

Crisis management, conflict management and negotiation

[Business](#), [Management](#)



As people interact within the organization, differences occur. The management must acquire skills to solve the differences to avoid failure of the existing systems. Conflicts happen when individuals have different interests within the organization. The management of conflicts requires proper strategies to create harmony between the conflicting parties. Conflict management is a process and the management should establish clear strategies to carry out the activity in a procedural manner. The management of crisis requires establishment of proper strategies to respond quickly to issues affecting the organization.

The process of negotiation allows the parties involved establish a binding contract such that failure to fulfill the agreement creates some consequences. The essay discusses the three aspects and provides theories about them as well as establishing appropriate systems to solve problems related to the management of an organization. Examples from well known international companies have been provided to link theory about the topics with real life situations. Crisis Management This is the process by which an organization works on events that cannot be predicted and which may create a threat to the stakeholders.

For a crisis to exist, there should be potential threat that the organization faces. A short period of time is available to make decisions about the existing threat. The old systems of an organization become uneconomical to maintain and new systems must be introduced to solve the problems facing the organization. Crisis management deals with transforming the existing systems of the organization to create better systems within a short period of

time (Wittenberg, pg. 121). Organizations may be affected by crisis at time and the management should be prepared to solve such incidences.

Several companies have been affected by different crisis and the ability of the management to solve such crisis has determined the ability of the organizations to overcome them. Examples of companies which have been affected by crisis in the recent past are Chrysler, Wal-Mart, Smithfield Hog Company, Microsoft and others. Any company can be affected by a crisis since there is no organization which is free from such incidences. The types of crisis are strikes, boycotts, employee misconduct, environmental crisis, and others. Crisis affects the reputation of the company and may lead to poor image of the company in the global markets.

The management has an obligation to ensure all activities are maintained to avoid crisis from affecting the operations of the company (Hogue, Para. 1). Crisis affects the profits acquired by the organization. Wal-Mart Company, for example, has been affected by a crisis over its employee management strategies. The organization has encountered poor relationship between the management and their subordinates. This has resulted into poor customer relations. The employees claim that the management provides poor workenvironmentsuch as low wages, restrictions to form trade unions among others.

This crisis has affected the reputation of the company and the management has adopted the strategy of reducing prices of the products sold by the company. The management has also established a system of solving the problems facing the employees. However, despite the increasing efforts to

solve the problem, the organization continues to encounter a major challenge about its human resources management strategies (Hogue, Para. 2). Crisis management requires the organization to plan ahead and to establish adequate measures. The management should create a system of dealing with the crisis before it occurs.

Since there is little time to act on the crisis, adequate preparations should be established to enable the organization deal with them when they occur. Many organizations have created a system of dealing with crisis since failure to solve the crisis in the specified time may create harm to the organization (Hogue, Para. 4). According to Hogue (2001, Para. 4) the organizations “spell out the who, what, when, where and how the company should deal with the crises. The plans produce the materials necessary ahead of time so that the missing information is simply inserted and the materials are ready to go.

” The materials required to be prepared before the crisis occurs are official statements, press release, and others (Wittenberg, pg. 125). The management should provide adequate resources for dealing with crisis. This provides preparedness before a crisis strikes the organization. Apple Company is an example of a company which has created strategies of dealing with crisis. The management has created a culture which allows innovation about the products. The company has established a research and development team which deals with issues affecting the organization.

The management allows the employees provide innovative products to capture the competition in the market. Under the leadership of Steve Jobs, the company has become very successful in creating strategies which help the

company solve problems which may be encountered. To solve the increasing competition in the global markets for personal computers, the company has manufactured differentiated products which match the demand in the market. A dispute resolution committee exists which provides strategies of solving and managing conflicts within the organization (Graves, pg. 358).

Conflict Management

This is the process through which people and organizations handle grievances which occur during the daily operations within the workplace. Difference in ideologies and interests causes conflicts between people and may cause failure in the activities of the organization if not properly monitored. The organization has goals which it intends to achieve within a specific period of time. The individuals working within the organization have their personal goals which they seek to fulfill. When the personal goals overrule the organizational goals conflicts occur and this may affect the achievement of the organizational goals.

