

Managing Parties' Conflicts in Negotiation: The Trust-Based Corollary

Dr. Patrick Nkiinebari Nwinyokpugi

Department of office and Information management Rivers State University of Science and Technology, Port Harcourt, Nigeria.

Abstract: *Conflict negotiation at work has taken some serious intractable dimension to such an extent that even when one grievance bargaining scenario is resolved, another emerges. It thus becomes the concern of this study to examine the critical involvement of trust as a compelling factor in managing parties' conflict in workplace negotiations. To address this, 10 and private sectors organizations were sampled from Bayelsa and Rivers State in Nigeria. Using the institutional unit of analysis, 82 responses drawn from the 10 sample organizations provided data which were analysed using SPSS version 15 and result showed that trust is significantly related to the success of negotiation between parties in disputes. It is therefore concluded that organizational trust which becomes the expectant in the outcome of parties' negotiation should be pursued with utmost vigour and enshrined in the culture of the organizations.*

Keywords: *Organizational Trust, High Trusters, Low Trusters, Negotiation, Conflicts.*

I. Introduction

One of the fundamental dilemmas in negotiation is the degree to which negotiators trust one another. Negotiators must gather information and determine how much the other party is likely to be deceptive or deceitful by misrepresentation of true positions, distort relevant facts or introducing spurious information and positions. In addition, the trustworthiness of the other party may change over time depending on whether negotiations are beginning or near to the end, and depending on whether the negotiation has proceeded cooperatively or competitively. Although we might conceptualize trust as an attitude that shifts with changing relationships and circumstances, interpersonal trust also functions as a personality variable with important effects in social relations. Taking a bearing on the position of Rotter (1980), individuals and collectives differ in their levels of interpersonal trust which he explained as a generalized expectancy held by an individual or group that the word 'promise oral or written statement of another can be relied upon'. It is determined by the experiences that people have in dealing with others. If people have had experiences when they have trusted others, and this trust has been rewarded reciprocally and positive relationships had existed, then generalized interpersonal trust should be on the high but where these trust had been negatively exploited by deception and dishonesty, then interpersonal trust should be on the low ebb thus affecting every business or social relationships. The implications for negotiation of a dispositional tendency to trust others are significantly expedient. (Rose and La Croix, 1996).

High trusters believe that others will be trustworthy and that they need to be trustworthy themselves, thus they are more likely to impose high moral standards on themselves and exhibit high ethical dealings. But low trusters who do not trust others neither do they themselves seldom observe rules of trust and therefore feel less pressured to tell the truth or to be trusted. The self-fulfilling prophecy strand to dispositional trust presumes that high trusters are likely to approach others in attitude and style in a way that communicates trust (Chaudhuri, Khan, Py, and Shah, 2003). Other parties searching for cues about appropriate behavior in this circumstance may respond in kind with trusting behavior leading to a cooperative relationship between parties. Conversely, a low truster who communicates suspicions and mistrust may lead to a less co-operative relationship between parties, however, low trusters sometimes demonstrate some interpersonal trust to gain respect and maximize self-interest though may not last longer. Social value orientations which are preferences that people have regarding the kinds of outcomes they desire in social settings where interdependence with others are required dictates the attitudes and disposition of parties and participants in negotiation. Two sides of this orientation exist, one tends to be proself – seeking only for advantages that change his own position without concern for others and the general outcome, and can do anything to ensure that winning status is stable at the expense of the others. Studies reveal that this egoistic orientation demonstrates behaviours that are distributive, adopting a style that is relatively tough and contentious with more emphasis on bargaining the positions than exploring underlying interests that are capable of yielding mutual gains. The next side of the coin is the prosocial who seeks for the common interest of all contending parties with a view to achieving an integrative relationship and outcomes. (Le Dreu et al, 2004).

