

Conflict between employees and hr



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INTRODUCTION

Conflict is part of the human make up and so it is an ever-present feature in most of the organizations. It is an inevitable social and organizational reality. As conflicts become more prevalent, it is essential to learn to manage conflicts effectively and it is the responsibility of the HR manager to turn conflicts into healthy confrontation and into business results.

It is therefore essential for HR managers to understand how conflicts can arise, what are the consequences of it and what strategies might be used to cope with it. In this assignment, I will be looking closely at conflict with the following objectives.

Examine the possible causes of conflict at work.

Consider the different strategies used by the labour and management during conflict.

Discuss the various strategies for responding to and dealing with conflict.

Even though there are different types of conflicts, the assignment will cover only organization-wide group clash involving labour unions and management.

INDUSTRIAL UNREST

Industrial unrest refers to absence of industrial peace and it is the result of conflict between the management and the workers. These industrial disputes will have serious consequences on the employer, as well as the employees.

Now let us consider some of the actions, taken by the labour union and the management, during an industrial conflict.

By the labour union

Strike

“ Strike means the withdrawal of labour by the workforce” (Evans, 2004, p. 506). For trade unions, it is the most powerful weapon for forcing the management to accept their demands. Strikes are very common nowadays.

An example is the case of British Airways. The flight attendants are planning to conduct a strike during the Christmas season because of some industrial disputes over the new contracts. The management is trying to cut about 2000 jobs by means of voluntary redundancy and part-time working, and also by reducing one crew member from most of the flights. But, the trade union opposes the management’s movement to impose changes in the working practices, and terms and conditions of employment (Times online, 2009).

Strikes can be divided into different sub-categories.

Stay-in strike

In this case, workers will be present at their place of work, but do not work. But, they keep control over the production facilities.

Overtime ban

By refusing to do overtime, the employees are restricting output or the provision of services and possibly increasing unit costs.

Non co-operation

Non co-operation means refusing to help the employer, when in difficulties and doing no more than the actual job itself (Evans, 2004).

Slow down strike

Employees remain on their jobs under this type of strike; but they restrict the rate of output in an organised manner. A classical example is the strike at Honda Motorcycle and Scooter India Ltd. The dispute between the management and the union is severely reflected in its production. As a result of the go-slow strike employed by the workers, the production of the company had reduced by 50% and the management is planning to shut the factory to relocate to another place (Indian Express, 2009).

Picketing

It is an attempt to discourage or prevent workers going into work, by stationing certain men at the work gates (Evans, 2004).

Boycott

Boycott can be done in two ways: either by not using the products of a company (primary boycott) or by making an appeal to the public in general (secondary boycott).

An example for a worldwide boycott is that of against the Coco Cola Company. Trade unions around the world launched a boycott in 2003, against the company alleging that eight union workers were murdered by the paramilitary forces, with the support of company's local bottlers in Columbia (Guardian, 2003).

Another global boycott was against the auction portal E-bay. Many sellers boycotted E-bay over the disputes over their price and policy changes, which increased the commission the sellers have to pay and banned sellers from offering any feedback on buyers (CNN Money, 2008).

By the management

Employers' Association

The employers may form unions to collectively oppose the work force and put pressure on the trade unions.

Termination of service

The employers may terminate the services of those workers who are on strike and replace them with new employees.

Lock-out

Lock-out means the employer closing down the place of employment temporarily. It is the most powerful weapon used by the employers to pressurise the workers to return to work (Evans, 2004).

An example of company lock-out is that of MRF in India. The management decided to close the company because of workers' strike demanding the recognition of their trade union by the management (Financial Express, 2009).

Strikes and boycotts are very common in today's world. There are many companies which are affected by this labour unrest. Nowadays, the employees are using collective bargaining as a means of obtaining their demands. Collective bargaining is a procedure in which changes in wages,

conditions and other employment related matters are settled by discussion between employers and unions (Evans, 2004). With the growth of unions all over the world and emergence of employers' associations, this method gains relevant importance.

The trade unions can be useful or detrimental to the organization; it depends on how they are managed by the employers. The emergence of trade unions is one of the reasons for increased prevalence of industrial disputes. By formation of the trade unions, workers gain the people power to protest against the management. But, these disputes can also contribute to the welfare of the organization.

The situation called ' the closed shop' is another factor which favours disputes. " It is a situation in which all workers in a particular place of work belong to an appropriate trade union, and there is also an agreement between the unions concerned and the employer that, being a member of one of the unions is a necessary condition of a job applicant being offered a job there" (Evans, 2004, p. 509) And in many cases there will be only a single union in most of the work places. So, trade union becomes the sole power here and they will try to put pressure on the management to meet their demands, by ways of strikes and boycotts. This situation can become detrimental, if the trade union has affiliation with any political party. Then the party may use this union for their political interests and this will be harmful to both the workers and the management.