The management has a role to create an environment which allows for a better management of the conflicts to prevent failure of the organizational goals (Henry and Borje pg. 92). Conflicts are inevitable and the management should be prepared to handle conflicts within the organization. Conflicts occur due to the different opinions that people have. The management should have the skills to recognize conflicts at an early stage to prevent them from causing total failure to the organization. To reduce the effects of conflicts, the management can minimize, divert or resolve them (Richard, pg.

146). Conflicts can be caused by poor communication which causes lack of understanding between the people working in an organization. As people seek power they may cause conflicts since not all individuals are satisfied by the personal interests of others. The management style can cause conflicts when there are different opinions between the management and the employees. The management can create conflict when it applies poor styles of managing the resources within the organization. Lack of openness in the organization causes conflicts since people fail to understand each other.

Abrupt changes in leadership causes conflicts. People are opposed to change and they will not accept changes which are poorly communicated. When the leadership changes occur, the members of the organization tend to reject new leaders since they do not understand them (Henry and Borje pg. 35).

Apple Inc is an example of a company which has created an efficient conflict management system. The management of the company has established a culture of leadership, risk taking and others. The management of the company resolves conflicts among its stakeholders by creating a conflict resolution team (Graves, pg.

358). Negotiation This is the formal process through which people under conflicts use to resolve their differences and avoid future conflicts. Negotiation can also be used to create an agreement between two parties to enact a common goal which may be beneficial to all parties. The process of negotiation involves two or more parties who are involved in a dispute. When the parties fail to come up with a better solution, a third party may set in to

act as a mediator. The parties establish a binding agreement which provides them with a give and take process (Lens, para.

9) During negotiation process, all parties must adhere to the professional ethics. The parties must take time to establish an agreement. The purpose and objectives of the negotiations should be defined to establish a proper goal before the process starts. Communication should be enhanced by creating an environment which enhances free exchange of ideas. A written contract should be established to create a formal process of dealing with the situation. Clarification to the ideas suggested should be allowed so that all parties can feel free to exchange ideas.

Legal tools should be applied to ensure the contract is binding to all parties involved in the negotiation process. Parties should be free to ask questions during the discussion (Lens, para. 14) Negotiations take a formal or an informal process. The management lays down the procedures to be followed when negotiating. The procedures for negotiations should be well laid down by the parties involved. The use of mediators is applied when the parties do not agree upon the required solution. The management of conflicts within the organization deals with establishing negotiations.

The parties involved in a conflict are brought together to create a common understanding. Negotiations involve creating a proper system of activities and re-establishing the normal performance of activities. The management has a great role in creating a proper environment which enhances the parties to discuss their differences appropriately (Lens, para. 23). An example of a negotiation process is observed in the conflicts between Daimler AG and

Chrysler LLC. The two companies established a merger to expand their operations in the global markets.

However, the cultural conflicts between the employees of the two companies resulted into failure of the merger. The two companies failed in their efforts to negotiate over the issues which were affecting the merger. The cultural differences were brought about by the different management strategies which caused differences among the employees and the management. Daimler AG is based in Germany and manufactures automobile products which it markets in the international markets. Chrysler LLC is located in the United States and has experienced a turbulent path towards establishment of a better position in the global markets.

The employees from the two companies had cultural ideologies which were different. This created a lot of conflicts and the management failed to solve the problems early enough before they went out of control. Daimler separated itself from the merger. Chrysler continues to experience problems with its management. Negotiations to solve the problem failed since the management from the two companies failed to establish proper strategies to solve the problems affecting the merger (Badrtalei, Jeff, and Bates, pg. 362).

Conclusion

Differences in opinions occur within the organization and this causes conflicts. Communication is the best tool to solve conflicts which occur within the organization since people understand each other by communicating their opinions. Crisis management requires the management to make plans to handle a crisis that may affect the organization at a future date. The

management must create systems of handling the crisis when it occurs. Negotiations are done to create a common understanding about the systems of the organization. It is a process where two parties under conflict take to solve their grievances.

A formal contract is established to ensure the parties abide by the agreement made. The failure of the merger between Daimler and Chrysler companies was caused by poor negotiation process between the management of the two companies. The cultural conflicts between the employees from the two companies caused the failure of the merger. Apple has been successful in managing crisis. The management has established several strategies to deal with the crisis which may affect the company. Through research and development, the company identifies the possible conflicts, crisis and problems which may be encountered.

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