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MBA 833



Industrial Relation
Module 3

MBA 833 (Industrial Relations)

Module 3

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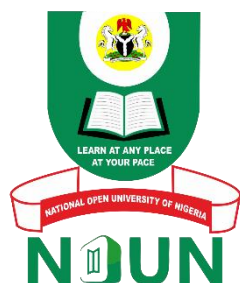
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Unit I The Process of Negotiation in Collective Bargaining

1.0 Introduction

In collective bargaining the parties involved have the power to prejudice each other in a conflict situation which is not handled satisfactorily. Consequently, processes must be devised for handling conflict on an ongoing basis. Basically, collective bargaining is viewed as the overarching process for managing this complex relationship. The collective bargaining process, in which conflict and negotiation are central themes, is a complex one requiring considerable sacrifices and a great deal of understanding and tact on the part of the parties involved.

Therefore, in this unit, you are exposed to the basic principles of negotiation as well as the role of negotiators for effective negotiation in collective bargaining. Furthermore, you are also exposed to the discussion on negotiation process in terms of the inherent phases involved in collective bargaining negotiation.

2.0 Objectives

At the end of this unit, you should be able to:

- explain the concept of negotiation as it relates to collective bargaining
- outline and discuss the four broad categories of principles underlying negotiation
- describe the typical steps of the negotiation process
- analyse the roles and tasks of the negotiators
- identify and discuss the qualities and skills of successful negotiators
- mention and discuss the various phases involved in the negotiation process.

3.0 Main Content

3.1 The Negotiation Process

Negotiation as part of collective bargaining is mainly a process by which management and trade unions reciprocally make and oppose demands, and make concessions, in order to reach agreement. As you know, each negotiating situation is unique, being determined by certain variables such as complexity and formality. For conceptual purposes we can identify various important steps or phases, depending on the approach that is followed. For instance, there is a latent, a pre-negotiation, an interactive and post-negotiation phase.

However, the real negotiation process does not begin at the latent phase, and therefore we shall not discuss this phase any further. And, strictly speaking, the post-negotiation phase is still part of the “contract administration” of collective bargaining. Still, the negotiation process may be regarded as comprising four phases.

This four-phase process is depicted in figure 1. Note, however, that this is an over-simplistic representation so that the process can be more easily understood.

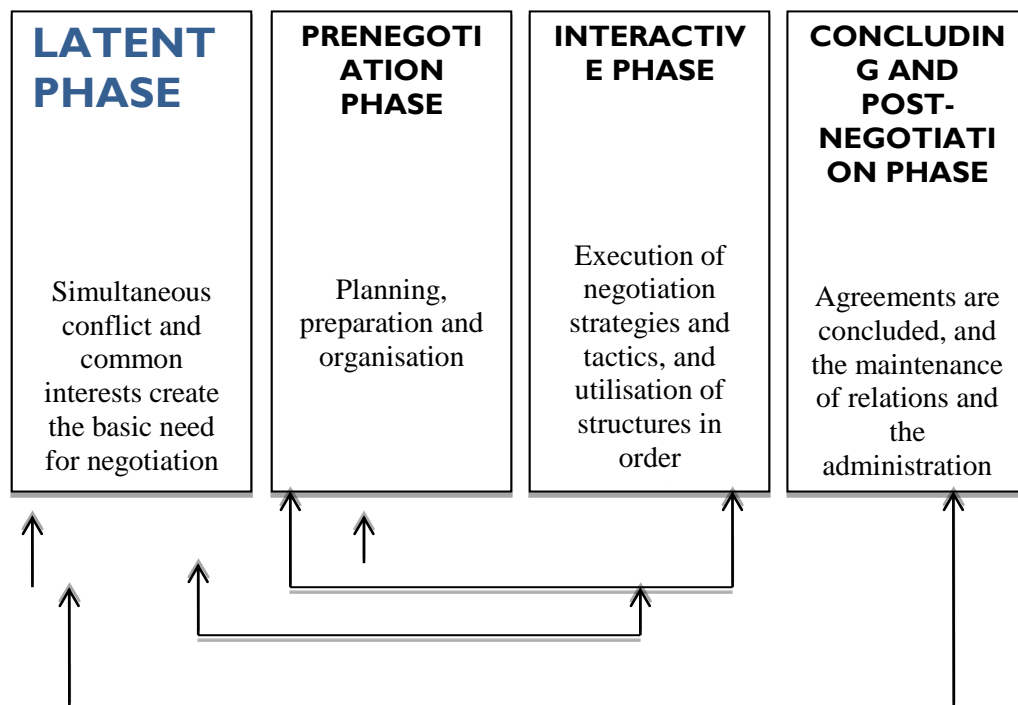


Fig. 1: Phases of Negotiation

Source: Swanepoel, *et al.* (2002)

3.2 The Pre-Negotiation Phase

Careful planning, preparation and organisation are essential before negotiations can begin. This preparation and planning for the initial negotiations begins the moment the two parties make their first contact with each other. When agreement is reached, the preparation phase for the next round of negotiations begins.

The more comprehensive and complex the subjects of negotiation, the more time and energy the pre-negotiation phase will require. These topics may vary from procedures (such as grievance, disciplinary, retrenchment or dispute-resolution procedures) to independent matters such as working hours, wages, leave, job evaluation, bonuses, equal opportunities, health, safety, and many more.

Before the first negotiations begin, decisions have to be taken about “pre-negotiation issues,” such as the levels at which to negotiate, the appropriate units, the scope of negotiations, and, consequently, also the broad approaches or strategies to be followed during negotiations.

During the pre-negotiation phase, close attention should be paid to broader environmental influences that can affect the negotiations. For instance, the other party's interests and perceived position must be analysed and one's own negotiating mandate and limitations clearly identified. Inter-organisational negotiations are typically an important element of pre-negotiation phases. It is also important during this phase to appoint competent negotiating teams, to train them and to synchronise their efforts.

