

# Managing Conflict in the Workplace

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## **1. Outline the major causes of industrial conflict in Australia. Which of the unitary, pluralist or radical perspectives do you think best describes industrial conflict?**

The major causes for industrial conflict are:

- wage demands and working conditions (both employee initiated);
- management policy, political goals and social policy (all arising from extraneous sources).

Traditionally wage demands have been a major cause of industrial conflict, but this has been a less significant factor in recent times. The majority of industrial conflict that takes place is regarding working conditions and management policy. Industrial conflict is accepted by both the pluralist and radical perspectives of management. The pluralist perspective acknowledges that employees and employers are going to have competing goals, and that conflict may arise. The radical perspective proposes that conflict is a natural artefact of the divide between the capitalist and working classes.

## **2. The Chief Executive of an Australian broadcasting company announces a decision to remove half of his management team and restructure the organisation. The staff hold a stop-work meeting and agree to a 24-hour strike. Explain where this dispute would fit in the list of causes of industrial conflict.**

Management policy is a key cause of industrial conflict in this case. The company is making a management decision to restructure the organisation. The result of this action is the potential for job losses, for which the current employees are holding a stop work meeting. The aim of such industrial action is to influence management policy in such a way as to limit job losses.

## **3. Examine possible reasons for the reduced level and severity of strikes in recent years in Australia.**

There are a number of reasons that explain the reduction of disputation within Australia. Industrial relations changes have limited the potential for unions to call strikes, and for other disputation measures to be taken. This has coincided with an economy that has experienced 17 years of consecutive economic growth. With unemployment at over 33-year lows and with real wages at all time highs, the need for disputation has fallen. Consolidated within the decline in union membership, these changes have considerably reduced the impact of disputation on Australian businesses. Moreover, sympathy strikes are now illegal.

**4. 'There's no way we're ever going to make a deal with these thugs. The only way to get a fair deal for our workers is to show the bosses the power of a united workforce – and to fight, fight, fight!' Explain whether this reflects a unitary, pluralist or radical view of industrial conflict.**

This reflects a radical perspective of industrial conflict. The radical perspective suggests that there is a fundamental class divide between the employees and employers of a business, and that the only way of reconciling such a divide is to take collective industrial action. Viewing employers as a bunch of thugs who cannot be negotiated with, is a view that does not necessarily fit with a pluralist perspective as the pluralist view recognises the importance of negotiation.

**5. Outline the difference between overt industrial action and covert industrial action. Illustrate your answer with examples of each type of action.**

Overt industrial action includes any form of industrial action which is intentional and openly apparent to the employees or employers of a business. An example of overt industrial action includes picket lines outside a workplace. Covert industrial action is usually hidden and harder to determine. Covert action may be unintentional, and merely a consequence of ineffective industrial relations such as staff turnover. Alternatively, it may include malicious acts which are aimed at harming the business. An example of covert industrial action includes sabotage.

**6. If you were an employment relations expert asked to advise on a workplace experiencing industrial unrest, do you think overt or covert industrial action would be easier to resolve? Provide reasons for your answer.**

Because overt industrial action is usually intentional, it is fairly easy to identify the causes for industrial unrest. When an employment relations expert can reconcile the interests of the employees and the employer, the industrial conflict is easily solved. Covert industrial action may not be as easy to identify, and it can be challenging for employment relations experts to isolate the problems facing a business. Because many forms of covert industrial action are unintentional and are merely a consequence of ineffective employment relations, employment relations experts cannot easily identify specific actions which will reduce the level of overt action within the workplace.

**7. Outline the role of each of the following stakeholders in resolving disputes:**

**a) employers and employees.**

Employees and employers have a unique responsibility in trying to resolve industrial conflict amongst themselves, without involving third parties such as unions and employer associations. Employees and employers must make compromises when bargaining with one another. Employers will focus on business issues (costs and productivity) whereas employees will focus on staff matters (pay and conditions).

**b) unions and employer associations.**

Unions and employer associations play an important role, in that they provide extra information and bargaining power to employees and employers. Both groups act as bargaining agents, and rely on their size and significance in order to achieve a favourable result.

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(7. continued)

**c) government organisations.**

Government organisations such as the Australian Industrial Relations Commission (AIRC) have traditionally played an important role with their powers of conciliation and arbitration. With the recent industrial relations changes, this role has become less important. Agreements such as AWAs and Certified Agreements (CAs) contain a dispute resolution procedure which outlines a process that does not involve the intervention of government organisations.

**8. Distinguish between the conciliation and arbitration of a dispute.**

Both conciliation and arbitration involve third parties, however the decisions made within an arbitration procedure are legally binding. Conciliation outcomes are not legally binding, and are only a guide for the two negotiating parties to follow. Arbitration tends to be a final process that occurs where employees and employers cannot come to a conclusion independently. Conciliation is usually preferred to arbitration as it allows employees and employers to come to a mutually acceptable outcome.

**9. Which method is more likely to achieve a result that is acceptable to both parties – negotiation, conciliation or arbitration? Justify your answer.**

Negotiation is characteristic of all processes and, used alone, is the most preferred method of dispute resolution as both parties can determine which conditions are more important to them, and make concessions on less important items within the bargaining process. Negotiation is flexible, and allows employees and employers come to a mutually beneficial outcome that reflects the needs of both parties. Conciliation and arbitration involve third parties who may not be able to make the most suitable compromise. In the case of arbitration, the final decision is legally binding and is unlikely to be a decision that suits both the employee and employer.

**10. 'It may be costly, but sometimes a strike is a good thing.' Describe what benefits may come about from industrial disputes.**

From the perspective of a business, strikes are expensive and disruptive; from the perspective of an employee, strikes are a form of industrial action that can be used to improve their workplace conditions. Strikes allow employees to collectively exercise their bargaining power, and achieve outcomes which may not be able to be achieved on their own. The final result may include outcomes such as an increase in pay, or an improvement in working conditions. This may reduce other covert forms of industrial conflict such as staff turnover; which is beneficial to the business. Strikes may be financially costly, but if they enable businesses to improve work processes and hear and resolve staffing issues then there may be long term benefits.