

# Conflict Management, Negotiation, and Effective Communication: Essential Skills for Project Managers

K. Hudson<sup>1</sup>, T. Grisham<sup>2</sup>, P. Srinivasan<sup>3</sup>, N. Moussa<sup>1,4,5</sup>

<sup>1</sup> Graduate School of Business, RMIT Melbourne, Victoria, Australia

<sup>2</sup> St. Petersburg College, Florida, USA and Grisham Consulting Inc, Florida, USA

<sup>3</sup> General Electric Power Systems, China

<sup>4</sup> Sinclair Knight Merz Pty Ltd, Melbourne, Victoria, Australia

<sup>5</sup> Australian Institute of Project Management, Melbourne, Victoria, Australia

Corresponding Author:

Neveen Moussa. Sinclair Knight Merz Pty Ltd, c/o MPDJV, Locked Bag 17, Cloisters Square, Perth 6850, Australia. Phone: +61402963439. Fax: +618 662631600. email: NMoussa@skm.com.au

Summary:

People with strong leadership skills can be more effective Project Managers (PM). Organizations are becoming flatter, culturally rich, geographically diverse, and intensely competitive. The possibilities for conflict are greater in such environments, and PM's must have sufficient competencies to lead in such situations.

This paper will reflect on three complementary leadership competencies that are addressed in world wide competency standards, that of, conflict management, negotiation, and effective communication, which the authors argue are not well represented in the National (Australian) Competency Standards for Project Management. These competencies have been found by the authors to be most useful in practicing project management.

To manage conflict a PM must understand the basics of negotiation theory and effective communications. This paper discusses some recognized negotiation techniques, and useful communications skills that will enhance the ability of PM's to be more effective not only in conflict management, but in many aspects of Project Management.

Introduction

People with strong leadership skills can be more effective Project Managers (PM). Organizations are becoming flatter, culturally rich, geographically diverse, and intensely competitive. The possibilities for conflict are greater in such environments, and PM's must have sufficient competencies to lead in such situations.

This paper will reflect on three complementary leadership competencies that are addressed in world wide competency standards, that of, conflict management, negotiation, and effective communication, which are not believed to be well represented in the National (Australian) Competency Standards for Project Management (NCSPM). These competencies have been found by the authors to be most useful in practicing

project management.

To manage conflict a PM must understand the basics of negotiation theory and effective communications. This paper discusses some recognized negotiation techniques, and useful communications skills that will enhance the ability of a PM to be more effective not only in conflict management, but also in many aspects of Project Management.

### Competencies

According to the Oxford English Dictionary to lead is to cause a person to go with one or to influence to do or believe in something, and a leader is a person that leads (Oxford 2002). In business, leaders are able to induce or influence others to follow to achieve organizational objectives (Burns 1978). Weinkauff and Hoegl (2002) and Wang et al. (2005) identify leaders as those people that can manage others and their attitudes, stress, emotions and bureaucracy, for the purpose of achieving goals. Bolden (2005), like Seltzer and Bass (1990) see leadership as contextually-situated, and able to become the model of behaviour that engenders follower commitment.

Part of any PM's role as a leader is to manage conflict, and to do this a PM must be able to negotiate and communicate effectively. To identify what conflict management, negotiation and communication competencies a PM requires, the Australian National Competency Standard for Project Management (NCSPM), standard was investigated.

The NCSPM (ANTA 2004) is one of the most widely recognized and referenced project management standards that is based on the nine areas of the American Project Management Body of Knowledge (PMBOK) (PMI 2001a). Though there is no defined set of competencies for leadership in this standard there is significant coverage of communication competencies for PM's, and limited coverage of conflict management and negotiation.

The NCSPM focuses on the mechanics of communication within a project, that is the planning and sharing of project information, and assessment of communication outcomes. The only reference to negotiation within the NCSPM is that of contract negotiations. No other competencies are mentioned for the various other types of negotiation. Conflict is covered in greater detail, with the establishment of procedures for conflict resolution, the management of inter and intra project conflict, the reduction of client conflict, management of the resolution of contract conflict, and the escalating of conflict issues to senior personal. An investigation of other PM competency standards was undertaken to identify if those standards covered these three areas of competency in greater detail.