As you can see; the pre-negotiation phase demands a lot of time, hard work and serious data-gathering, as well as a lot of other preparations. Apart from other things that must be done during this phase, the gathering of all types of information is extremely important. More basic, "organisational matters," such as where and when the negotiations will take place, secretarial and recording facilities, media coverage, meal arrangements and other related matters, also have to be sorted out during this phase.

The methodology used and the quality of this preparatory and planning work is of cardinal importance if the negotiations are to be successful. Richardson (1985) proposes the log-book system for collective bargaining by objectives.

During the planning and preparation for the approach phase or step, Richardson's collective bargaining by objectives (CBO) model or approach (also known as the "management by objectives" approach to collective bargaining) could be used. The data which are gathered can be categorised according to the principles underlying the CBO model. This will greatly simplify the negotiation process, because the information will help negotiators to keep to the objectives and take decision within the framework of such objectives.

In terms of collective bargaining by objectives, all data must be recorded and updated accurately and consistently (Richardson 1985). The proposed format can therefore serve as a valuable source document for future negotiations and as a reference for the current negotiation process. The proposed format can help to structure the pre-negotiation phase and can also help negotiators who think in terms of specific objectives or negotiable objectives from the beginning, particularly as it applies to each negotiable item. It is also in the interests of those whom they represent at the bargaining table.

Richardson (1985) emphasises that the parties to negotiations should use structured table of the various items. For maximum effectiveness, the columns are divided into "financial items" and "non-financial items" (see Figure 2).

Negotiation items*	Priorities**	Demarcation of negotiation objectives			Initial negotiation	Evaluation results		
		Pessimistic	Realistic	Optimistic		P	R	O
Nonfinancial items e.g. SS-training (days per year paid)	2	10	8	6	15			
Paternity leave (days)	4	8	5	2	12			
Financial items, e.g. Wages	1	15%	9%	6%	3%			

Fig. 2: Richard's Collective Bargaining by Objectives (CBO)

Source: Richardson (1985)

*Classify items into two groups: financial and non-financial

**Relative priority of each negotiation item in relation to other items.

The brief discussion that follows outlines the basis of Richardson's CBO methodology and can therefore also serve as the basis and framework for the planning of collective negotiation.

Column 1

This column contains a list of all negotiation items (also called "bargaining topics"), regardless of who places such items on the agenda. All issues or topics to be negotiated are listed in this column (e.g. wages, leave, sick leave, retrenchments, grievance procedures). The list should preferably be divided into financial and non financial items.

Column 2

In this column, the topics listed in column 1 which must enjoy priority are considered and listed as such. In this way, one can get an idea of those issues in respect of which sacrifices can more readily be made, as well as of those issues which are likely to be "difficult" bargaining topics.

Columns 3, 4 and 5

These columns reflect the boundaries of negotiation objectives. The “realistic position” of the topic in question is recorded in column 4. This might be the realistic wage per hour for a certain group of workers for which management is prepared to settle in the light of the organisation’s interest as well as the interest of both employees and employers, or the industry as a whole. The “pessimistic position” is recorded in column 3 (e.g. the highest wage per hour which management is prepared to grant if the trade union concerned exerts sufficient pressure).

The “optimistic position” is the “best” wage per hour which management can expect to get accepted if the other party (the trade union) does not exert too much pressure. This is recorded in column 5. Thus the columns simply show the upper and lower wage limits at which management is prepared to settle, as well as the realistic wage for the work performed by the employees. The term “realistic” in this context means that which management regards as the most likely outcome or settlement. “Optimistic” means that which management would most likely want to see (but it must still be realistic), and “pessimistic” means that which management would accept as the absolute maximum, but still being able to meet its business commitments.

Column 6

The column lists a very important item, namely the negotiator’s initial bargaining position. In this column, “gambit openings” and “new bargaining items” are listed.

Columns 7, 8 and 9

These columns are used throughout to evaluate what has been achieved. They ought to show how far a negotiator’s final position has moved from the originally planned position, and to what extent it serves the actual or real interests of the mandatory (i.e. the organisation’s top management or the trade union’s constituency) and of the industry, economy and the country as a whole. This information is also important for the planning of future negotiations. The evaluation columns should therefore reflect the course of the negotiation process so as to make it possible to analyse why certain things happened as they did. In this way, negotiators can learn from their mistakes and build on their successes. These columns can also help negotiators to monitor the settlements arrived at and to compare them with set objectives and the whole range that has been identified.

The basic principles of this system therefore include the following: structured, formalised planning, structured record-keeping; and ongoing evaluation. This approach has been used to good effect in training because it is based on practical experience and knowledge gained in the course of a number of negotiations. It also provides a meaningful framework for the development of personal negotiating qualities and skills. The inexperienced negotiator, or the negotiator who leaves the outcome to chance or puts his or her trust solely in favourable circumstances or power, may find this method (which calls for discipline, hard work and an orderly approach) too demanding.

Richardson (1985) does not consider his method at all theoretical. According to him, it can help negotiators to start the negotiation process without being too uncertain about what they are doing, about what their objectives are, or about their chances of success (they therefore do not have to rely totally on themselves).

The inherent advantages of collective bargaining by objectives (CBO) are as follows:

- It focuses on the need to record facts and interests that will be important for subsequent negotiations while these are still fresh in the negotiator's memory.
- Meaningful factors in the planning process receive proper consideration.
- It makes the planner formulate a number of achievable objectives for each item.
- Information is accessible: both parties can readily identify and study the conditions of relevant contracts.
- It establishes a cross-referencing system which gives all concerned access to information about any negotiating topic dating from the time when the original contract was drawn up to the date of the current contract.
- It provides an effective means of ensuring continuity and eliminating duplication. It is therefore an aid to record-keeping.

