Kognity © 2023

2.7 Industrial/employee relations (HL)

Sources of conflict in the workplace

In Section 2.4.3 (/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/labour-turnover-hl-id-39416) on labour turnover, you may have carried out a research activity on the 'Great Resignation'. As a result of the COVID-19 pandemic and some trends already in place before the pandemic, many workers have either quit their jobs or are planning to quit. The reasons are varied, but surveys suggest that many people have decided to look for better jobs, change careers or leave a workplace because of the way they were treated before and during the pandemic. This BBC report (https://www.bbc.com/worklife/article/20210629-the-great-resignation-how-employers-drove-workers-to-quit) explains how Microsoft surveyed around 30 000 global workers and found that 41% of workers were considering changing or quitting their profession. Other researchers found similar trends in a wide range of industries and countries.

Figure 1. Employees quit their jobs in record numbers during the COVID-19 pandemic.

Credit: Audtakorn Sutarmjam / EyeEm, Getty Images

The changing circumstances have led many businesses to understand that their success is dependent on their relationships with their employees. The International Labour Organisation (ILO) (https://www.ilo.org/global/lang--en/index.htm) suggests that

wages, conditions of work, work–life balance, non-discrimination, protection from harassment and violence and ensuring purposeful work are crucial elements of good employee–employer relations.

Conflict is a natural and frequent occurrence in dynamic businesses. Conflict refers to disagreements that arise from differences between people's perceptions, values and needs. There are disagreements in businesses related to decisions made by the management, conflicting personalities, views on working conditions and treatment of staff and/or recognition or remuneration for work carried out. Conflict is a natural part of any organisation. However, it is important to ensure that conflict does not damage the business or harm employees, and that some growth or improvement can come out of it.

Activity

Learner profile: Reflective
Approaches to learning: Considering perspectives

Think about your own relationships with people at school, at home and in another community (such as in a sports team or place of part-time work).

1. Make a list of the factors you would consider important for good relationships.

2. Rank these factors in order of importance.

3. Consider how the breakdown or absence of any of these factors may impact on your relationship with the people in that context.

Activity

Learner profile: Caring
Approaches to learning: Making connections

Many individuals have a bias that may have been built up based on their experiences in school, at home, in the workplace and within social circles.

Discuss the following with a friend or group of friends.

- How can businesses manage such bias and ensure that any bias that occurs does not lead to conflict within the workplace?

- Propose **two** strategies that businesses could use to manage bias within the workplace.

- Explain how these strategies could help to make the business community a more caring and considerate place to work.

Sources of conflict in the workplace

There are a number of common causes of conflict within a workplace. These include:

Values

People have different beliefs and values and make different judgements about what is important in life and work. Values may include attitudes towards diversity and inclusion, or the recognition and understanding of the importance of staff members' mental and physical health. If people's values are ignored, then tension can arise and workers will feel aggrieved and resentful towards their employers or towards each other.

Communication

As you learned in Subtopic 2.6 (/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/the-big-picture-id-39399), communication is important for healthy relationships in the workplace. Positive communication can create productive relationships between management and workers. An open, transparent workplace clarifies expectations, and makes it possible to identify challenges and solve problems. The organisational structure and culture of the organisation affects and is affected by the channels of communication between management and employees.

In organisations where the diverse views of the employees are considered, through democratic leadership styles and decentralised decision-making, employees tend to feel more secure and content. **Video 1** highlights the ways in which employee voices are heard in a garment factory in Vietnam.

Voices from the world of work: Industrial relations matter

Video 1. An insight into a garment factory in Vietnam highlighting the importance of good communication.

Power

Abuse of power occurs when someone in a position of authority uses their position to make an employee do something they would not normally do. A person with power over another can use coercion, threats and punishment as a way to control an employee. Under an autocratic leadership style (Section 2.3.2 (/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/leadership-styles-id-39394)), workers may feel undermined by the centralised decision-making that takes place and may feel that their voices are not heard.

Insufficient resources

Having the resources (time, financial and material resources) you need to do your job is very important. However, there are limited resources and unlimited wants. This can lead to managers having to make decisions about what is essential in order for an employee to do their job. The manager's decision about resources may clash with the employee's own perception of what they need, which is where problems can arise.

Perceptions

People have different ways of interpreting decisions and events. As a result, when people see a situation quite differently, conflicts can occur. Often, these misperceptions can be fixed by having clear and open channels of communication. You will often see these misperceptions flare up in times of change or during economic downturns.

Change

Changes in the internal business functions (human resource management, finance and accounts, marketing or operations) and external environment (STEEPLE factors, Section 1.1.5 (/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/tool-swotsteeple-analysis-id-36504)) may require adaptations from the business. Change can be stressful, and people respond to change in different ways. For example, the move towards more people working remotely, as happened during the COVID-19 pandemic, could create new problems. Some staff may find the different style of working a challenge, and this can lead to tension between employees and management.

Kog

Figure 2. Many employees were able to move to remote work during the COVID-19 pandemic; for some this created a challenge and a source of conflict.

Credit: ljubaphoto, Getty Images

Performance

When people do not perform their job in a satisfactory manner, problems will occur. How this situation is handled can cause disruption in the work environment. This is where capable leadership and management becomes very important so that the situation is handled in a way that enables it to be resolved quickly. Appraisals are an important source of feedback on performance, but some people may not take criticism well. Additionally, some people may feel as if they are being watched all the time, or micromanaged, which can create tension.

Inequity

If workers feel that they are not given a fair chance to secure promotions, take on extra responsibility or receive fair pay, then tensions can result. In some industries, discrimination may be the source of grievance for some workers who may voice their displeasure at being unfairly overlooked. Higher Level students learned about equity theory in Section 2.4.2 (/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/motivation-theories-2-hl-id-39415). Perceptions of equity may be important factors in employee motivation.