There are four other widely referenced PM competency standards or guidelines, these are the: European standard, ICB Competency Baseline (Caupin *et al.* 1999); the American standard, Project Manager Competency Development Framework (PMI 2001b); the Japanese standard, A guidebook of Project and Program Management for Enterprise Innovation (PMCC 2002); and, the South African standard, the National Certificate in Project Management (SAQA 2002). When looking at communications competencies, they are very similar to that in the Australian standards, though some of these other standards do have more competencies focused on meetings, workshops, negotiations, time reporting and product or marketing communications.

The American standard has a sizable number of personal attributes described, including leadership and communication competencies such as: understanding and using influence at an individual, project and organisational level; building and maintaining relationships; and listening and responding positively to others.

The American standard has one reference to contract negotiations; and the ICB has three references: determining negotiation procedures; carrying out negotiations, and, the PM having the aptitude, power, energy and endurance to carry through with negotiations.

Conflict management competencies are also only covered in the American and ICB standards and includes: reducing conflict within project teams; not hiding or avoiding conflict, but facilitating resolution; identifying the social behaviour reflected in conflict situations; supporting the creation of healthy argumentative cultures, and being able to find consensus with others; aiming for win-win situations; and reacting coolly to personal attacks and forgiving such attacks.

To round out this investigation of leadership competencies a review of other studies (Barber and Tietje 2004; Tas and LaBrecque 1996; Strang Accessed 2005; Weinkauff and Hoegl 2002) of competencies identified a list of further leadership conflict, negotiation and communication competencies. This list of communication competencies relates almost exclusively to the personal attributes of the PM. These may be summarized as:

- Display assertive leadership
- Display responsiveness management
- Display interpersonal skills
- Be decisive
- Display social skills
- Be fluent in speaking
- Be diplomatic
- Be tactful
- Be persuasive
- Be persistent
- Secure information flow
- Resolve conflicts
- Coach and develop the team
- Give feedback

This investigation has identified that a project manager is required to be competent in a great number of areas related to communication, negotiation and conflict management, that have not yet been addressed within the NCSPM.

As communication and negotiation can be considered as competencies also required for conflict management, a brief overview of conflict management, including practical competencies required is presented below.

### Conflict Management

It is critical that a leader have the ability to understand the sources of conflict, recognize conflict early, manage conflict, and do this in a constructive way that pulls people together. Deleterious conflict needs to be resolved, but other forms of conflict can encourage the exploration of ideas and creativity. A leader must be able to understand the difference, and to have the capability to keep active conflict balanced - to manage it.

There are differing views on conflict, LeBaron (2003) states that emerges when people have difficulties dealing with differences, where as Levinson (1994) describes conflict as a dispute over resources, Rahim (2002) believes that conflicts are either interpersonal or task oriented, where as LeBaron (2003) suggests that conflicts can be considered as material, communicative, or symbolic. For the purposes of this paper conflict will be

assumed to be differences, to allow for the diversity of conflict than can occur in projects.

Differences can arise from knowledge, where knowledge will change the friction (increase or decrease) that is present in the interactions that occur, and requires the careful understanding of a leader to guide and balance it.

Conflict can arise from cross-cultural differences, many authors (Brislin and Liu 2004; Clarke and Lipp 1998; Avruch, Kevin 1998; Bailey 1998) agree that cross-cultural training is a very strong mediator for avoiding and diminishing destructive conflict. Another method for reducing differences in cross cultural conflict is the use of metaphors (Lederach 2000; Augsburg 1992; Avruch, K. 1998; Benedict 1946; Johnston 1995; Fernandez 1991; Nudler 1990; LeBaron 2003), stories, and using the conflict wisdom of various cultures to help to educate people in the richness of diversity.

A number of authors (Blake and Mouton 1964; Rahim 2002; Oetzel *et al.* 2001) argue that conflicts can be categorized as either interpersonal (affective) or task/goal (substantive). Interpersonal conflicts are clearly more intractable than task/goal conflicts and can lead to imbedded friction short and long term. Rahim (2002) contends that interpersonal conflict diminishes group loyalty, commitment, job satisfaction, and intention to stay in the organization. Both Rahim and Jehn (1995) suggest that while task/goal conflict may enhance performance under certain circumstances, the downsides are the same as for interpersonal conflicts. Krauss and Morsella (2000) contend that communication is critical in conflict management and set forth four paradigms for effective communications: encoder-decoder, intentionalist, perspective-taking, and dialogic.