Thus the approach of bargaining by objectives has many potential advantages for both experienced and inexperienced negotiators. The whole approach to the negotiating process is therefore systematic and purposeful. Certain objectives are identified right from the start, and progress made during negotiations can be monitored in terms of these objectives.

Lombard (1978) makes the point that this methodology in itself will not ensure successful negotiations, but admits that, used in combination with other personal expertise can provide one of the most effective frameworks for maximising the chances of success.

The chief advantage of Richardson's methodology is obviously its capacity to provide the negotiator who is involved in the collective bargaining process with an effective planning and monitoring instrument (record-keeping). It is not a substitute for an accommodating attitude, but is flexible. In a large, mature trade union or organisation with many full-time negotiators, the CBO approach can be used with great success because it can simplify a series of bargaining meetings.

One of the potential problems with this approach is that an essential part of its success depends on pre-negotiation preparations. This is time-consuming and calls for certain negotiation skills. In a small, very new organisation, where one or two people are responsible for all the negotiation, the time needed to implement this method may simply not be available.

Lombard (1978) makes it possible to identify the following potential advantages of the CBO systems:

- It stresses the give-and-take aspect that characterises all negotiations.
- ii. It can give negotiators direction, as well as tangible objectives against which to measure the progress they make during the negotiation process
- It can provide a better basis for the collection and systematisation of data, since the relevant objectives are identifiable.
- The range of negotiation objectives becomes a demarcated area in which negotiating teams can work.

- Negotiators can form a “concept” of their strategy and tactics with regard to all the financial and non-financial items to be negotiated.
- It can supply specific details of each item to be negotiated, as well as a list of possible outcomes in each case.
- Trade unions in both the public and private sectors can use the method.
- It does not change normal negotiating practice, but merely supplements it.
- Details of previous negotiations can be used for training purposes and when preparing for future negotiations.
- The system can make things a great deal easier for lower-level negotiators, because it forces them to be thoroughly prepared before entering the negotiating arena.
- It provides the various trade union negotiating teams with a measure of direction and structure, thereby contributing to consistent behaviour.
- Blocks of interest are demarcated in a positive way, which facilitates the analysis of relevant issues and underlying reasons for and sources of conflict.
- It can supply data for costing contracts.
- It can give negotiators a basis for evaluating their work, thereby helping them to prepare for future rounds of negotiations.
- It can also be useful as a simulation technique in detailed negotiator training sessions.
- Finally, it can facilitate the delegation of competence to negotiating teams and can be used to ensure the performance of negotiators.

Self-Assessment Exercise

1. Discuss the concept of collective bargaining by objective.
2. Contact an industrial union official in your organisation or in another organisation. Request from the industrial official the lists of initial demands or proposals and counter-proposals tabled by the parties at the latest round of negotiations. In addition, discuss with him on the outcome of negotiation, and compare with the initial demands.

3.3 The Interactive Negotiation Phase

Some initial interactions may take place during the pre-negotiation phase when the parties start corresponding, making initial demands and counter-proposals, and testing the water during brief telephone conversations. Such information interaction is useful in preparing oneself for the real thing, probing the other side’s point of view and trying to decide what to expect. It is however not yet in itself the real thing that happens when face-to-face negotiations take place between the parties’ representatives.

The “real thing” starts with the official opening round, when the parties exchange greetings, sit down and start getting down to the nuts and bolts. During this phase, the two parties lock horns and systematically try to persuade each other to modify stances with regard to interests and positions. Certain negotiating tactics are employed during this highly complex phase, in the context of the grand negotiation approach or strategy. Remember that

negotiating strategy relates to the grand approach to the negotiation process. Tactics, on the other hand, relate to the specific actions of the parties when they interact during the negotiation phrase.

3.3.1 Specific Guidelines during the Interactive Phase

Knowledge and skills play an important part during this phase. The following are some useful specific guidelines for negotiators during this negotiation phase:

1. Follow the agenda as closely as possible.
2. Maintain order at all times.
3. Keep to the facts and do not discuss people as such (i.e. separate people from the problems).
4. Take note of and use body language and gestures, and use them effectively.
5. Listen more and speak less (“two ears, one mouth”) – ask the right questions in the right way in order to obtain the right information.
6. Be on your guard at all times.
7. Confirm at regular intervals that you have understood, and obtain confirmation that the other party understands.
8. When in doubt about anything, stop to caucus on the matter.
9. Take your time; never speak, act or decide hastily.
10. Always be pleasant, frank and courteous.
11. Treat everybody with the respect they deserve.
12. Be sensitive to cultural and language differences.
13. Take accurate notes and constantly be on the lookout for alternatives as well as inaccurate information and arguments.
14. Offer the other party a variety of possible choices or options, and make sure that everything is understood in the context of the real, relevant interests.
15. Behave in an emotionally stable manner – do not allow yourself to be unnerved by militant action or heckling. Let a colleague do the talking if you get angry.
16. Check progress regularly and summarise the state of the process – make sure that everybody understands.
17. Always be flexible as regards your negotiating positions or points of view, and keep reminding the other party of the interests under discussion.
18. Negotiators should concern themselves not only with what the other party is saying or doing, but should also continually find out what the real interests and reasons are which underlie the stated positions or problems.

