

Approaches to conflict in the workplace

When significant conflicts arise in the workplace and are not quickly resolved, both employees and employers may take industrial action. Industrial action is a form of protest that puts pressure on the other party to resolve a dispute. You may be familiar with one form of industrial action called a strike. This and other forms of industrial action will be discussed in this section. Industrial action tends to escalate complicated situations and can be damaging for both the employees and employer. At times, however, it can be the only way to break an impasse in negotiations.

Collective bargaining

One of the ways to avoid damaging industrial action is through collective bargaining. Collective bargaining is when employees work together with management to negotiate wages and working conditions.



Figure 1. A collective bargaining agreement between a manager and an employee representative.

Credit: Pollyana Ventura, Getty Images

Collective bargaining can occur through formal trade unions and it can also occur when no formal union is present. Where trade union membership is common, workers find it easier to negotiate with management. However, higher levels of collective bargaining and higher density of trade union membership may lead to increased rates of industrial action, as workers may seek to pressure their employers for higher pay and better working conditions. In countries where union membership is lower, collective bargaining is usually more difficult to implement.

The benefit of collective bargaining for workers is that workers have more power together than they do as individuals. This makes it more likely that they can reach their goals in terms of pay and working conditions. However, collective bargaining also has benefits for the business because the business only has to negotiate with one group rather than several individuals. And, when the agreement is found, all the workers will abide by it.

Theory of Knowledge

How might emotive language and faulty reasoning be used in collective bargaining negotiations?

For example, language and reasoning could be used differently to deal with conflict, sometimes using false or incorrect reasoning. An approach that is worth mentioning here is called the Thomas-Kilmann Conflict Instrument. This approach sets out five primary styles for managing conflict:

- **Forcing.** In this style, one's authority or power is exercised without concern for the other party.
- **Accommodating.** Here, you would neglect your own concerns or interests and allow the other party to have their needs met.
- **Avoiding.** In this style, you would refuse to acknowledge the conflict.
- **Compromising.** In this style, both parties get some of the things they want, but not everything.
- **Collaborating.** This style requires both parties to sit down and understand each other's viewpoint in order to try to reach a mutually satisfying decision.

The appropriate style is a matter of judgement, and the approach could determine the language used and the outcome achieved.

Employee industrial action

Failure of collective bargaining can lead to more significant action on the part of both the employees or the employers.

There are various actions that employees can take to put pressure on the business to resolve disputes. While these actions can be effective tools to resolve disputes, they share similar downsides for both the employer and the employee, including:

- increased costs of production
- loss of output and sales revenue (and thus profits)
- damage to the reputation of the business, permanent loss of customers and difficulties with recruiting
- damaged relationships with employees
- job losses if profits decline or losses occur due to the industrial action

Employees may find it difficult to take part in industrial action if they are not unified. Some workers could undermine the action by not participating at all, or not as much as the group needs in order to pressure the business. Workers may fear for their jobs if industrial action is not protected by law in the country where they work. Or they may fear for their jobs if the business is harmed by the industrial action, and redundancies occur later.

Work-to-rule

Employees often go above the minimum required in their work to support the business. This is particularly true when they feel motivated and there is a positive work culture. These extra efforts can benefit a business greatly. A work-to-rule action is when employees only work at the minimum level required by their contract.

If you work in a factory, for example, you might work an extra 30 minutes at the end of a shift in order to fulfil an order. In work-to-rule, you would stop your work and go home. Again, no overtime would be worked. Like a go-slow action, a work-to-rule reduces worker productivity and output. Obeying the strict requirements of the contract creates a scenario whereby management cannot find fault with workers, but would be forced to come to a negotiating position to re-establish some positive flexibility among workers.

Overtime ban

An overtime ban is when workers refuse any overtime work. Like go-slow and work-to-rule, this is a very effective method when there are fast-approaching deadlines for work to be completed. This is particularly useful in manufacturing, games development or

service sector work such as retail. During periods of high demand, the impact on customer service would be great. Poorer delivery of service could then result in loss of business reputation.

Strike

A strike is when workers refuse to work. It is the most radical action that employees can take to reach their objectives. Often, local laws require workers to give advance warning to management that they are going on strike, and there may even need to be a vote cast by members of the union with majority rule. Otherwise, the strike is deemed illegal and the courts can make workers return to work. Knowing that a strike may be imminent, management can sometimes hire additional workers to ensure there is no work stoppage.

Strike action is the most disruptive form of industrial action for a business's output. Strikes typically receive a lot of media attention and can also lead to public relations issues for both the employer and the employees, especially if the strike is a significant one that disrupts the daily activities of a large number of people, as in the transportation sector.