Intervention is required by the PM to manage conflict, this requires trust (Grisham 2005; Sullivan *et al.* 1981; Greenberg 2001; Lewicki and Wiethoff 2000; Kramer and Tyler 1996; Rousseau *et al.* 1998), empathy, communications, and power (Coleman 2000; Avruch, K. 1998). When intervening into a conflict the level of each dimension achieved by the leader will determine the effectiveness and the durability of the solution achieved. Clarke and Lipp (1998) suggest that conflict resolution be conducted by problem identification and clarification, cultural and organizational exploration, conflict resolution, and organizational integration, in addition Oetzel *et al.* (2001) describe “facework” as a key ingredient in conflict management. Intervention techniques that can be used have been described by Burbles and Rice (1991); Gudykunst *et al.* (1991); Slate (2004); and Levine (1998) that suggest communicative virtues including tolerance and patience, and rides on trust, respect, appreciation, and affection.

Intervening in conflict is difficult, Ting-Toomey (2001) suggests that the level of context of the conflict by each party needs to be understood by the PM, and Gurevitch (2001) describes the problems associated with the failure to discard preconceived ideas about others and other cultures. Deutsch (Lewicki and Wiethoff 2000) believes that rapport building; conflict resolution (listening, empathy, identifying creative means to resolve disputes, etc.); group process; and, decision making (leadership, communications, clarifying, summarizing, integrating, etc) skills are necessary for effective conflict resolution. As can be seen there are many differing approaches to describing and managing conflict, a model for describing conflict has been developed by the authors, called the hourglass model (see Figure 1).

The lenses of the hourglass model start with knowledge, progress through diagnosis, and then intervention. From the intervention will flow lessons, through diagnosis again, and extend knowledge. For example, as knowledge is consulted there will be a possible recognition that more information is required and therefore some diagnosis may be

required. Following this same approach there may be a need to engage (subtle intervention) in preliminary dialogue to facilitate the diagnosis and knowledge. The size of the ellipses represents the amount of time that should be applied to each of the lens. On the output side, lessons are learned and they need to be diagnosed, and then the knowledge base can be increased - this could be from an individual to an institutional perspective.

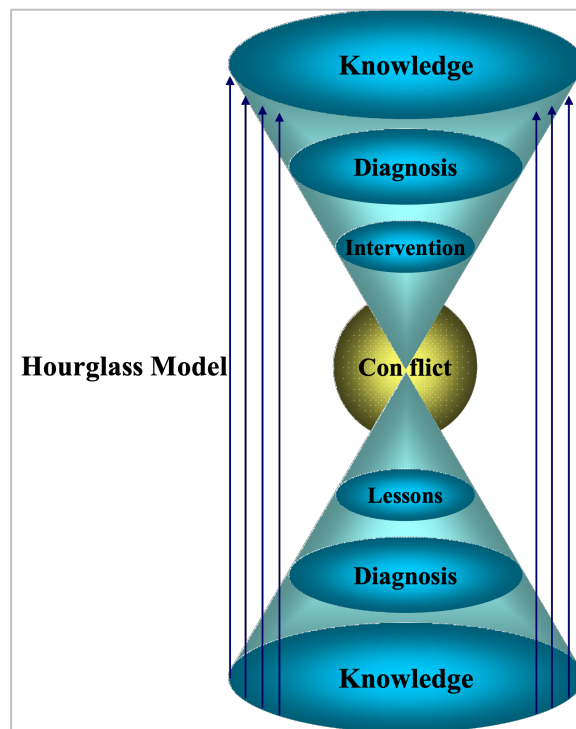


Figure 1 Hourglass Model

It is suggested that the model be applied using a preventive approach, but it may be utilized just as well in a responsive way. The key is that the acquisition of knowledge and diagnosis of the conflict are the most important lenses. Many conflicts occur from a lack of understanding or a failure of communications. Both of which can be moderated by increasing the knowledge and diagnosis prior to a formal or structured intervention.

The acquisition of knowledge and the diagnosis of conflict usually require, amongst other competencies, those of communication and negotiation.

### Communication

To communicate is to share or exchange information or emotion (Oxford 2002), and communication is the action of communicating (Oxford 2002). Communication spans all lenses of the conflict hourglass model.