19. Ask for detailed explanations when something is not clear.
20. Respect the other party's need to save face, and be humane.
21. Do not begrudge them or their dignity.
22. Be constantly on the alert for the other party's real intentions, not only with regard to objectives and positions, but also when it comes to their actual interests and priorities.
23. Build a reputation for being fair, but firm.
24. Take each negotiating decision in the light of the other decisions; in other words, weave all the interests into a single whole.
25. Pay careful attention to all communications; do not interrupt, and listen to what is said and what is not said. Never hesitate to make quite sure that you understand a point exactly as it is intended.
26. Remember that negotiation in the industrial sphere is essentially a process of compromise. There is no such thing as winning or getting everything you want.
27. Try to understand the "people" on the other side of the table – their personalities, fears, interests, observations, needs, and so forth, for this is an approach that pays dividend.
28. Keep assessing current negotiations in terms of their effect on future negotiations; remember that collective bargaining results in long-term relationships.
29. Remain positive and assert yourself.
30. Sanctions can be used, but must never be abused.
31. Pay careful attention to the wording of every clause in the agreements you negotiate. Words and phrases (or expressions) often contain valuable information.
32. Read agreements carefully before signing anything. Do not overlook the fine print.
33. Conclude the negotiations by summarising the key points agreed upon, and break eye contact. Then get up and shake hands in a pleasant, civilised way.

3.3.2 Use of Persuasive Communication in Negotiation

The key aspects of the interactive phase are communication, persuasion and debate. During this phase of the negotiations, the parties discuss and debate the merits of their respective arguments. One needs to remember that the goal of negotiation is agreement – "negotiation for the sake of negotiation" is no good to anybody. Persuasive skills are therefore crucial.

Self-Assessment Exercise

Identify some guidelines necessary for the interactive session in negotiation.

3.4 The Concluding Phase

The final phase of active negotiations should be borne in mind throughout, that is, the phase when agreement is reached and recorded and summaries of all agreements are compiled. All parties should openly take responsibility for conveying and implementing the matters agreed upon to their respective constituencies. Before the parties leave, they must make sure that everybody understands all the issues in the same way. Never unnecessarily hurry the final steps of the interactive phase. Remember that the way in which the parties say goodbye to each other and depart sets the tone for future negotiations and determines the spirit in which both are likely to implement the agreements.

The correct implementation of agreements is an important issue. As you already know, a successful interactive phase generally ends with some other type of agreement (contract) which can be put on paper. This means that all differences must have been settled or agreements reached on specific problems. There are, of course, times when negotiations are not entirely successful. In such cases, dates have to be set for future negotiations, or, in the case of a deadlock, the parties have to follow the appropriate dispute-resolution procedures.

Both parties have to respect all agreements, even when this is difficult, because this promotes trust and leads to mutually advantageous, long term relations. Contract administration is the key concept here.

3.5 The Post-Negotiation Phase

The post-negotiation phase usually covers the entire period stipulated by the agreements. During this period, the parties ensure that all role players keep to these agreements (on, for instance, procedures and other matters such as wages and conditions of service). The grievance and disciplinary procedures followed during this phase are naturally extremely important.

The role of trade union representatives (shop stewards) during this phase is also of critical importance, and good communication and daily contact with all other relevant role players are some of the key elements. Trade union representatives must ensure that every clause of the agreements is honoured. When negotiations take place in the framework of bargaining councils, inspectors from these councils also have an important role during the post-negotiation phase.

The entire concept of “bargaining in good faith” becomes relatively meaningless if any of the parties neglect the post-negotiation phase. All agreements must be implemented honestly and sincerely.

The interactive phase may be regarded as the dramatic climax of the collective bargaining process, but experience is the key. Trade unions are often more interested in the post-negotiation phase. That is why trade union representatives play such an important role during this phase. They have to see to it that agreements are implemented smoothly from day to day, for, if they are not, such agreements will not be worth the paper they are written on. Any problems that arise should be brought to the attention of the trade union

and/or management so that the necessary follow-up meetings and discussions can be arranged.

Self-Assessment Exercise

Outline and discuss the various phases of negotiation in collective bargaining.

4.0 Conclusion

You can appreciate from the foregoing analysis that negotiation is very critical to the realm of collective bargaining. In this unit, you have learned a number of issues that relate to the nature of negotiation, the basic approaches to negotiation, and the roles, tasks and qualities of the negotiators who normally represent various parties in collective bargaining. You have also learned about the process involved in negotiation as far as collective bargaining is concerned.

5.0 Summary

You should understand by now that negotiating in the industrial relations context is an art and takes a lot of practice. Incompetence in this area can be costly. It may mean that unhealthy levels of conflict persist; agreements may not be reached or else those collective (or individual) agreements that are reached may have negative effects for the organisation in its pursuit of success.

In the next study unit, you will be taken through strikes and industrial disputes. This becomes imperative as you have already been exposed to negotiation in collective bargaining, which serves as the internal mechanism for resolving strikes and industrial disputes.

6.0 Self-Assessment

1. List 15 qualities and abilities of typically successful negotiators
2. Identify and discuss the various phases of negotiation in collective bargaining.

7.0 References/Further Reading

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Unit 2 Strikes and Industrial Disputes

1.0 Introduction

Strikes and other forms of industrial action are an inherent part of collective bargaining and, by extension, of industrial relations in general. Strikes are the ultimate “weapon of power” that may be used by industrial against employers (if necessary). You may regard strikes as completely unnecessary. Many workers may have taken part in strikes themselves; and yet others may have had to deal with a striking industrial force. Whatever is the case; strikes (and other forms of industrial action) are an issue which many people find it easy to identify. Strikes are highly visual events, and people usually know from media coverage when a prominent strike is in progress.

Due to the fact that one cannot always be certain that negotiations (collective bargaining) will be “free” of serious industrial conflict, it is necessary to develop a good understanding of strikes and other forms of industrial action. From a management viewpoint, strikes are a very important issue. In this unit, therefore, the emphasis falls on the management of strikes as a form of industrial action.

2.0 Objectives

At the end of this unit, you should be able to:

- explain the term strike
- outline and discuss the various types and forms of strike
- identify and explain strategies for management of strikes or industrial disputes.

3.0 Main Content

3.1 Definition of a Strike

A strike is regarded as the partial or complete, concerted refusal to work, or the retardation or obstruction of work, by persons who are or have been employed by the same employer, or by different employers, for the purpose of remedying a grievance or

resolving a dispute in respect of any matter of mutual interest between employer and employee.