The main factors which lead to industrial disputes are mentioned in the next section.

CAUSES OF INDUSTRIAL DISPUTES

The disputes between the management and the workers may occur because of the following reasons:

Economic causes

These causes include

Demand for increase in wages, bonus, gratuity and other retirement benefits

Demand for allowances like house rent allowance, night shift allowance etc.

Demand for improved working conditions (safety and health, discrimination etc.) and better working systems (hours of work, performance evaluations, job assignments etc.)

Examples of some companies which are affected by strike because of disputes over pay scale are Cadbury, Jet Airways in India, Air India, Tube workers in UK etc.

Management attitude towards workers

These causes include the following:

Unwillingness of management to recognise the trade unions

Disinterest of management to involve workers in decision making

Disinterest of management to discuss the issues with workers or their representatives.

Let us consider the example of Hyundai Motors India Ltd. The workers of this company are planning a strike against the management to protest against the management's unwillingness to recognise the union (Livemint, 2009).

Government machinery

The government laws and the various political factors have an impact on the industrial relations between the employees and the employer. These include:

Influence of the ruling political party on the trade unions

Inability of the Government's conciliation machinery in doing its job effectively

An example is the strike at Lindsey oil refinery, which in turn led to sympathy strike throughout the United Kingdom. An Italian firm, which won the tender for operating in this refinery, employed workers from Italy and Portuguese and this provoked the local workers to conduct strike against the company and the government. In this case, the government couldn't take any steps to prevent the company from employing foreign workers (BBC, 2009).

Personnel causes

Personnel problems like dismissal, layoff, transfer, promotion etc. can also contribute to industrial disputes.

Consider the example of Jet Airways in India. Here, pilots called for a strike demanding reinstating of two pilots, who were sacked because of their attempts to make management recognise the union (Reuters, 2009).

Indiscipline

Indiscipline and violence from the part of workforce can also lead to industrial disputes. In such cases, the management usually resort to company lock-outs.

Miscellaneous causes

In addition to the above mentioned factors, there are some more causes, which are mentioned under this category.

Workers' resistance to the introduction of new machinery and change of place

Behaviour of supervisors

Lack of proper communication

Merging with other companies

For example, the employees of State Bank of India (SBI) were on constant strikes during this year, to protest against the management's decision to merge the associate banks with SBI. The fear of loss of job was the main factor which led to the strike (Blonnet, 2009).

CONFLICT MANAGEMENT

Measures to improve industrial relations

Improving the industrial relations is the best way to avoid conflicts. Presence of a strong and stable trade union, developing an atmosphere of mutual trust and respect, sincere implementation of agreements, and workers' participation in decision making and management, are some of the

measures to improve the industrial relations between the management and the employees.

Conciliation

It is the process of investigating and promoting settlement of disputes by inviting the parties to come to a fair and amicable settlement. It is done by ACAS (Advisory, Conciliation and Arbitration Service).

Arbitration

When both the sides disagree and cannot see any way in which they will agree on the dispute, both sides agree on a third party who will make a decision, which both sides undertake to accept whatever it turns out to be. Arbitration is also done by ACAS (Huczynski & Buchanan, 2001).

Mediation

It is a conciliation plus an active intervention by the mediator who puts forward proposals for acceptance or discussion. But, he does not enforce them and the parties also do not undertake in advance to accept them. It is also done by ACAS.

Negotiation

As an HR manager, negotiation is my preferred method of reaching agreement and resolving conflict. Negotiation is the polite word for bargaining. When people don't have the power to force a desired outcome, they generally negotiate; but only when they believe it is to their advantage. Here I will discuss the role of an HR manager in the process of negotiation and the important points to be considered.

Successful managers conduct their negotiations considering the wider context of the organization's strategic goals. They bargain with the objective of building a good future for the organization.

For a successful negotiation, you need a fundamental framework based on knowing the following:

The reasons for conflict: A conflict can be resolved only by eliminating the root causes. So it very vital to explore the factors which contributed to the conflict (Macdonald, 2000).

The alternative to negotiation: BATNA (best alternative to a negotiated agreement) is a concept developed by Roger Fischer and William Ury, and it refers to one's preferred course of action, in the absence of a deal or failure of reaching a deal. It is better to have an idea about your BATNA before entering into any negotiations, because it will help you to know whether a deal makes sense (Harvard Business Essentials, 2003).

The minimum threshold for a negotiated deal: It is the least favourable point at which one will accept a deal. It should be derived from your BATNA.