Communication competencies that can be used to manage or resolve conflict are wide ranging, and require the PM to be able to listen effectively and actively. The PM must also be able to understand issues, propose solutions or methods of resolution, and lead the conflicting parties to a place where the project can continue without ongoing resentment or other feelings of mistrust.

For conflict to be healthy and flourish and produce desired responses the PM must provide leadership and an environment where communication is open and non-threatening. This will allow constructive criticism to thrive without becoming a personal attack. In such situations it is necessary for the PM to first communicate the intent of the environment and the ground rules for team culture. The PM then needs to lead by

practicing what has been preached by: displaying the ability to accept criticism; not taking the conflict personally; and, being able to actively listen to those in the team expressing their opinions. The PM needs to be persuasive to ensure that the culture is developed and thrives. This requires patience and tact so that issues are approached diplomatically.

Communication competencies are essential when managing conflict that could be damaging to the project. It is necessary for the PM to be decisive, to be clear in communicating the message, and to ensure that information flow is secure, received, and understood by all the parties involved within the conflict.

### Negotiating

Negotiation is used mainly within the intervention lens of the conflict hourglass model, and requires significant communication competencies, though the need to be able to complete the negotiations is a set of competencies to themselves.

Negotiation can include negotiating: agreements; designs or construction; coordination across boundaries within the organization; and, collaborating with clients (Kellogg *et al.* 2002). A PM's role is like a fulcrum about which all the activities and personnel involved in the project hinges. Needless to say with complex projects and contracts to back them up, there are going to be issues with diverse opinions and interpretations by the different parties engaged. Each of these issues will need careful negotiations by the PM if they are to be managed. Negotiating skills are therefore an essential feature for any successful PM, as a tool on its own and as a tool to manage conflict.

A PM is often called upon to exercise tactful negotiation skills in the course of interpersonal conflict management situations. Almost every issue of significance during the course of a project will likely require varying degrees of negotiation techniques for resolution. Good negotiation involves lots of homework, and teamwork. Team members engage in negotiating agreements about client projects around different interests and values by sharing information and expertise, attempting to influence others to adopt their own point of view, and making intermediate and non-binding compromises regarding the work. Such negotiation involves an elaborate series of interactions in which members support their own position and critique others.

A thorough grasp of the problem at hand, and the contractual, technical and commercial ramifications associated need to be well analysed by the PM. This is essential to take positions that are consistent with facts, and the situations at hand. Clear thinking is needed to formulate the strategy to sell this position to the other party, which is the next step in the art of negotiations. Once a strategy is established, facts that support the position should be assimilated in an easily comprehensible manner for presentation in the negotiations. It should always be remembered that the other party has also come for negotiation and as such would be having equally strong counter arguments to support their position.

Sebenius (2004) emphasizes that in a complex situation it is important to develop a framework for understanding when and how to talk to each player within the negotiation. He suggests the route of mapping backward where you envision your preferred outcome and enact the negotiation process in reverse order. This will help arm you with a clear picture of how and when to confront each participant and what line of attack is in each case.

A quick thinking and flexible attitude to quickly recast the arguments in one's favour to suit the dynamics unfolding throughout the negotiation is the hallmark of a champion

negotiator. Rigidity of approach is usually counterproductive and more often than not results in stalemate situations hampering the project progress. At times when there are multiple issues being negotiated “losing” a few items may be a good investment to “win” a major point.

A very sound technique is to put your self in the boots of the other party, and look at the issue from that perspective. This will allow one to think through the negotiation and get an idea regarding the position and arguments likely to be put forth from the other side. Armed with this knowledge it is easy to think of strategies to negate them and win one’s own point. Even with solid background preparation, and thorough homework, there is always the possibility to be blind-sided by a brilliant adversary. If one is outwitted there is no harm in accepting the truth and calling for more time to analyse the new line and get adequate information to ward off the challenge.

If defeat is inevitable, it should be accepted gracefully, but, if even a minuscule advantage for one’s side can be extracted then it should be pursued wholeheartedly. While negotiating there is nothing like absolute victory or defeat. When negotiating on issues where one’s position is weak, a realistic goal should be set to define what is to be achieved out of that particular position. Being unrealistic in chalking-out the desired outcome for each set of negotiation topics will surely lead to not even a minor victory gained.

The PM should be adequately empowered to make on-the-spot decisions if they have to concede to some demands of the other side. As far as possible, the PM should try to close issues decisively after each set of negotiations, unless there is specific need to reopen any decisions or agreements.