According to Akubuiro (2003), in terms of incidence of strike, there are hosts of strike such as:

Official strike: This refers to all strikes which are approved by the union.

Unofficial strike: As the name indicates, refers to the strike not sanctioned by the union executives but initiated especially by the shop stewards.

Unconstitutional strike: This refers to all strikes caused by the union leaders but is in breach of the constitution or did not follow legal procedures.

Work to rule: This indicates that the workers still report to work, do some routine assignment but do not exceed the normal time for work.

Dealing with equipment: This means that workers cannibalise the major work tools thus making work impossible.

In terms of the costs of strike, the following areas are affected:

- number of man hours lost
- loss of business
- disruption of operations
- dampen of the workers morale
- enmity created between management and workers
- goodwill and image of the company destroyed
- loss of valued customers
- distortion in the projected earnings
- loss of output
- loss of sales and revenue
- payment of compensation to customers
- loss of competent employees.

Self-Assessment Exercise

List and explain the various forms of cost associated with strike actions.

3.2 Types and Forms of Strike or Industrial Action

The types and forms of a strike are often the result of the cause of a strike. There are many types or forms of industrial action, and these can be classified according to their different approaches or structures. Common types or forms of industrial action include the following:

The wildcat strike: This type of strike occurs suddenly and is not preceded by any notice or intensive negotiations. It can assume various forms.

The go-slow strike: Here, employees perform their work, but at a snail's pace. They work strictly according to the rules, and sometimes even slower. They thus refuse to maintain normal production rates and volumes.

The solidarity strike: In the case of the solidarity strike, employees at one plant or company stop work in solidarity with other employees who wish to enforce a demand made on their employers.

The rotating strike: Here, groups of employees at different plants or in different departments or sections take turns to stop work according to a set pattern.

The boycott: In the case of a boycott, industrial is not necessarily withheld, but employees bring pressure to bear by way of other drastic action. For example, in the case of an overtime ban, employees refuse to work overtime. Production boycotts involve mainly trade union members and their families who stand together and refuse to buy the products (or services) produced by the employer.

Picketing: This is a form of demonstration of power. Employees and/or their representatives from groups inside or outside the workplace and state clearly that they are dissatisfied about something. Picket lines are usually a peaceful way in which striking workers make public (and advertise) their industrial action with the purpose of encouraging others to join them. Workers normally stand in front of their workplace with placards. In addition, they try to convince suppliers and customers not to enter the premises.

It is important that an industrial relations manager is familiar with the various types of industrial action so that he or she can decide how such action should be managed.

Self-Assessment Exercise

List and explain the forms of strike which can occur in an organisation.

3.3 Management of Strike and Industrial Dispute

When a strike is embarked upon by an industrial union, there arises an industrial or trade dispute arising from some unresolved disagreement between the union and the management of an organisation. In most cases, as you know, the disputes are resolved through negotiation or collective bargaining. In the event of failure to reach a compromise by the two parties, a third party intervention is sought.

3.1.1 Collective Bargaining

This represents an internal mechanism for negotiation normally put in place towards resolving industrial disputes. The representatives of both the management and the workers meet at a round table to collectively discuss and resolve the issues at stake. The process involves representatives of each group coming together with the mandate to work out some solution to the raging dispute collectively.

Akubuiro (2003) observes that this represents a better way of ensuring democratic practice, rather than avoidance or withdrawal, in the workplace to achieve “integrative problem solving”, through which people or groups must find ways of cooperating in the same organisation on the basis of their own agreed rules and procedures.

The third party intervention involves the use of a third party in the settlement of disputes or strikes. Such third party intervention involves a process, which goes through some stages. These stages can be classified into distinct phases in a progressive manner as analysed below.

3.3.2 Mediation

It involves the appointment of some people by both union and management. These people are normally the knowledgeable experts in industrial relations. In Nigeria, the officials of the Federal Ministry of Labour and Productivity are normally involved in the mediation of disputes between industrial unions and their employers. The essence of mediation, as you are aware, is the need to make the union and management involved in the dispute to reach an agreement towards the resolution of the dispute or strike. As it were, the advice of the mediator is not binding on both parties.

3.3.3 Conciliation

The issue of reconciliation comes into play when the mediators cannot resolve the dispute between the union and the employer. Fundamentally, the party that feels dissatisfied by the intervention of the mediator will declare a trade dispute. This is an indication that the government should intervene. The government thereupon such declaration, will appoint a reconciliatory whose duty is to ensure the settlement of the dispute between the two parties. The conciliator's award is again not binding on the parties.

Self-Assessment Exercise

Differentiate between mediation and conciliation as they relate to management of strikes.

3.3.4 Board of Inquiry

The board of inquiry as a fact-finding body is normally set up by the government to probe into the dispute and give recommendation on the way to resolve the problem. The board is usually constituted with membership drawn from a circle of those people who have expert knowledge in industrial relation.

The statutory procedure for the use of the board of inquiry as incorporated in the Trade Dispute Act of 1976 is as follows:

The parties in dispute put it in writing to the Minister of Industrial that they cannot resolve their problem through voluntary means.

The Minister of Labour has the responsibility to:

- appoint a person to act as a conciliator for the purpose of striking a settlement deal between the parties in dispute
- constitute a board of inquiry where the reconciliation machinery fails to achieve settlement of the dispute
- refer the dispute to the Industrial Arbitration Panel (IAP) when all efforts made fail to resolve the dispute
- take the dispute to the National Industrial Court (NIC) for the settlement of the dispute. The National Industrial Court is the last resort in the event of prolonged dispute between a union and the management of an organisation. The (NIC) acts as the final court of appeal for industrial disputes.