Zone of possible agreement: It refers to the range in which a deal will satisfy both parties. In another way, it is the set of agreements that satisfies both parties (Harvard Business Essentials, 2003).

Value creation through trades: It refers to the process of getting something you want, by giving something to the other party.

Bargaining power

The result of a bargaining situation ultimately depends on the balance of power between the management and the trade union. So, as an HR manager, it is very much essential for you to know your bargaining power.

So, analyse the situation carefully to see how the power is spread between the parties and roughly estimate your bargaining power. This will help you to create a good negotiation strategy and bargain with confidence.

Negotiation results

Negotiation results can be broadly classified into three categories:

Win/lose – One party gains and the other loses.

Win/win – Both parties gain a mutual benefit.

Lose/lose – Neither party gains a benefit (Leigh, 2001).

Managers often look for a win/lose position, when dealing with trade unions. But, it may not be the best possible outcome for either side. Effective negotiators usually try for a win/win situation, where both parties will be content with the outcome.

Negotiation stages

Management negotiations consist of several stages. Sometimes, these stages are combined, occurring rapidly with little or no time gap between them.

Prepare

Preparation means understanding your position and interests, the position and interests of the other party, the issues at stake, and alternative solutions, and preparing a negotiation strategy.

Bargaining strategy

It is your strategic plan to achieve what you want (Leigh, 2001). It involves various bargaining tactics and need to be a flexible one, so that we can modify according to each situation. It is better to start negotiations with a win/win approach and revert to win/lose approach later, if the first approach fails. Also, always try to improve your position by increasing your bargaining power and delay negotiations until you improve your position.

Getting the other side to the table

Getting the opposition to the table is the first challenge in negotiation. This won't happen unless they see that it is better off negotiating than going with the status quo. So, encourage negotiation by offering incentives, making the status quo expensive, and by enlisting the support of allies (Harvard Business Essentials, 2003).

Offer

In this stage, you have to present your position to the opposition. Explain what you want, confidently and clearly. You can gain an advantage by putting the first offer on table, because it becomes the reference point around which negotiations will make adjustments. I think it would be better to start with a high demand, because it may be harder to start low and then increase your demands. But, it should be ensured that the initial demand is

not too high, as it may end the negotiations abruptly. If the opposition is making the first offer, you should be able to contradict their arguments and it should be supported by relevant facts and figures.

Negotiate

This is the actual bargaining stage. Here, both parties will be looking for a consensus, an advantage or a settlement. In this stage, you have to adopt some tactics. You have to assume that everything is negotiable. Always believe that the opposition can be persuaded to do what you want, no matter how strongly the other party asserts its position (Leigh, 2001).

Also, be prepared for concessionary moves. But, look at your bargaining power before you consider making a concession. If your bargaining power is very strong, a concession may be unnecessary in making a deal (Harvard Business Essentials, 2003). Also, since most negotiations consist of concessions by both parties, it would be a good tactic to offer something, only if you get back something in return.

Close the deal

After negotiating with the opposition, you will reach a point where you are satisfied with the negotiation and you want to close the deal. The other side may or may not be at the same point. So as you approach towards it, say that you wish to close the deal and discourage the other side from seeking further concessions. Also record the terms of the agreement to avoid future disputes and confusion.

Implementation

After the final agreement has been reached, the next step is the implementation of these agreements. Both parties should be jointly involved in this stage to monitor the progress, because this can help in preventing any divergence from the original agreement.

Let us consider the example of the ongoing strike in Royal mail. In this case, the workers are concerned about their job security, as a result of the ongoing modernisation programme being implemented by the management.

Modernisation involves introduction of work sequencing machines which, the employees feel, will cause a huge amount of job cuts. The employees are not satisfied with the method of implementation of the 2007 agreement and it is the factor which triggered the strike (BBC, 2009).

Evaluation

For continuous improvement in performance, it is very essential to evaluate the effectiveness of the solution to conflict, and make appropriate changes if required (Macdonald, 2000).

CONCLUSION

Conflicts are becoming increasingly prevalent in most of the organizations and HR managers act as a vital buffer between the parties who need help to handle disputes. A positive and rational approach based on pragmatism and compromise would be helpful. So, my preferred method is negotiation.

An effective negotiator should have a vision of what is to be accomplished and it should be in line with the future organizational goals. Focus should be on the underlying causes of the problem rather, than the often-expressed

disagreement. As an HR manager our role is not only to cure the present troubles, but to ensure that they are permanently eliminated, with beneficial results for both employers and employees.

So, it is the responsibility of the HR manager to empower employers and employees to do and to accept what is in the collective interest of the organization even if it might contravene their personal interests.

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