II. Literature Review

In workplace negotiation, parties see themselves from the lens of consistent relationship actions either in the complementary context or from the cross context. These differing contexts are a function of reputation. Reputation according to Ferris et al(2005) are perceptual and highly subjective phenomenon, thus, it is not how we would wish to be known by others or how we think we are known, but it is what they actually think we are and their judgement is what matters. It is influenced by the individual personal characteristics and accomplishment over time. Because they are developed overtime, once developed they are difficult to be changed.

In negotiation, parties who have previous strong distributive reputation of the other party trust them less and exchange comparatively little critical information about key bargaining issues and as well reap poorer outcomes than those who were unaware of the other parties' reputation. (Tinsley et al, 2002). Knowing that the other party had a reputation for integrative negotiation (value creation) the negotiators to expect less deception from the other party, engage in a more candid discussion of specific needs and interests and thus improve the grey areas of distrust. This encourages the optimism of reaching a mutually benevolent agreement. Trust according to McAllister(1995) is an individual's belief in and willingness to act on the words, action and decision of another. Three factors contribute to the level or degree of trust that one negotiator has towards the other: the individual chronic disposition towards trust that is individual differences in personality makes some people more trusting than others; the situation factor that embraces the opportunity for the parties to communicate with each other adequately and the history of the relationship between the parties. This description dictates that individual personality characterization defines his ability to be trusted and to belief in his own words and actions as well the situation one finds himself. This means that trust becomes subjective according to situation. Relationship history shows to a greater extent whether parties to negotiation are worthy of trust and whether what is communicated in negotiation is something to rely on. This leads to us two different types of trust according to Lewicki et al,(2003), which are calculus based trust and identification based trust.

A **calculus based-trust** sees the consequence of not being trusted and because punishments or rewards are involved in trust, the intensity of his trust level increases. It thus seeks to assure consistent behavior because they are rewarding for keeping their words or preserving the relationship with others and also because there is punishment not keeping to their action and words in relationships. In this type of trust, the trustor calculates the price or value of creating and sustaining trust in relationships relative to the cost of sustaining or severing trust-based relation especially in parties negotiation. Compliance to calculus based trust is often assured both by the rewards of being trusting or trustworthy and by the threat that is associated with violating trust because negative trust consequences spreads faster since victims have high propensity to canvassing the hurts more. Calculus based trust (CBT) is a confident positive expectation another's regarding conduct. It is grounded in impersonal transactions and the overall anticipated benefits to be derived from the relationship are assumed to outweigh the anticipated costs.

Identification based-trust is the trust that is built on past experience on parties to negotiation. The trust exists because the parties effectively understands and appreciates each other's wants and, thus mutual understanding is developed to the extent that each one can proudly act for the other. It permits a party to serve as agent to the other in negotiation. Parties understand and are confident that their interests and wants are fully protected and that no monitoring or surveillance is necessary. It is a confident positive expectation regarding another's conduct and it is grounded in perceived compatibility of values, common goals and positive emotional attachment to each other. The cognition that industrial conflict is issues based gives a clear indication that interests of value are involved and parties are likely to demonstrate some degree of falsification and embellishment of facts to achieve positions.(Molm, L.et al,2003) This means that the consequence of distortion of facts is conflicts between parties in negotiation.

III. Methods

The cross sectional survey research method was adopted in this study. A total of 10 questionnaires were distributed to 9 selected public and private organizations situated in Bayelsa and Rivers State. The unit of analysis is the organization therefore respondents; mostly managerial staff; were selected for the study using the purposive sampling technique. Section A of the questionnaire contains demographic information, such as: marital status, age, sex, and educational qualification. Section B of the questionnaire contains 13 items relating to trust and managing parties conflict. Questionnaires were personally administered and retrieved by the researcher after which data was cleaned, a process entailing checks for omissions, blank questionnaires and double entries. Appropriate treatments were administered using the SPSS especially in the case of omissions, but in various cases of blank questionnaires or high levels of omissions, the questionnaires were considered invalid and were not included in the study. The survey resulted in a success rate of 91% with 82 copies of the 90

