COURSE BOOK



## Conﬂict Management and Mediation

DLBWPKUM01

Learning Objectives

##### Introduction 9



Conﬂicts in the workplace are not unusual. They actually are quite commonplace rather than an exception. A variety of personalities, working methods, and opinions coincide whenever people work together. It is here that different interests can lead to misunderstandings. Unclear roles and organizational interfaces, as well as unfamiliar requirements, lead to conflict situations that strain the work process.

In the first three units of this **Conflict Management und Mediation** course**,** you will learn the fundamentals, as well as the current conflict research and conflict management in the workplace.

Conflicts are always disruptions to communication and relationships between people. A knowledge of communication psychology, as well as conversation and negotiation skills, are necessary for avoiding these conflicts or solving them and are presented in units four to six.

In closing this course, you will learn about mediation, an important instrument for conflict resolution.



# Unit 1

## From Cooperation to Confrontation

#### STUDY GOALS

On completion of this unit, you will be able to ...

... explain how cooperation and competition differ.

... describe the existing forms of cooperation.

... describe what game theory is and its importance in connection with forms of cooperation.

... explain the *prisoner's dilemma* within game theory.

... describe the subjective factors that accompany the path to confrontation.

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1. From Cooperation to Confrontation

### Introduction

People are social beings who are firmly integrated into a wide variety of communities, whether it is the family, kindergarten group, school class, sports group, project team, or an interest group, etc. For a large part of our lives, we are surrounded by other people with whom we are connected in some way and with whom we must get along. While we cannot choose the family we were born into, we can freely choose to join a sports club.

There are many different reasons that bring us together as people and connect us with each other. In the course of this, we must develop a strategy for handling the individual members of a particular group. If we have comparable interests, e.g., passing an exam in the context a study group, then we will also learn and cooperate together, since we are connected by a common goal. If your goal is not only to pass the exam, but to also be the best student, then you may no longer cooperate without restriction, but rather withhold knowledge in order to gain an advantage. So here, you may develop your own strategy in the competition for best performance in the exam.

You may even want to prevent the others from passing the exam, since only those who pass it are eligible for a particular job at the university, and you are absolutely determined to get that job. As a result, you engage in a form of confrontation with your fellow students.

In this unit, we essentially address the question of what causes people to cooperate together, to compete with each other, or even to take a confrontational stance. Here, game theory, an area of business administration sciences, can provide us with explanatory approaches that are then examined more closely. But before turning to game theory and the question of whether cooperation or the ruthless pursuit of one's own interests is advantageous, a few fundamental ideas regarding the meaning of cooperation and competition are first presented.

### Cooperation and Competition

Cooperation in the sense of an ethical virtue and competition as an economic principle have always been in direct opposition of each other. The term *cooperation* seems to have a fundamentally positive connotation. It conveys the impression of harmony and cohesion. In contrast, *competition* tends to stand for conflicting interests and confrontation. When considering our workplace, for example, we have a mixed impression that cooperation is all well and good, but also very idealistic, since competition generally prevails in “real” life. At least, that is how we perceive it.

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Nevertheless, we can also see that cooperation is perceived as the foundation of many social developments. After all, major projects can only be accomplished when goals are pursued and realized together. Social systems are based on cooperation and cohesion. But there is also competition in every cooperative social system.

###### Cooperation

A situation is referred to as cooperation when the goals or interests of (at least) two persons are in a mutually supporting interrelationship (cf. Bauer 2008, p. 9ff.). A common goal and the participants “supporting each other” in achieving these goals are the essential features of a cooperation

An example here: Within a company, two employees are working on a project to introduce a new accounting system. The individual tasks necessary for the introduction of the software are precisely divided between the two employees, but the project can only succeed if both employees plan and implement the next steps together. Each employee is dependent on the other. Both must cooperate to ensure the project goal, the successful introduction of the software, i.e., if one employee moves closer to the project goal, the other employee will also move closer to their goal. It can also be noted here that the two employees want to achieve a common goal (introduction of the software) and support each other in doing so. They work together as partners. This is why the term *cooperation partners* is also referred to.