3.3.5 Industrial Arbitration Panel

The panel as a standing body arbitrates over industrial disputes which are not amenable for resolution through the other means that might have been exhausted by the parties in dispute.

The Industrial Arbitration Panel is usually made up of 10 members. Such membership includes a chairman, the Vice Chairman and other members. The employers association normally appoints two members and the workers organisation appoints two members as well. The Minister of Labour has the prerogative to appoint the remaining members of the panel, who are supposed to be expert assessors in industrial disputes.

The responsibility of the panel involves holding meetings to review the cases involved in the disputes and recommend appropriate award. This task must be carried out within a period of 42 days in the absence of other period allowed by the Minister of Labour.

On the strength of the panel's recommendation, the minister is duty bound to publish the details of the panel's award and gives 21 days within which any of the parties in dispute can raise objections to the award of the panel.

In the absence of any objection from both parties to the dispute, the minister publishes the award of the panel on the dispute in the government gazette with the intent of confirming the award.

The dispute, however, goes to the National Industrial Court as may be referred by the Minister of Industrial, if there is any objection to the award of the Industrial Arbitration Panel.

3.3.6 National Industrial Court

The National Industrial Court has the responsibility for the determination of the disputes referred to it by the Minister of Labour.

The court as the last resort in cases of industrial disputes has membership of a president and other four members. The president must have been a judge of the high court and the other members must be reputable assessors, appointed by the Federal Executive Council.

The law permits the president of the court, apart from the members as indicated above, to appoint four other persons, out of whom two are suggested by the employers association and two others from the union to assist the court for special opinions.

The court has an exclusive jurisdiction to:

- make final awards for the purpose of settling the disputes referred to it
- determine questions regarding the interpretation of any awards made by the industrial arbitration panel and the terms of settlement.

The court is to handle only cases which cannot be settled by the Industrial Arbitration Panel. Nevertheless, the Minister of Labour has the right to refer a case to it without necessary going through Industrial Arbitration Panel especially if the case is essential one. The court is to handle cases within seven days of notice.

The court is the final court of appeal in all industrial disputes. Nevertheless, any party to a case who feels that his constitutional rights have been violated can appeal to the government, as the constitution takes precedence over the ruling of the court. Legal practitioners are allowed to stand for parties involved in cases in this court. The court can review its order.

Self-Assessment Exercise

Differentiate between internal and external strategies in the management of industrial disputes.

3.4 Essential Services and Strikes

By virtue of the Trade Disputes (Essential Services) Act of 1976, there are those government workers who are barred from embarking on strike. And therefore they cannot even form unions.

The Act provides that essential services refer to:

- The public service of the federation or of a state which shall for the purposes of this Act include service in a civil capacity, of persons employed in the armed forces of the federation or any part thereof and also, of persons employed in any industry or undertaking (corporate or incorporate) which deals or is connected with the manufacture or production of materials for use in the armed forces of the federation or any part thereof;
- Any service established provided or maintained by the government of the federation or a state, by local government council or any municipal or statutory, or private enterprise for:
 - a. supply of electricity power or water or fuel of any kind;
 - b. sound broadcasting or postal telegraphic, cable, wireless telephonic communications;
 - c. maintaining ports, harbours, docks or aerodromes;
 - d. burial of dead, hospitals, the treatment of the sick, the prevention of disease;

- e.dealing with outbreaks of fire;
- Service in any capacity in any of the following organisations:
 - the Central Bank of Nigeria
 - the Nigerian Security Printing and Minting Company
 - anybody corporate licensed to carry on banking business.

According to Akubuiro (2003), the arguments in favour of this prohibition rest on the principle that government services as well as those of other identified establishments are essential to the health, safety and welfare of the society. And the strike is an economic weapon, which should not be used in these areas.

Self-Assessment Exercise

What are the reasons responsible for classifying some services as being essential in relation to strike action?

4.0 Conclusion

The above analysis has shown you that strikes are sometimes inevitable in any economy. Therefore, it is very essential for the government to get involved in the settlement of industrial disputes. The reason, as you have observed from the above analysis, is that government services as well as those of other establishments in the economy are essential to the health,

safety and welfare of the society. Therefore, strikes are to be minimised at all cost. Hence, the government has instituted some machinery for the settlement of disputes so as to prevent the workers from embarking on strike action.

5.0 Summary

The unit has espoused the intricacies of strike action by the workers. Hence, in this unit the concept of strike and the costs associated with strike are treated. Other issues analysed in the unit include types of strike and forms of strike or industrial action, management of strikes or industrial dispute, and essential services and strikes.

In the next study unit, you will be taken through the discussion on the nature and types of organisational conflict.

6.0 Self-Assessment

1. Identify and explain the types and forms of strikes.
2. Mention and discuss the various methods by which industrial action or strike can be managed.

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Unit 3 Nature and Types of Organisational Conflict

1.0 Introduction

Fundamentally, trade unions would never have originated and developed had it not been for the inherently conflict-laden nature of the work situation. Workers began to form these "collectivities" in order to "stand together" and thus correct the imbalance of power in the workplace.

Conflict has to be handled in various ways and on a day-to-day basis. While trade union-management conflict (between representatives of these groups) is dealt with largely by way of collective bargaining, the optimal management of conflict in any organisation that hopes to succeed in the modern business world entails a good deal more.

In this unit, therefore, you are introduced to the important aspects of conflict in the workplace. As it were, you must understand that, while conflict management is dealt with here in a separate study unit, it cannot be studied in isolation. Consequently, you must integrate this theme with all your industrial relations studies and knowledge.

You have to understand that conflict has to be handled professionally so as to support the organisation in its pursuit of success. For this reason, it is extremely important that you understand the dynamics of conflict and that you develop the necessary skills for managing and controlling it.

