



The story continues...

Why might trying to negotiate a resolution to a conflict fail for Discount King?



Seeking to resolve a conflict using negotiations could fail for the following reasons:

- **Unwillingness to compromise on negotiating objectives.** For example, this would occur if employees in Discount King Supermarkets insist on a 10% pay increase and nothing less, while the employer insists on offering just 2%. The unwillingness of both sides to budge from their positions and look for a compromise somewhere in between will make it very difficult to find a solution to this dispute. In any conflict situation, all sides should be willing to look for areas where they would be willing to compromise in order to reach a solution.
- **Inappropriate negotiating style.** When negotiating, people should be assertive but not aggressive in their behaviour. If one of the parties in the Discount King dispute were to adopt an aggressive style of negotiating, such as shouting or using abusive language, then they would irritate and offend the people on the other side. In all areas of life, aggressive and intimidating behaviour only encourages resentment and often provokes a similarly hostile response from the other side. Such behaviour makes finding a solution to any conflict much more difficult. However, a friendly but assertive style of communication, where you state clearly and reasonably what you want is far more likely to be met with a reasonable response and result in an acceptable agreement.
- **Lack of trust.** Even if people in a conflict are willing to compromise and are talking reasonably, negotiations can be undermined if the people involved simply do not trust each other to keep their word. If people negotiating do not trust each other, then any offers made will be treated suspiciously. This shows how important it is for firms like Discount King and all stakeholders in business to conduct their affairs in a manner that is seen to be truthful and honest.

What can Discount King do if negotiations are proving difficult?



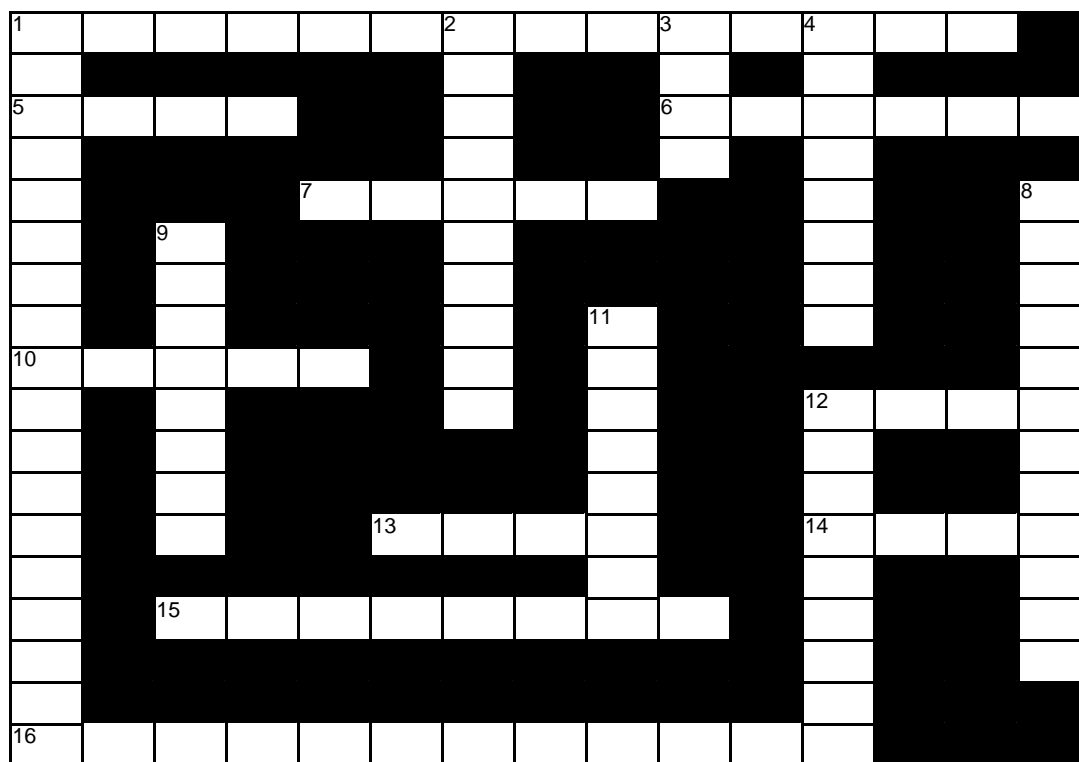
If Discount King, or any other people in business, finds the negotiations to resolve a conflict difficult, then the parties to the dispute may agree to ask an independent third party that they both trust and respect to act as a conciliator.

- **Conciliation** means getting a neutral party to listen to both sides individually and then together, before suggesting possible solutions that would be acceptable to both. The conciliator can only recommend solutions and their suggestions may be rejected. For example, in a dispute between a business and local residents about excessive noise pollution, a respected local religious person or politician may be asked to act as a conciliator. Conciliation should not be confused with arbitration.
- **Arbitration** occurs where a both parties agree in advance to accept whatever recommendations a respected neutral third party recommends.

The use of conciliation and arbitration is very common in the resolution of disputes between employers and employees. However it is relevant to all conflict situations.



**Revision Crossword 2
- Conflict in the Marketplace**



CLUES

Across

1. Goods sent to people who have not ordered them but who then receive a demand for payment (7, 7)
5. What you do in an election (4)
6. Abbreviation of something that promotes a particular product on the TV or radio (6)
7. One of the main unions in Ireland (5)
10. The first stage in a contract (5)
12. There are 100 of these in one Euro (4)
13. Initials of the State agency that ensures firms obey consumer protection legislation (4)
14. The opposite of shallow (4).
15. A non-essential element of a contract (8)
16. When all sides in a dispute discuss their differences and try to find a solution (11)

Down

1. An invitation to a customer to make an offer that can then be accepted or rejected (10, 2, 5)
2. Every contract must contain an unqualified one of these (10)
3. Money you borrow from the bank (4)
4. Someone who puts money into a business (8)
8. A legal term meaning "let the buyer beware" (6, 6)
9. This occurs when the interests of different people are in disagreement (8)
11. A legally binding agreement that can be enforced by the law (8)
12. An essential element of a contract (9)



Summary - Fill in the gaps

Conflict occurs when the interests of different people and groups are in disagreement. This results in one group wanting to achieve something, such as maximum profits, which is in conflict with the desires and wishes of another, such as low prices and high quality. Conflict in business can be resolved through the use of negotiation or _____. Negotiation means getting all sides in a dispute or conflict to discuss their differences and try to come to a mutually acceptable solution. If negotiation does not work, then _____ methods using laws can be used. As a last resort, people can go to _____ to seek a resolution to a business conflict.

In the marketplace, the two most important pieces of consumer legislation used to resolve conflicts are the *Consumer _____ Act 1978* and the _____ of Goods and _____ of Services Act 1980. If consumers are unable to negotiate a resolution to a conflict directly with a business, then they can take their complaint to the Small _____ Court. For conflicts between consumers and non-commercial public-sector organisations such as government departments, local authorities, state agencies, complaints can be taken to the Office of the Ombudsman.

A contract is a legally binding _____, which can be enforced by law. The key elements of a legally binding contract are _____, acceptance and _____.

Score: _____ out of 10