

2.6 Strategies to Reduce Conflict – Summary Notes



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STRATEGIES TO REDUCE CONFLICT

KEY TERMS

Single-union agreement an employer recognises just one union for purposes of collective bargaining

No-strike agreement unions agree to sign an agreement with employers not to strike in exchange for greater involvement in decisions that affect the workforce

Conciliation the use of a third party in industrial disputes to encourage both employer and union to discuss an acceptable compromise solution

Arbitration resolving an industrial dispute by using an independent third party to judge and recommend an appropriate solution

SINGLE-UNION AGREEMENT

Single-union deals are one strategy to reduce conflict at work. Just 50 years ago, the UK still had over 100 separate trade unions. This number is now much reduced, but it is still possible for the workforce of one business to have members in several different unions. This makes collective bargaining much more difficult and time consuming. In addition, it can lead to inter-union disputes over which skills or grades of workers should get the highest pay rise. It can also reduce the flexibility of a workforce if members of one union are prevented from doing the work of other workers belonging to another union. This is called a demarcation dispute and reduces total productivity.

Many employers now insist on signing recognition deals with just one union. There has been a great deal of competition among unions for these deals, as total membership depends on them. Two potential consequences of such deals are that the newly united workforce and its union representatives may be able to exert greater influence during collective bargaining, and that just one union may not effectively represent the range of skilled staff, and their needs at work, that exist in most businesses. The growth of single-union agreements has led to further mergers between unions to prevent smaller unions being gradually excluded from all such industrial deals.

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Common causes of labour–management conflict		
Cause of conflict	Common management view	Common employee view
Business change, e.g. relocation or new technology	Change is necessary to remain competitive and profitable.	Change can lead to job losses, may result in retraining in new skills that causes uncertainty over ability to cope. Demands for increased 'flexibility' from staff may reduce job security.
Rationalisation and organisational change	Business needs to cut overheads and be flexible and adaptable to deal with 'globalised' low-cost competition.	Cost cuts and rationalisation always seem to fall on employees – not the senior managers or owners of the business. Reduced job security will damage employee motivation.

NO-STRIKE AGREEMENTS

At first glance, these seem rather unusual agreements for a union to sign with an employer. Why give up the most effective form of industrial action? There are two main reasons:

1. It improves the image of the union as being a responsible representative body and this could encourage employees to become members.
2. These deals are often agreed to in exchange for greater union involvement in both decision-making and in representing employees in important negotiations. This has led to union–employer agreements to change working methods and increase labour flexibility that lead to higher productivity, higher profits *and* higher pay and worker participation. This is sometimes referred to as a win–win settlement as both employer and employee will gain from this new partnership approach to industrial relations.

CONCILIATION AND ARBITRATION

In the UK, ACAS (Advisory, Conciliation and Arbitration Service) was set up in 1975. Its primary function is to reduce conflict in UK industry by improving employment relations between employers and employees. It gives advice to employers and employees and their representatives on issues likely to cause disputes between them. Most countries have a similar organisation. As a conciliator in industrial disputes, ACAS would listen to both sides of the argument – perhaps over pay or working conditions – and attempt to find common ground. This might then be used as a basis for an eventual compromise agreement.

Arbitration is different. An ACAS official will again listen to both sides of a dispute, but will now make a decision for resolving the disagreement. This might be a compromise between the opposing views of employer's and union's officials. If both parties agreed to accept this, then

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this becomes binding arbitration. The risk of the arbitrator setting the compromise closer to 'one side' than the other can lead to both groups establishing extreme negotiating positions. For example, in wage negotiations, a union might ask for a rise of 10% rather than a more realistic figure of, say, 5%. This is in the hope that the final decision of the arbitrator may be influenced by the high pay claim and will set a 'compromise' of 7.5% – which is what the union was hoping to achieve anyway!

An alternative form of arbitration, designed to prevent this union strategy (and also to discourage employers from offering a very low increase) is called 'pendulum arbitration'. In this case, both sides must accept the decision of the arbitrator and the arbitrator is forced to accept either the union's pay claim or the employer's pay offer because no compromise is allowed. Thus, if a union submitted a very high claim or if employers offered a very low rise, then the arbitrator would be tempted to 'swing' the decision towards the other side completely.

EMPLOYEE PARTICIPATION AND INDUSTRIAL DEMOCRACY

These are attempts to reduce industrial conflict by achieving a closer working relationship between employees and employers. This then might lead to commonly agreed objectives. Participation at work by employees can take different forms:

- Industrial democracy, in its purest form, implies workers' control over industry, perhaps linked to workers' ownership of the business, e.g. producer co-operatives.
- Employee or trade union directors on the company's board of directors represent the workers' approach to major company issues at the highest decision-making level.
- Works councils, e.g. European Works Councils, discuss issues such as the employment situation, major investment projects planned by the business, major organisational changes and health and safety.
- Autonomous work groups and quality circles lead to employee participation in decision-making and help to avoid the 'them and us' environment. By involving workers in everyday decisions that impact on their working lives, such as work schedules, improvements in work practices and how to plan team working, the threat of industrial disputes is reduced.