2.0 Objectives

At the end of this unit, you should be able to:

- explain the nature of industrial conflict
- discuss the various types and levels of conflict
- identify and describe the causes of conflict
- identify and describe the variables that moderate or aggravate conflict
- explain the conflict management process.

3.0 Main Content

3.1 Nature of Industrial Conflict

Most people are of the opinion that the concept conflict has a very negative connotation. And most people are opposed to conflict. In fact, people would more often than not prefer to avoid it altogether than to handle it. The most likely reason for this is that conflict is very often associated with hostility, defensive behaviour and protracted trouble leading to loss, suffering, damage and bad intentions. In short, conflict is commonly perceived as a negative element that should be avoided as much as possible.

As it were, most informed people regard these assumptions as being incorrect. To start with, they point out that conflict is a normal “by-product” of all human interaction, which is why it is present in any work situation. Tension in work situations is common, and specialists in conflict management are therefore constantly searching for new ways of handling conflict in the industrial relations sphere.

You should therefore accept that conflict is a fact of life and rather try to understand it. It is, as we have mentioned, an essential element in all social interaction. If one accepts that a measure of conflict is unavoidable, then the task of conflict management should be to understand why and how various forms of conflict occur, and how they can be identified and used to the advantage of all parties involved.

Conflict situations are common in all organisations, and such conflict is usually accompanied by certain types of behaviour. Naturally, conflict is always present in the industrial relations context. For instance, if a trade union wants to negotiate a wage increase of 22 percent, and employer representatives regard eight percent as the maximum increase that can be granted, conflict arises. Members of the management negotiate an increase they should settle on – some may feel that, if they could negotiate an increase of, say, 10 percent, this would be acceptable to the workers, whereas others may feel that nothing more than 6 percent would be acceptable. In other words, in this situation, there is also conflict within the management group.

You can understand then, that conflict occurs when there is a gap between various parties' points of view, or when they have contradictory objectives, needs and ideas. If this were not so, collective bargaining would not be necessary - not even integrative bargaining or inter-organisational bargaining, or any restructuring of attitudes.

Conflict may occur even when there is only a perception that such a gap or contradiction exists. From the foregoing, you can appreciate the fact that it is impossible to formulate a single, uncontested and “correct” description of conflict.

3.1.1 Functional Conflict

A number of studies have shown that conflict, correctly handled, can be a powerful, constructive force that invigorates a social entity and in fact revives relationships.

For example, conflict can:

- Be a source of energy, thus becoming a catalyst for change and adjustment.

- Be used to maintain internal group identity and solidarity when groups are in conflict with one another - thus it can be instrumental in meeting the need “to belong”.
- Stimulate the structuring or regulations of situations so that rules, procedures and process can be designed for the management of conflict.
- Sensitise people to different needs, perceptions and ideas, which results in better understanding of people.
- Motivate parties to assess the power balance between them.
- Be used as the catalyst for a new, cooperative type of relationship, especially if the parties, in handling the conflict, can identify common ground.
- Make the parties more sensitive and objective when seeking solutions to problems.
- Help to define the limits of acceptable behaviour in the future.
- Help to defuse accumulated frustration and tension, thereby creating a more positive climate.

3.1.2 Dysfunctional Conflict

Conflict can, of course, become dysfunctional (i.e. can damage relationship and organisations) when it is too intense (or even not intense enough), but such type of conflict can also be put to good use. As noted earlier, it can strengthen relationships and produce negotiated results that are beneficial to everybody. However, if the potential advantages or benefits of conflict are to be realised, the whole topic must be thoroughly understood and conflict must be managed professionally, not only during collective bargaining but on a day-to-day basis as an integral part of management.

Self-Assessment Exercise

Distinguish between functional conflict and dysfunctional conflict, pointing out their similarities, if any.

3.2 Various Types and Levels of Conflict

Functional conflict is that type of conflict, which actualises the positive effect that is inherent in any conflict situation. There are others ways of categorising different types of conflict without labelling them “dysfunctional” or “functional”. One of these methods focuses on the level in the system where conflict occurs.

3.2.1 Intrapersonal Conflict

It is a conflict that occurs within an individual (e.g. an employee cannot decide which trade union to join).

JOIN TRADE UNION A?	JOIN TRADE UNION B?
(workers)	

Fig. 3: Intrapersonal Conflict

3.2.2 Interpersonal Conflict

Interpersonal conflict is a conflict between two individuals (e.g., a supervisor treats a trade union representative unjustly because he or she belongs to a trade union which the supervisor thoroughly dislikes).



Fig. 4: Interpersonal Conflict

3.2.3 Intra Group Conflict

Intra-group conflict is a conflict between members of the same group (e.g. differences of opinion arise between members and officials of the same trade union about how to approach negotiations or differences arise between members of the management team about wage negotiation zones).

