

# Introduction to Employee Relations

Conflict and Negotiations

# Part I: Conflict

# Definitions of Conflict

- “present where there is an incompatibility of goals” (Mullins 2007, p. 93)
- Can be seen at individual, group or organisational levels
  - Intrapersonal conflict, interpersonal conflict
  - Intragroup conflict, intergroup conflict
  - Organisational conflict
  - Industrial conflict

# Different Types of Industrial Conflict

- Collective vs individual
- Organised vs unorganised
- Workers vs management
- Worker vs worker
- Manager vs manager
- Latent conflict
- Industrial action (e.g. explicit and organised collective – ‘conscious strategy’; unorganised and implicit individual – ‘withdrawal from the source of discontent’)

(Hyman 1989:56 cited in Wallace et al 2013)

# Forms of Industrial Action

- Strike
- Lockout
- Go slow
- Overtime ban
- Whistleblowing
- Absenteeism
- Turnover
- Motivational withdrawal
- Suicide

(Wallace et al 2013:  
177)

# Is 'conflict' a bad thing?

Positive Outcomes	Negative Outcomes
Better ideas produced	Some people felt defeated and demeaned
People forced to search for new approaches	The distance between people increased
Long-standing problems brought to the surface and resolved	A climate of mistrust and suspicion developed
Clarification of individual ideas	Individuals and groups concentrated on their own narrow interests
Stimulation of interest and creativity	Resistance developed rather than teamwork
A chance for people to test their capabilities	An increase in employee turnover

From Schmidt's survey of practising managers  
(Mullins 2007, p. 95)

# Unitarist Perspective (Fox 1968)

- Only one source of authority – must command loyalty
- Emphasises dominance of common interests - everyone should strive to achieve org's goals as everyone will benefit
- Anyone who doesn't share common interests/accept managerial authority – dissenter/agitator
- Sees organisation as harmonious
- **Conflict seen as disruptive and unnatural**
- Trade Unions seen as unnecessary evil

# Pluralist Perspective (Fox 1968)

- Sees organisation as made up of different interest groups with different objectives linked by association with the org
- Management's role is to achieve equilibrium
- **Conflict seen as inevitable**
- **Conflict not necessarily bad – can be reconciled in organisation's interests**
- Fox suggests this perspective is a more realistic frame of reference

# Radical Perspective (Fox 1968)

- Derived from Marxist principles
- Conflict between 'capital' vs 'labour'
- Org as 'microcosm' of society
- Conflict of capitalist society manifested in org
- Inherent imbalance favouring capital
- Trade unions seen as the necessary labour 'army'
- Assumes labour is being exploited for profit
- E.g. Marxist trade unions in France and Italy
- **Conflict cannot be resolved without radical change,**  
e.g. socialist society; militant strikes
- Uncommon in contemporary organisations

# Sources of Conflict

- Differences in perception
- Limited resources
- Departmentalisation and specialisation
- The nature of work activities
- Role conflict
- Inequitable treatment
- Violation of territory
- Environmental change
- 'the age gap' (Hart)
- Wages
- Working Conditions
- Workers' Rights
- Redundancy
- Hours of work
- TU recognition

# HR Strategies for Managing Conflict

- Clarification of goals and objectives
- Resource distribution
- HR policies and procedures
- Non-monetary rewards
- Development of interpersonal/intergroup skills
- Group activities
- Leadership and management
- Collective Bargaining/Negotiations
- Employee Engagement

# Thomas-Kilmann Conflict Mode Instrument (TKI)

- The Thomas-Kilmann Conflict Mode Instrument (TKI) measures how you behave in conflict situations
- This behaviour is measured against two dimensions:
  - (1) assertiveness – the extent to which the individual attempts to satisfy his or her own concerns, and
  - (2) cooperativeness - the extent to which the individual attempts to satisfy the other person's concerns.
- Based on these dimensions there are 5 conflict management styles

# Class Exercise: TKI

- Determine your preferred style of managing conflict by completing the *Thomas-Kilmann Conflict Mode Instrument (TKI)*
- Once you have your preferred style think about:
  - The work/personal situation(s) in which your preferred style is most appropriate/least appropriate