In March 2022, there was a general two-day strike of 50 million workers in India that disrupted the banking, manufacturing and public transport sectors in six states. The workers were protesting about what they claimed to be anti-labour government policies. While 50 million people sounds like a lot, the strike was smaller than expected; it was smaller than previous strikes which attracted multiple hundreds of millions of people. Some observers claim the low numbers reflect the vulnerable position of many workers in India in the face of low wages, inflation and the continued impact of the COVID-19 pandemic. When strikes are short and have less than expected numbers, they may not achieve their goals.

Exam tip

In the case studies, you should look for clues that may indicate union activity. This may influence the choice of business strategies. For example, a business may be more reluctant to make redundancies or outsource production if there is a chance of industrial action.

International Mindedness

Different methods of industrial action occur around the world. Workers in some countries are more active than in others. In some countries, strike action is discouraged and in other countries it is more commonplace.

The political, social and legal situation in a country has a significant impact on the type of industrial action methods that are used.

Employer industrial action

On the other side of the bargaining process, the business also has objectives. The business may wish to reduce costs of production, increase productivity, and reduce labour turnover. It is in the management's interest to do what it can to ensure employees are happy at their jobs; however, the management may have objectives that run counter to what the employees want. This may result in differing perspectives which, as mentioned earlier on, may lead to conflict.

Just like employees, management has a set of tactics to use in negotiation, including collective bargaining, threat of redundancies, changes of contract, closures and lock-outs. These actions can involve the same downsides for the business as were listed in the section on employee industrial action, including higher costs, loss of output and sales revenue, damage to reputation, permanent loss of customers and difficulties recruiting.

Redundancy

Redundancy refers to when a business cuts back on personnel where their roles are no longer necessary or there is no longer any work available. Management can use the threat of redundancies as a means of coercion and control. This can help them to limit union power or gain leverage over the employees. In some countries, there are laws protecting workers from redundancy and dismissal related to union membership and industrial action.

Contract changes

These may result when an employee ends their contract and a new contract needs to be negotiated. At this point, the terms of the contract can be altered. This may include changes in pay and benefits. However, the changes cannot be so drastic as to be coercive. The extent to which an employer can use contract changes as an industrial action tactic depends on the strength of the labour laws in that country.

Concept

Ethics

Contractual changes and threats of redundancy are strategies that management can use to pressure employees. However, as with workers, the action of management must comply with labour laws in the country. Even where labour laws are weak, businesses should not take advantage of power differences between the business and workers in order to exploit workers.

Both businesses and their employees have an ethical responsibility to find resolution to their conflicts. Not finding resolution can result in significant negative consequences for a wide range of stakeholders, some of whom are powerless.

Closure

This occurs when management shuts down the business in response to employee strikes. This is extreme and is not often used because it creates animosity between managers and employees. This management action is intended to be severe in order to force employees back to work rather than lose wages or be made redundant.

Lock-out

A lock-out occurs when an employer locks out its employees, preventing employees from coming to work, with a loss of pay, until an agreement is found. This can have the effect of breaking the unity of the workers; some employees may need the work more than others.

Activity

Learner profile: Inquirers

Approaches to learning: Research skills (information literacy)

Inquiry question: Why are ethical and sustainable organisations more likely to recruit top talent and have higher employee retention?

1. Research examples of 'good employers' and consider the following questions:
 - What do these businesses have in common? What strategies do they have in place that makes them good places to work?
 - How would these strategies help to attract and retain skilled workers?
2. Which social factors are likely to be the main factors influencing the change to a business model based around sustainable/ethical employment working practices?

Case study

P&O Ferries

DP World, the owner of P&O Ferries, experienced public scrutiny and backlash in March 2022 after suddenly firing 800 workers and replacing them with workers earning lower wages. The wages of the replacement staff started at 5.15 GBP per hour, as compared to the previous average staff salary of 36 000 GBP per year. A wage of 5.15 GBP per hour is far below a living wage in the UK. The decision was made without any communication to trade unions, and staff were informed via Zoom. Labour laws in the UK state that employers must give 45 days' notice to the authorities when making large scale redundancies and must consult the workforce, including unions, before carrying out such decisions.

The company has been accused of ignoring some of the most fundamental principles of employee relations. It has also been accused of significant ethical breaches. The UK government has criticised the behaviour, and P&O is being investigated. The company's CEO, Peter Hebblethwaite, stated in testimony, 'There is absolutely no doubt we were required to consult with the unions. We chose not to.' The company chose to risk breaking the law and to receive fines rather than to negotiate higher payoff settlements with their staff. The staff were given smaller payoffs and told to accept swiftly without discussion or lose the offer completely.

The CEO of P&O argued that the dismissals were necessary to cut costs and save the business after the losses suffered during the COVID-19 pandemic. He stated that the company deliberately chose not to consult with unions as required by law, because they saw no chance that collective bargaining would result in a solution.

Several months before the dismissals, the employee relations chief had stated that P&O was 'not just a place, a job or career, but a family'.

Questions

1. Define the term collective bargaining [2 marks]
2. Explain why P&O's sudden dismissal of 800 employees is both a legal and an ethical issue. [4 marks]