Redundancies

Economic downturns may cause declines in consumer demand. As a result, businesses may need to cut costs, including labour costs. A recent merger or acquisition may also result in job losses. This is likely to create tension and hostility, and workers may feel demotivated. Redundancies can create a work culture defined by fear, and this can cause conflict.

Toxic workplace culture

In some organisations there may be a toxic, or poisonous, environment. Poor decisions, tensions between colleagues and management, recent redundancies, bullying or discrimination are all things that can lead to conflict.
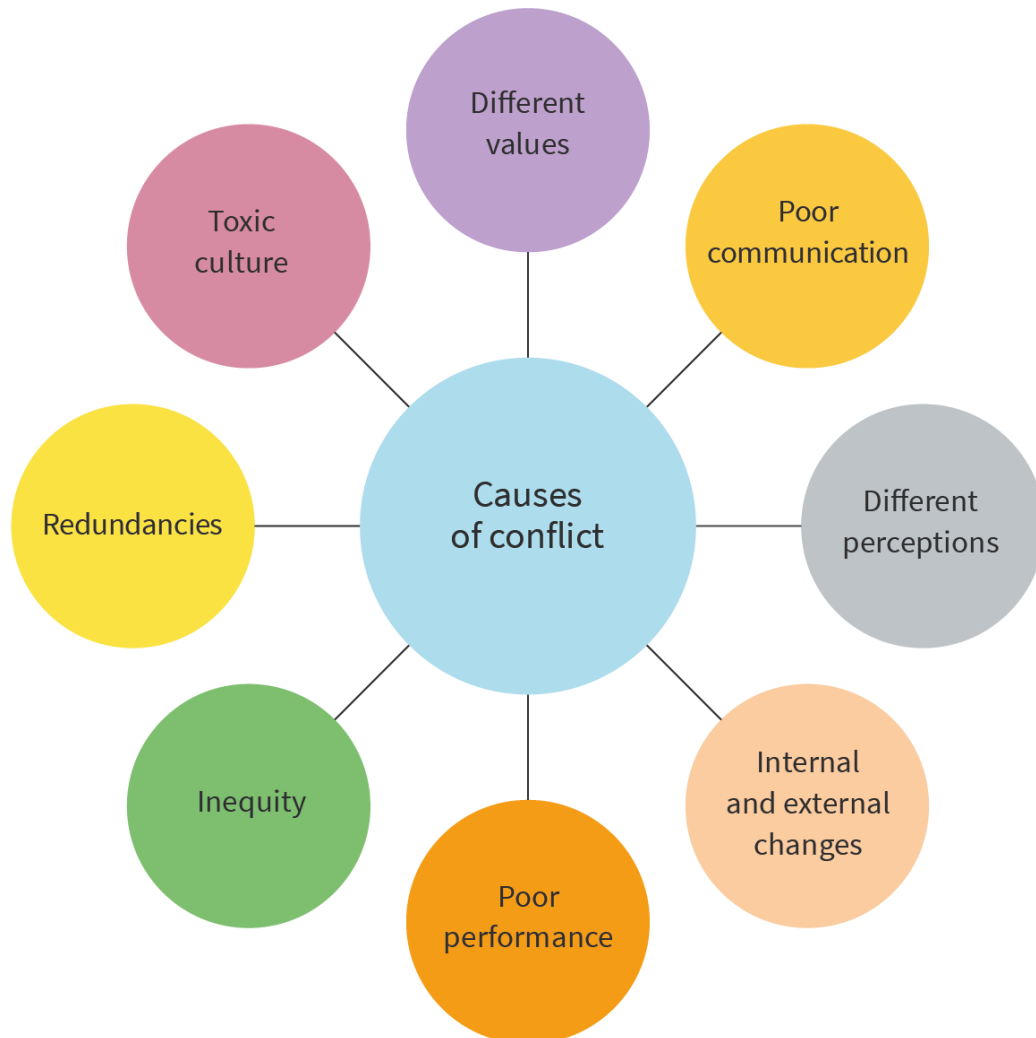
Figure 3. Factors that can cause conflict in the workplace.

Exam tip

It is important to consider the impact of leadership styles and organisational culture when thinking about the reasons why conflicts emerge. In case studies, you should look for clues as to how the employees are treated within that business and link those to these sources of conflict.

In your extended essay or internal assessment, you may wish to investigate the impact of organisational structure and culture and leadership styles on employee–employer relations in a specific business context.

Case study

Industrial relations issues at Activision Blizzard

Activision Blizzard, the developer of the video games Call of Duty, World of Warcraft and Overwatch, is under pressure following allegations of inappropriate behaviour of male staff towards female staff, and of female staff being repeatedly ignored for promotions. Current and former staff have stated that the toxic workplace culture contributed to conflict within the workplace and resulted in a number of staff leaving the company. Employees also cited a lack of trust in management and human resources as many issues were not dealt with. Employees felt that it was difficult to communicate their issues with management.

Within the quality assurance and customer service departments, workers have complained that the structure and leadership make employees feel undervalued and exploited. Constant rotations of staff and unpaid breaks between short-term contracts led to job insecurity. Low pay and long working weeks during 'crunch periods' led to issues with mental and physical health for some staff. Many felt pressured or compelled to work long hours to avoid losing their jobs. Workers spoke of power imbalances between full-time staff and contract staff, and many staff felt that their contributions were not recognised.

Source: Polygon (https://www.polygon.com/22622396/activision-blizzard-toxic-culture-qa-customer-service-report)

Questions

- Explain **two** causes of conflict within Activision Blizzard. [4 marks]
- Explain **two** negative consequences for Activision Blizzard if these conflicts are not resolved. [4 marks]