation sources	
		Introduction to exposure, dose & dosimetry	
		Radiation Protection	
		Internal radiation exposure & personnel protective clothing	
		Illicit trafficking of radioactive materials	
		Nuclear weapons, Radiological Dispersal Device (RDD), Improvised Nuclear Devices (INDs) & Terrorism.	
9	Sabotage	Introduction	
		Definition	
		Saboteur	
		Targets of saboteur	
		Methods of sabotage	
		Preventive measures	
		Plan to minimize sabotage damage	
10	Espionage	An Overview	
11	Security Procedures	As per DAE Security Manual 2016	
13	Civil Defence	Civil Defence Organisation	
		Aims and Object	
		Functions of Civil Defence Services	
		U.X.B and Reporting	
14	Fire	Fire Triangle	
		Classification of Fire	
		First Aid Fire Equipments	

Reference Study Material for Paper II & IV: DAE Security Manual – 2016, Bare Acts, OL Rules, Dept. Security Instructions, Radiation Safety Training Material- issued by RSSD, Civil Defence and BARC etc.