

MANAGING CONFLICT IN THE WORKPLACE



Multiple choice

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|----|---|-----|---|-----|---|-----|---|
| 1. | C | 6. | D | 11. | D | 16. | C |
| 2. | A | 7. | C | 12. | A | 17. | A |
| 3. | D | 8. | D | 13. | B | 18. | C |
| 4. | A | 9. | B | 14. | A | 19. | D |
| 5. | B | 10. | B | 15. | C | 20. | B |

Short answer questions

Question 1

- (a) Industrial conflict refers to clashes between employers and employees over issues such as working conditions, wage demands, work practices and social concerns.
- (b) Employee dissatisfaction with managerial policy is the largest single cause of workplace conflict in Australia, involving 97,000 employees and resulting in over 225,000 working days lost in 2002. Disputes over physical working conditions are also a significant issue in many workplaces, resulting in over 34,000 days lost to industrial action. What this highlights is that the greatest source of industrial conflict is one that could be addressed fairly cheaply for business by improving communication between employees and management.

Disputes over wages and trade union membership also caused conflict in many workplaces, resulting in over 10,000 days lost each. However, many businesses are likely to find it difficult to develop solutions to these problems as they are issues where the interests of employees and employers are often directly opposed.

- (c) i) Unitary views of employment relations believe that there is no fundamental conflict between employers and employees. If conflict does arise then it is the result of poor management of employees or unnecessary interference from third parties such as trade unions.
- ii) Pluralist views of employment relations believe that workplace conflict is inevitable due to the conflict of interests between employees and employers. Pluralists argue that employers are in a position of power in most workplaces and that employees need to act collectively through trade unions to create bargaining power of their own. They also argue for the role of third party mediators in the industrial conflict process.

- iii) **Radical perspectives on workplace conflict see the employment relationship as part of a broader context of social classes. Conflict is a natural reflection of a class war between employers and employees. Governments are perceived to be on the side of employees and so are unable to solve workplace conflicts fairly. A total change of the economic system and social structure is required.**

Question 2

- (a) **Overt industrial action is active, visible forms of industrial action including strikes, picketing, boycotts and lockouts.**
- (b) **Overt industrial actions taken by employees include:**

Strikes – a withdrawal from work of a group of employees to disrupt business operations.

Pickets – protests by one group of employees to ensure that supplies and other employees are unable to enter a business.

Work to rule – employees follow strictly the terms of their employment contract and will not perform any task that is not specified within the terms of their employment.

- (c) **The level of strike activity trended steadily downwards between 1987 and 1999 as the number of industrial disputes per year fell from around 2,000 to just over 500. Between 1999 and 2000 the number of strikes increased by over 50 per cent. However, this number has remained fairly stable in the last two years.**
- (d) **The most important single factor contributing to the decline in overt industrial action in recent years is the introduction of government legislation to restrict the ability of trade unions to organize and carry out industrial action. For example, the right to hold strikes has been restricted to designated periods such as contract negotiation periods. With heavy penalties in place for unlawful industrial action, few employees or trade unions are willing to undertake such action. Further, recent changes to the dispute resolution system have also contributed to the decline in overt industrial action by encouraging employees and employers to resolve conflict in a mutually beneficial manner rather than resorting to arbitration at industrial tribunals. A further reason is the declining level of trade union membership among Australian employees. Many non-unionised employees are unwilling or unable to engage in overt industrial action because of fears of reprisals from their employers.**

Question 3

- (a) **Conciliation involves employers and employees meeting to discuss possible solutions to workplace disputes, with the Australian Industrial Relations Commission (AIRC) acting as an independent third party to assist in resolving the dispute. It does not involve a legally binding outcome from the AIRC. In arbitration, the AIRC provides a definite, legally binding solution to the dispute on the basis of submissions made by employers and employees outlining their respective positions.**

- (b) **Employers and employees are the primary stakeholders in the dispute resolution process. Employers will seek to maintain skilled and valued staff whilst maximising the profit level of the business. Employees however, will seek to maximise their financial and non-financial rewards as well as promote a safe and friendly work environment. In many disputes, employees will choose to use a trade union to negotiate on their behalf with employers and any third parties that enter the dispute. Trade unions seek to protect employee interests. In the mediation stage of the dispute resolution process, employers and employees will employ an independent third party such as a lawyer to consider the interests of both parties and help in finding a resolution suitable for both. If this fails then the AIRC will involve itself in the dispute. In the conciliation phase of the process, the AIRC serves as a broker, encouraging employers and employees to come to an agreement. In the arbitration stage, however, the AIRC acts as a judge, laying down a final, legally binding solution to the dispute.**
- (c) **Industrial conflict can be very costly for both employees and employers. The primary cost of conflict is financial damage to both groups. This can result from lost production and increased costs of production for employers as well as lost pay for employees. Prolonged industrial disputes in key industries such as the airline industry can have economic or social implications for the economy as a whole. In addition, workplace conflict can lower workplace morale and create lasting tensions between employees and employers.**

However, workplace conflict can have some benefits. It can result in increased pay and improved working conditions for employees as well as productivity increases to benefit employers. Prolonged industrial conflict can encourage businesses to develop and introduce improved communication systems, resulting in lower levels of workplace conflict in the future.