GEPM-375

Project Planning and Construction Management

Conflict Management and Negotiation

Conflict Management and Negotiation

What we discussed in last class?

- What is conflict?
- From where conflicts arise?
- Satisfaction and resolve of conflict.
- Ways of resolving conflict.

What we are going to discussed today?

- Methods of solving Conflict
- Rules, regulations and contracts
- **Project Stages considered for Conflict Solving**
- **Categories of Conflict**

Effective and Ineffective Methods of Solving Conflict:

Confrontation/Facing the problems directly:

- such as **negotiation** is the most **effective** method
- while **forcing or brute force**, is the most **ineffective**.

Brute Force and Rules of Law:

- **Brute force**: Absolute rule of monarch.

- **Rule of law:** Method of choice for modern societies, if **negotiation or arbitration** has not already succeeded in spite of occasional lapses.

Solving Conflict in Project Management

Conflicts arise in a project **can be generally solved by the following methods:**

- **Negotiation**
- **Arbitration** and
- **Use of law**.

  -Rules and regulations of the organization and **contract**

  -Country's law (going to the **Court)**

Why Organizations/ rules and contracts not always enough to solve the conflicts?

- **Various parties-at-interests (stakeholders) do not always agree**:

  -about the **meaning of a rules** or

  about a **provision in a contract**.

- **No agreement/contract**, however detailed, **can cover all the circumstances** that might arise in the extensive relationships:

  -between the **buyer and the seller** of complicated industrial equipment,

  -between **users and the supplier** of engineering consulting services,

  -between the **producer and the user** of computer programs.

- **List of potential conflicts is endless.**

Where the conflicts arises in Projects?:

Conflicts center on such matters as:

- **Schedules**
- Priorities
- **Staffs and labor requirements**
- Technical factors
- **Administration procedures**
- Cost estimates, and
- Of course, **personality conflict**.

Categories of Conflict

Fundamentally conflicts are in three categories:

- **Goals and Expectations Conflict:** Groups working on a project may have different goals and expectations.

- **Authority Conflict:** There is a significant uncertainty about who has the authority to make decisions.

- **Interpersonal Conflict:** There are interpersonal conflict between people who are parties-at-interest in the project.

Goals and Expectations Conflict

•Works on projects is usually carried out by many **different units of the organization**.

•Units that **often differ** **in their objectives and technical judgements.**

•Units have **different expectations** about

-the **project** itself,
-its **costs and rewards**,
-its **relative importance** and
-its **timings.**

- **Conflicts** about:
  -schedules,
  -Intra-project and inter-project priorities,
  -cost estimates, and
  -staff time.

Why there are always Conflict arises between PM and FM

- Because **PM and functional manager** have **different goals.**

- **PM's concern** is the **project itself**, complete project within time, budget and quality.
- But the **primary interest of functional manager** is the **daily operation** of the functional department.

- Significant uncertainty about **who has the authority** **to make decisions.**

- Both **technical and administrative procedures** are important aspects of project management.

- Uncertainty about who has the **authority to make decisions on:**

  -resource allocation,

  -administrative procedures,

  -communication,

  -technical choices, and

  -all other matters

Those affecting the project, **produces conflict** between PM and the other parties.

It is simple to state that the:

- **functional manager controls who works on the project** of his department and **makes technical decisions,** while

- **PM controls** the **schedule** and **flow of work**.

- In practice, in the commonly hectic environment of the project, amid the **day's countless little crises**, faced by PM and functional manager alike, the **distinction is rarely clear who to make what decision.**

Interpersonal Conflicts

- Conflicts **between people who** are parties-at-interest in the project.
- Reflect the fact that **human being are an integral p**art of all projects.
- In an **environment** that **depends on the cooperation of many persons,** it seems inevitable that **some personalities will clash.**
- Interpersonal conflicts between:
  -the **PM** and **the client** or
  -between **Senior Management** and **the Project Manager**,.

it is the **PM who personifies the project** and thus is generally a **party to conflict**.

Project Conflicts by Category and Parties-at-Interest

Conflicts can be categorized **as conflicts over different goals**, **over uncertainty about the locus of authority**, and **between personalities.**

Parties-at-Interest	Categories of Conflict		
	Goals	Authority	Interpersonal
Project Team	Schedules Priorities	Technical	Personality
Client	Schedules Priorities	Technical	-
PM and Senior Management	Schedules Priorities Labor Cost	Technical Administrative	Personality

Thank you