#### Conclusion:

Conflict is inevitable within a project, should it be positive or negative, and with the assistance of the hourglass model it is possible to approach conflict with some semblance of order. The need for a PM to be able to communicate well and negotiate, both within the confines of conflict, and outside these confines highlights that these competencies are important for project managers. The NCSPM though one of the major competency based standards in the world for PM does not focus on any of these areas of competency with any depth. The usefulness and need for such competencies have been established in this paper. Many of the competencies identified for conflict management, communication and negotiation are complementary or overlapping. The authors contend that the NCSPM for completeness needs to increase the competencies addressed in the areas of conflict management, communications and negotiations.

## References:

ANTA, 2004. BSB01 Business Services Training Package Project Management Competency Standards. Version 4, Australian National Training Authority.

Augsburger, D. W., 1992. *Conflict Mediation Across Cultures - Pathways & Patterns*, Westminster John Knox Press, Louisville.

Avruch, K., 1998. *Culture & Conflict Resolution*, United States Institute of Peace Press, Washington.

Avruch, K., 1998. Introduction: Culture and Conflict Resolution. *Conflict Resolution - Cross-cultural Perspectives*. Avruch, K., Black, P. W. and Scimecca, J. A., Praeger, Westport.

Barber, C. S. and Tietje, B. C., 2004. Competency requirements for managerial development in manufacturing, assembly, and/or material processing functions, *Journal of Management Development*, Vol.23, No.6, pp.596-607.

Benedict, R., 1946. *The Chrysanthemum and the Sword*, Houghton Mifflin, Boston.

Blake, R. R. and Mouton, J. S., 1964. *The Managerial Grid*, Gulf Publishing, Houston.

Bolden, R., 2005. The face of true leadership, *European Business Forum*, Vol.Spring, No.21, pp.54-57.

Brislin, R. W. and Liu, J. F., 2004. Intercultural Communication, Contact, and International Business Assignments. *The Psychology of Ethnic and Cultural Conflict: Psychological Dimensions to War and Peace*. Lee, Y.-T., Greenwood Publishing Group, Westport, Conn.

Burbles, N. C. and Rice, S., 1991. Dialogue across differences: continuing the conversation, *Harvard Educational Review*, Vol.61, pp. 242.

Burns, J. M., 1978. *Leadership*, Harper & Row, New York.

Caupin, G., Knopfel, H., Morris, P., Motzel, E. and Pannerbacker, O., 1999. *IPMA Competence Baseline*, International Project Management Association, Germany.

Clarke, C. C. and Lipp, G. D., 1998. Conflict resolution for contrasting cultures. (Cover story). *American Society for Training & Development*, pp. 20.

Coleman, P. T., 2000. Power and Conflict. *The Handbook of Conflict Resolution - Theory and Practice*. Deutsch, M. and Coleman, P. T., Jossey-Bass, San Francisco.

Fernandez, J., Ed. 1991. *The Theory of Tropes in Anthropology*, Stanford University Press Stanford.

Greenberg, J., 2001. Studying organizational Justice Cross-Culturally: Fundamental Challenges., *International Journal of Conflict Management*, Vol.12, No.4, pp. 365.

Grisham, T., 2005. *Cross Cultural Leadership Research Preparation*, Melbourne Australia.



Gudykunst, W. B., Ting-Toomey, S. and Wiseman, R. L., 1991. Designing a course on Intercultural Communications, *Communication Education*, Vol.40, pp.51.

Gurevitch, Z. D., 2001. The Power of Not Understanding - The meeting of Conflicting Identities. *The Conflict and Culture Reader*. Chew, P. K., New York University Press, New York.

Jehn, K. A., 1995. A Multimethod Examination of the Benefits and Detriments of Intragroup Conflict., *Administrative Science Quarterly*, Vol.40, No.2, pp. 256-282.

Johnston, A., 1995. Thinking About Strategic Culture, *International Security*, Vol.19, No.4, pp. 20.

Kellogg, K. C., Orlikowski, W. J. and Yates, J., Enacting new Ways of Organizing: Exploring the Activities and Consequences of Post-Industrial Work. *Academy of Management Proceedings*, 2002.

Kramer, R. and Tyler, T. R., 1996. Trust in Organizations: Frontiers of Theory and Research. *Trust in Organizations: Frontiers of Theory and Research*. Kramer, R. and Tyler, T. R., Sage, Thousand Oaks.