# Conflict Management Styles

Style of Managing Conflict	Most useful in this situation...
<b>Competing</b> <i>"My way or the highway"</i>	<ul style="list-style-type: none"><li>• Assertive and uncooperative</li><li>• Time is short and rapid decision must be made</li><li>• Your survival is at stake</li><li>• You have to implement an unpopular decision on an important issue</li></ul>
<b>Collaborating</b> <i>"Two heads are better than one"</i>	<ul style="list-style-type: none"><li>• Assertive and cooperative</li><li>• Gaining commitment &amp; reaching consensus is most important</li><li>• The goal for both parties is to learn from each other, to integrate solutions, merge perspectives, improve relationships</li></ul>
<b>Avoiding</b> <i>"I'll think about it tomorrow"</i>	<ul style="list-style-type: none"><li>• Unassertive and uncooperative</li><li>• This is no need to reach an immediate decision/unimportant issue to be left alone</li><li>• It is useful to 'buy time' in order to let feelings calm down/reduce tensions</li><li>• Time is needed to gain more information about the issue/known limitations</li></ul>
<b>Accommodating</b> <i>"It would be my pleasure"</i>	<ul style="list-style-type: none"><li>• Unassertive and cooperative</li><li>• It is important to maintain harmony and avoid the potentially negative effects of conflict</li><li>• You need to 'cut your losses'</li><li>• You find that you are in the wrong over the issue</li></ul>
<b>Compromising</b> <i>"Let's make a deal"</i>	<ul style="list-style-type: none"><li>• Moderately assertive and cooperative</li><li>• Resolving issues of moderate importance</li><li>• Reaching resolution with equal power</li><li>• A temporary agreement is needed</li><li>• Time is short and a solution must be found quickly</li></ul>

(Adapted from Mullins 2007, p. 99)

# TKI Additional Sources

- [About TKI](#)
- [Sample Report](#)

# Part II: Negotiations

# Negotiation

- Definition: ‘the process by which we search for the terms to obtain what we want from somebody who wants something from us’ (Kennedy 1988, p. 11)
- ‘An act of exchange, which is reached by a process of searching’ (Wallace et al 2013, p. 216)

# Negotiation Choices

- Avoidance: refuse to engage in negotiations
- Accommodate: priority given to other party
- Compete: maximise own party's outcome
- Collaborate: meet the needs of both parties
- Compromise: neither side can achieve outcome without concession

# Avoidance

- Not always appropriate to negotiate/unimportant/don't need other party to achieve outcome
- Justification:
  - need something/need consent;
  - potential outcome is worth it/uncertain
- e.g. when organisation refuses to negotiation with TU
- When used by employees can lead to latent conflict

# Accommodation

- more concerned with the other party's outcomes
- Employment relationships are an important factor
- 'most deals are 50% emotion and 50% economics' (Sebenius 2001, p. 89 cited in Wallace et al 2013, p. 217) – can't focus only on the hard aspects
- Do you agree with Sebenius?

# Competition

- Also called 'controlling' / 'power-centered'
- Parties try to use their position power and to control process
- Used in distributive bargaining
- Can be counterproductive

# Collaboration

- Potential for mutual gains
- Both sides try to reach the other party's outcome
- Use problem-solving approach

# Compromise

- Involves dividing a resource/ 'cutting up the pie' (Wallace et al 2013, p. 218)
- Can be used when there are no mutual gains

# BATNA

- Made popular by Roger Fisher and William Ury
- Know and protect your BATNA
- Stands for *Best Alternative* to a Negotiated Agreement
- Point you are willing to walk away
- Protect BATNA by writing it down & stop others from driving it lower
- Develop your reservation point/quantification of BATNA
  - Think of alternatives
  - Evaluate each alternative
  - Try to improve your BATNA
  - Determine reservation point

# Trust in Negotiations

- What is trust?
- Can make negotiations more difficult
- ‘it is a mistake to either trust or not trust another party in a negotiation’; negotiators should ‘proceed independent of trust’ (Fisher et al 1997 cited in Wallace et al 2013, p. 219)
- e.g. ‘objective protection’

# Definitions of Trust

- Identification Based
  - Emphathises; takes on values of other party; emotional connection
- Knowledge Based
  - Know enough about the other party to predict behavior
  - Information uncertainty creates opportunity for deceit
- Deterrence Based
  - Based on consistency of behavior/follow-through
  - Sustained by threats/promises

# Building Trust

- Similarity effect
- Exposure increases liking
- Good mood = more agreeable
- Physical presence
- Reciprocity principle
- Avoid smugness
- Short exchange/small talk
- Show appreciation/admiration
- Sharing information

(Thompson  
2005)

# Group Exercise: Mini Case Study

- *To Trust or Not to Trust?*

Tex Engineering employs 500 employees, but due to competition it is forced to lay off 250 employees. A negotiation meeting is arranged at which the HR director announces to the union representing the workers that she wants to handle this in a constructive way and get away from the adversarial highball/lowball approach. She says the company wishes to deal with its employees in a fair way but there is a limit to what they will pay. Instead of starting low, then haggling and eventually going to the Labour Court, she is prepared to tell the union what is on offer. Pointing to her briefcase she says there is 1.5 weeks' pay per year of service 'in the bag' in addition to statutory redundancy entitlements. She says that the union can take this or drag negotiations out and go to the Labour Court, but 'that is all there is'. The HR director has a reputation for being a tough but honest negotiator.

Source: (Wallace et al 2013, p. 219)

# Group Exercise: Mini Case Questions

- Who are the parties involved in this dispute?
- What is the HR Director's opening offer?
- What is meant by the lowball/highball approach?
- What factors should the trade union consider when evaluating the opening offer?