###### Competition

The behavior is different in the case of a **competitive situation**. Competition is referred to when the goals or interests of (at least) two persons are in a mutually hindering interrelationship (cf. Bauer 2008, p. 10).

The essential features of a competitive relationship are that one person's goal achievement hinders and reverses the other person's goal achievement. So, when Person A moves closer to their goal, Person B is hindered in coming closer to their goal.

Another example here: The city of Munich intends to build a new administrative building and announces an architectural competition. Two architectural firms participate in this competition and compete for first place. Each effort by Firm A that makes its draft more appealing to the jury will place Firm B at a disadvantage unless they also take action.

Competitive situation

Competition occurs when the goals and interests of two or more people are opposing.

In a competitive situation, the participants are not linked to each other as partners, as is the case with cooperation, but rather they are opposed (confrontational) and contrary to each other. The participants in a competitive situation are therefore also referred to as opponents.

As described above, the term *cooperation* tends to have positive connotations, while the term *competition* is primarily associated with negative connotations. In everyday life, we are often confronted with situations in which we must decide whether we want to behave in a cooperative partnership or whether we should enter into a competition with other opponents to achieve our personal goals. Often times, this is certainly an unpleasant and difficult decision situation. However, before addressing this in more detail, it is important to first consider the forms of cooperation more closely.

### Forms of Cooperation

There are many diverse forms of cooperation. The varying perspectives from which cooperation is viewed lead to different forms and categorizations of cooperation. For instance, various forms of cooperation are described from a legal perspective rather than from an economic, sociological, or psychological perspective. According to Spieß, four forms of cooperation can be distinguished from a psychological perspective (cf. Spieß 1998, pp. 53–62):

1. Natural, emotional cooperations
2. Strategic, rational cooperations
3. Empathic cooperations
4. Pseudo-empathic cooperations

###### Natural, Emotional Cooperations

Spontaneous relationships are particularly characterized by a high degree of cooperation through which the value of the relationship is identified. Children, for example, spontaneously build a castle together in a sandbox and exchange shovels and buckets in order to enjoy building and playing together. Friends spontaneously arrange to cook a meal together, which they then enjoy in sociable company. The mutual give and take is emotionally anchored in playing together in a sandbox as well as in cooking together.

###### Strategic, Rational Cooperations

Strategic or rational cooperation is referred to when the actors’ behavior, at least from one side, is rationally oriented toward more efﬁciently achieving a common goal through cooperation. For example, there is a growing realization within companies that the effective management of business processes is decisively influenced more so by the quality of cooperation along the process chain and to a lesser extent by departmental relationships.

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###### Empathic Cooperations

Empathy is the ability to sympathetically identify with another person. Empathic people are able to understand the thoughts and feelings of others and integrate them into their own considerations. However, understanding the other person and their perspective does not mean that their attitude must be also shared. Empathic cooperation is referred to when people join together out of a fellow feeling, as is the case, e.g., with spontaneously forming work groups.

###### Pseudo-Empathic Cooperations

A pseudo-empathic cooperation exists when at least one actor pretends empathy with the goal of learning more about the other in order to strengthen their own position through this knowledge. Less skillful pretenders are often recognized by the fact that they express their interest too strongly or that the exchange of information is very one-sided.

### Game Theory Approaches

Our everyday life is permeated by diverse social structures in which it is often not entirely clear whether cooperation is even possible: the opportunity to cooperate exists in various social situations, but at the same time there is also the risk of losing out when a cooperation is only one-sided.

A one-sided cooperation is, e.g., when you meet with a fellow student in order to review the learning material from the last lecture together. However, only you have brought your notes with you and can roughly reproduce the content of the lecture. The fellow student has brought neither notes nor other documents and is also otherwise not in a position to contribute anything to the review. This cooperation is one-sided, since you are able to contribute a great deal of content to the joint review based on your notes and your memory, while your fellow student cannot. As a result, your fellow student will be able to substantially benefit from you, while your benefit from the joint review will remain low.

In behavioral sciences, what is known as the *game theory* has provided important stimulus for the research of such decision situations in recent decades.