(100%) returned questionnaires considered useful and analysable. Presented below is the Cronbach alpha reliability result for the instruments

Table 1. Reliability

Variables	Cronbach alpha coefficient	Number of Items
Organizational Trust	.928	5
Managing Parties Conflict	.941	8

Source: Data Output, 2015

Data Analysis

Data is analysed in two main categories; as structured by the questionnaire, first is the demographic data which is described through frequencies and percentages. Sample characteristics in this section are used to describe the nature of the distribution and as well as the inherent characteristics of the sample. The second phase of the analysis entails that of the study variables; organizational trust and managing parties' conflict; here data is described using mean scores and standard deviation, two popular measures of central tendency and dispersion after which the hypothesis of bivariate association is tested using the Spearman rank order correlation.

Demographic (Primary Analysis)

For the sample characteristics; the age distribution which carried three main categories of less than 35 years (15:18%), 36 to 45 years (48:59%) and 46 years and above (19:23%); showed most of the respondents fall into the 36 to 45 years category. The marital status characteristic showed majority of the respondents were married (63:77%) as compared to their single counterparts (19:23%). For gender, the male respondents (55:67%) exceeded their female colleagues (27:33%) while the distribution according to educational qualification showed most of the respondents had obtained their first degrees (64:78%), followed by those with master degrees (18:22%).

Secondary Analysis

Presented herein is the analysis on the study variables; organizational trust and managing parties conflict. Variables are here described using histograms depicting distribution and nature of data as well as the mean score and standard deviation for each variable. All items are scale on a 5-point Likert scale ranked from (1) strongly disagree to (5) strongly agree. At this stage variables using average summations have been transformed and scaled on the interval scale which allows for such computations.

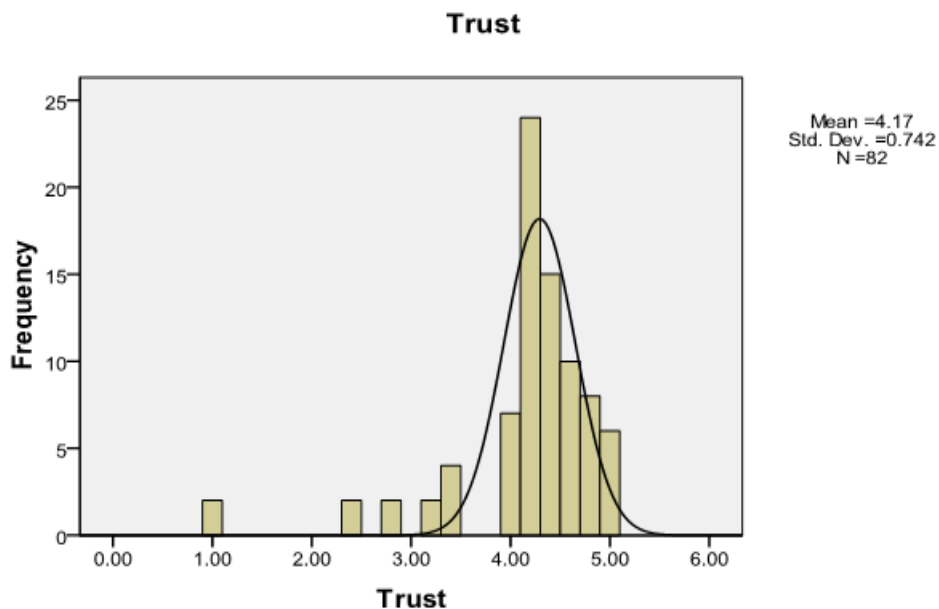


Figure 1. Histogram on Organizational trust.

Illustrated in figure 1 is the histogram depicting data distribution for organizational trust; where $x = 4.17$ and $s = 0.742$. Figures indicate a tendency towards agreement; implying affirmative responses relative to the incidence of organizational trust within the selected organizations.