Krauss, R. M. and Morsella, E., 2000. Communication and Conflict. *The Handbook of Conflict Resolution - Theory and Practice*. Deutsch, M. and Coleman, P. T., Jossey-Bass, San Francisco.

LeBaron, M., 2003. Bridging cultural Conflicts - A New Approach for a Changing World, Jossey-Bass, San Francisco.

Lederach, J. P., 2000. Of Nets, Nails, and Problems: The Folk Language of Conflict Resolution in a Central American Setting. *The Handbook of Conflict Resolution - Theory and Practice*. Deutsch, M. and Coleman, P. T., Jossey-Bass, San Francisco.

Levine, S., 1998. Getting to Resolution - Turning Conflict into Collaboration, Berrett-Koehler, San Francisco.

Levinson, D., 1994. Aggression and Conflict - A Cross-Cultural Encyclopedia, ABC-CLIO, Santa Barbara.

Lewicki, R. J. and Wiethoff, C., 2000. Trust, Trust Development, and Trust Repair. *The Handbook of Conflict Resolution - Theory and Practice*. Deutsch, M. and Coleman, P. T., Jossey-Bass, San Francisco.

Nudler, O., 1990. On Conflicts and Metaphors: Towards an Extended Rationality. *Conflict: Human Needs Theory*. Burton, J., St. Martin's, New York.

Oetzel, J., Ting-Toomey, S., Masumoto, T., Yokochi, Y., Pan, X., Takai, J. and Wilcox, R., 2001. Face and Facework in Conflict: A Cross-Cultural Comparison of China, Germany, Japan, and the United States. *Routledge, Ltd.*, 235.

Oxford, 2002. *Oxford English Dictionary*, Oxford University Press, New York.

PMCC, 2002. *A Guidebook of Project & Program Management for Enterprise Innovation Summary Translation*, Project Management Professionals Certification Center, Japan.

- PMI, 2001a. A Guide to the Project Management Body of Knowledge. 2000 Edition, Project Management Institute, Pennsylvania.
- PMI, 2001b. Project Manager Competency Development Framework Exposure Draft. 3, Project Management Institute, Newtown Square.
- Rahim, M. A., 2002. Toward a Theory of Managing Organisational Conflict., *International Journal of Conflict Management*, Vol.13, No.3, pp. 206.
- Rousseau, D. M., Sitkin, S. B., Burt, R. S. and Camerer, C., 1998. Not So Different After All: A Cross-Discipline View of Trust., *Academy of Management Review*, Vol.23, No.3, pp. 393-404.
- SAQA, 2002. National Certificate in Project Management NQF 4, South African Qualifications Authority, South Africa.
- Sebenius, J. K., 2004. Mapping Backward: Negotiating in the Right Sequence., Harvard Business School Publication Corp., USA.
- Seltzer, J. and Bass, B. M., 1990. Transformational leadership: beyond initiation and consideration, *Journal of Management*, Vol.16, No.4, pp.693-703.
- Slate, W. K. I., Paying Attention to "CULTURE" in International Commercial Arbitration. ICCA conference, Beijing, China, 2004.
- Strang, K. D., Accessed 2005. Examining effective technology project leadership traits and behaviors, *Computers in Human Behavior*, Vol.In Press, Corrected Proof,
- Sullivan, J., Peterson, R. B., Kameda, N. and Shimada, J., 1981. The Relationship Between Conflict Resolution Approaches and Trust- A Cross Cultural Study., *Academy of Management Journal*, Vol.24, No.4, pp. 803.
- Tas, R. F. and LaBrecque, S., 1996. Property -management competencies for management trainees, *Cornell Hotel & Restaurant Administration Quarterly*, Vol.37, No.4, pp.90-96.
- Ting-Toomey, S., 2001. Toward a Theory of Conflict and Culture. The Conflict and Culture Reader. Chew, P. K., New York University Press, New York.
- Wang, E., Chou, H.-W. and Jiang, J., 2005. The impacts of charismatic leadership style on team cohesiveness and overall performance during ERP implementation, *International Journal of Project Management*, Vol.23, No.3, 173.
- Weinkauff, K. and Hoegl, M., 2002. Team leadership activities in different project phases, *Team Performance Management*, Vol.8, No.7/8, 171.