

Negotiation management



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Importance of negotiations

A conflict can be described as a disagreement between two or more parties. The conflict is brought by the projection by one party that the other may influence adversely something they give care. To resolve a conflict, the parties involved must use effective communication to establish the possible means. Negotiations between the belligerents are important during conflict resolution. Negotiations are aimed at holding discussions between the conflicting parties with the aim of reaching a common ground. Effective planning is essential for meeting the objectives of the consultation process (Odell 2012). The involved parties must outline the present issue and recognize that there exist a mutual problem that they share an interest in resolving.

There exists a conflict between Albert Heijn and its franchisees who own approximately a third of the supermarkets. The franchisee association filed a case to the high court that demand for a review of the franchise that resulted in the redistribution of properties and profits between the two parties. The conflict has been recorded as one of the largest disputes to ever occur between a franchise and a franchisee. In simple terms, Heijn franchises would have used better conflict management procedures before launching their case before the court of law. When disputing parties engage in negotiations, there must be the willingness of either of them to give and receive (Caroll 2006)). The involved parties must work towards a solution that considers the requirements of either party and increase their outcomes.

Negotiation and conflict management

Since it is a current conflict, the case study of Albert Heijn is of much relevance. For example, the societal importance can be found in the fact that without the franchise stores, a lot of people will become unemployed. Two hundred and sixty stores under Albert Heijn are franchises. The franchises combine about thirty percent of the Albert Heijn stores. The franchised stores currently employ thirty thousand people. Furthermore, the customers of the franchises are at risk of losing many stores, which by time have been integrated into their daily shopping routines.

The scientific relevance can be found in the potential new insight in managing negotiations styles. In this case, the current negotiation techniques will be discussed, which possibly can lead to a solution of the conflict. Because of this case study, new future scientific research will have a frame of which can be thought of when discussing conflicts in the retail business in the country as well as on a global scale.

Identification, Definition, and Description

Albert Heijn has a total of eight hundred and fifty stores in the Netherlands. Of these, approximately two hundred and sixty stores are franchise stores. Albert Heijn has a market share in the retail business of thirty-four per cent. The latter is an indicator that also franchises have an influence in the area. Therefore, it is for both parties of high relevance to have a good relationship with each other, without conflicts. Maintaining a deep relationship is vital to the success of the stores. The conflict that has arisen between Albert Heijn and the Franchisers has been in existence for quite some time. This lingering

conflict has recently worsened to the point that they had to settle it out in the courtroom. It is estimated that between the year 2008 and 2012, the franchisees experience a substantial loss of around two hundred million euros. In response to the accusations thrown by the franchises, Albert Heijn has been involved in concurrent negotiations, discussions, and talks outside the courtroom that are aimed at reaching an amicable resolution stage.

The problem with the franchises is not the only current problem facing Albert Heijn. There are other impending dangers such as another lawsuit that is likely to occur after a meeting with the franchisees. The fact that the current franchise agreement does not interact in the right manner with the persons conducting online shopping increases the prevalence of the situation. The franchisees will agree that they have received poor returns because the store's policy does not include better customer services which can increase the returns of the shareholders.;

Discussion and Conclusion

It is common for large organizations such as Albert Heijn to be in conflict with its stakeholders and other close parties. However, developing the right procedures for dealing with the problem is crucial. The current strategies being used by the store do not blend with the economic status of the time. The losses being made by the firm within a span of four years exceeds the expectations of the franchisees. If the franchisees feel that fishy businesses are being conducted at the helm of the enterprise, they are allowed to take caution. However, negotiation has to follow the right procedures to arrive at an amicable solution.;

Conflicts within a business environment such as that of Albert Heijn is bound to happen. Effective communication across the various parties may help in lessening the burden of conflicts within an organization (Abigail et al. 2013). However, the involved parties must find strategic remedies in handling negotiations that arise. A better understanding of the conflict resolution procedure necessitates that there must be recognition of various factors such as the issues, implications, interdependency, interventions, and individuals (Massen 2016). All these forces have to be established to ensure that the conflict resolution process is active during negotiations. Instead of letting conflicts result to destructive consequences such as heading to the court as the case of Albert Heijn, the conflicting parties may involve themselves in better negotiation strategies.

Negotiation and conflict resolution

One strategy that can be applied by Albert Heijn during times of conflicts is the distributive bargaining strategy. The strategy is effective in making decisions involving the distribution of fixed resources. The involved parties must agree on how to split the available resources without causing harm on either side (Flynn 2014). In the case of Albert Heijn, the store may first ensure to reduce the number of franchisees it has. More engagement in franchising results to numerous problems which are not good for business. The importance of distributive bargaining is that it solves some issues which would not be resolved in any other way.

Another application that can be applied is the mixed-motive strategy. In this scenario, the franchisees may opt to maximize the well-being of the firm while at the same time claim their share. For example, through this strategy, <https://assignbuster.com/negotiation-management/>

the Albert Heijn management team may opt to generate many possible ideas that benefit the firm greatly while also increasing their profit margin. Under this policy, the benefits occur to both parties thus reducing the likelihood of being involved in conflicts. Either of these two strategies may serve best for the case of Albert Heijn.

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