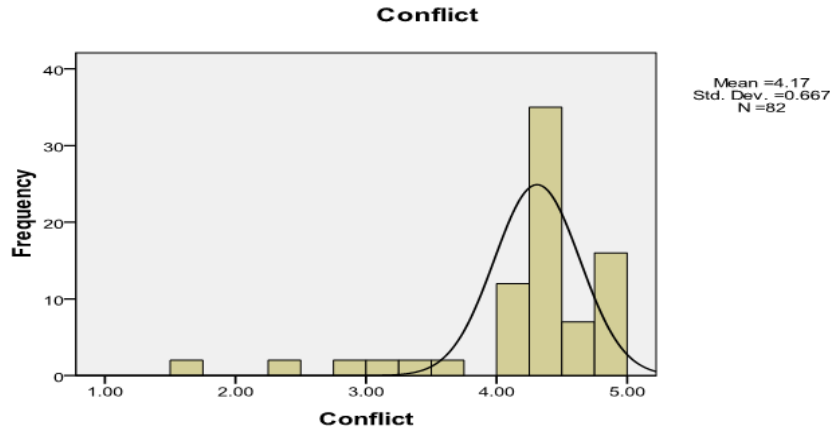


Figure 2. Histogram for managing parties conflict.

Illustrated in figure 2 is the histogram depicting data distribution for managing parties conflict; where $\bar{x} = 4.17$ and $s = 0.667$. Figures indicate a tendency towards agreement; implying affirmative responses relative to the incidence of organizational trust within the selected organizations.

Table 2. Tests for Correlation

	Trust		Conflict	
	Trust	Conflict	Trust	Conflict
Correlation Coefficient	1.000	.562**	.562**	1.000
Sig. (2-tailed)	.	.000	.000	.
N	82	82	82	82

Source: Data Output, 2015

Table 2 illustrates the correlations between organizational trust and managing parties conflict ($\rho = .562$; p value: $.000$). Relationship shows strong and significant associations between organizational trust and managing parties' conflict.

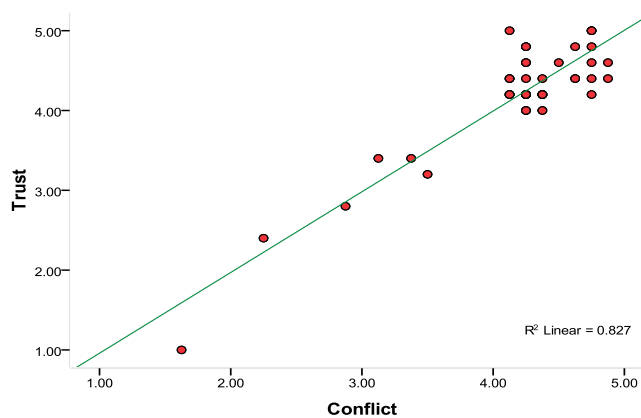


Figure 3. Scatter plot depicting relationship between organizational trust and managing parties conflict.

The fig.1 above illustrates the relationship between organizational trust and managing party's conflict with an R^2 of 0.827 implying an 83% level of change in managing parties conflict can be attributed to changes in organizational trust signifying a strong and statistically significant association between both variables.

IV. Conclusion and Recommendations

Given the outcomes derived from the study, it is empirically obvious that trust which is the base for ethical behavior has significant relationship with the degree and commitment of parties in the course of workplace disputes or conflict negotiation. Respondents who provided the data for our study showed positive relationship between negotiating parties trust levels as the determinant of party's commitment to the issues of

negotiation. The deductions are shown in the correlation test as presented in the analysis. We therefore recommend that every party to the negotiation table should demonstrate sound ethical base for trusting one another in order to increase the horizon of commitment and acceptance to the outcome of every negotiating session. Whether such trust degree is calculus based or identification based trust, it evident the rewards as well as experiences dictates the degree of acceptance and commitment to negotiation at the public and private sectors organisations so studied in the two states that were purposively chosen in the scope of the study.

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