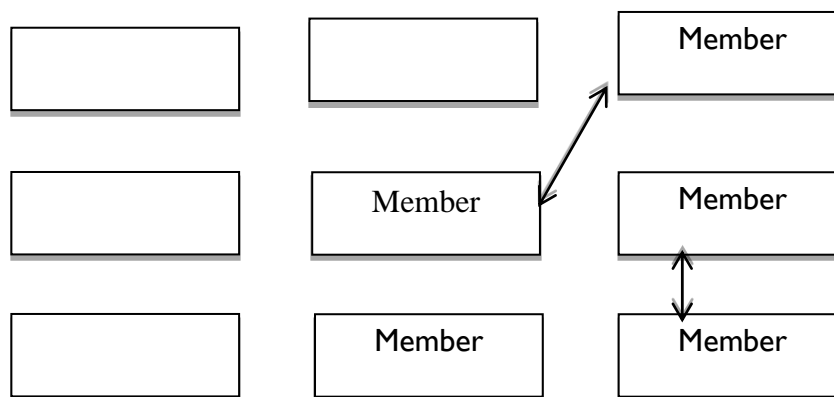
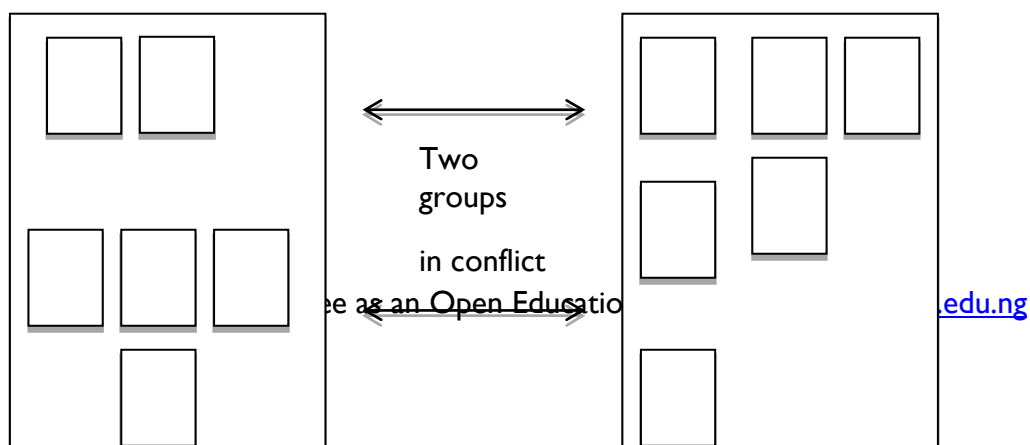


Fig. 5: Members of the Same Trade Union in Conflict with One Another

3.2.4 Intergroup Conflict

Intergroup conflict is a conflict between various groups (e.g., differences of opinion between the management team as a group and trade union representatives as a group, or between various departments in an organisation).

MANAGEMENT TRADE UNION



3.2.5 Suspected (or Latent) or Observed Conflict

This relates to the likely potential for conflict which is experienced by a person or group, but which has not been manifested in their behaviour. In other words, there is only “suspected” conflict, because no outward signs of it have yet appeared.

3.2.6 Unmistakable or Actual Conflict

This type of conflict is usually observed between people or groups during the later phases of conflict episodes. It may even occur in the form of “abnormal”, defiant or aggressive behaviour.

3.2.7 Spontaneous or Natural Conflict

This type of conflict may arise from natural causes, such as the simple fact that people are different.

3.2.8 Engineered or Orchestrated Conflict

This occurs when one party deliberately creates conditions that promote conflict. For instance, if person A dislikes person B, A might tell tales about B to C, thereby causing conflict between C and B.

Self-Assessment Exercise

Identify and discuss various types of organisational conflict.

3.3 Causes or Sources of Conflict

Conflict has many causes, including the following:

1. Different objectives: This is particularly in the case where people seek to realise opposing objectives, but, at the same time, need one another i.e. interdependent. This is what happens in the case of employers and employees. Employees need jobs and employers need employees, but employees want more money and want to work shorter hours, whereas employers want to cut down on costs, including industrial costs, and want employees to work longer hours, harder and more efficiently.

2. Limited resources: This is closely related to the previous cause. Due to limited financial resources and time restrictions, managers typically want workers to put more into their jobs, whereas workers want to get more out of them. This leads to competition between the parties for scarce resources.

3. Structural imbalance: This arises when parties perceive imbalances in a system; in other words, when for instance, a perception exists that some people have too much money and power, whereas others have none at all. This perception is part of the Marxist theory that criticises capitalism because it creates an unfair structural imbalance between the owners of capital and the working class. Class conflict therefore arises, and “status” becomes an important variable. This emerges clearly from the multiple levels of organisational structures, where jobs are graded – some “higher” (in status) and some “lower”.

4. Communication or information-related causes: These may include the following:

Lack of communication: The interdependence and integration of job-related actions requires effective communication between individuals and groups, something that does not always happen in practice.

Availability of information: The conservation, retrieval and interpretation or, rather, misinterpretation of information may in itself be a cause of conflict.

Interruption in the flow of information: Conflict also occurs when the flow of information is interrupted. This may mean that people do not know what is going on, or that they are kept in the dark. Information is sometimes deliberately blocked, or incorrect information is furnished (disinformation). In addition, correct information may be misinterpreted because of a phenomenon known as psychological noise.

Language differences: This is evident where so many different languages are spoken. Managers often think that some workers are saying something negative, when the problem may simply be that they do not understand the workers’ language. This is a possible cause of conflict and disunity.

Problems with the media: Information gathered by the media is not always accurate, which means that the “news” they disseminate may create further conflict. Sometimes, of course, the media are out to create sensation, in which case inaccurate or exaggerated information may increase the levels of conflict between the parties.

Other potential sources of conflict include; historical factors, ideological differences, low levels of trust, cultural differences, a flawed collective bargaining system, differences in education levels, and uncertainty and ambiguity.

Self-Assessment Exercise

Identify and explain the various ways communication in organisations can induce conflict. Suggest means through which such problems can be minimised.

3.4 Variables that Moderate and/or Aggravate Conflict

While some factors may be the direct cause of conflict between industrial and management, others may at times simply be variables that raise or lower conflict levels. For instance, an organisation's industrial relations history might influence current cooperation or conflict levels. Or, to put it more directly, when a trade union and management have had serious differences for some time, it is likely that conflict negotiations are going to take place in that organisation, even after the historical issues have been resolved. The following are some of the factors that can aggravate or temper conflict:

1. Mutual recognition of legitimacy

An important factor in industrial relations is the extent to which the two parties recognise the validity of the other's objectives. This recognition of legitimacy also means that the other party is accepted as a partner in dialogue. The entire collective bargaining process is based on acceptance of the other party's right to hold an opinion and to act in a certain way.

The negotiation process is therefore, based on the extent to which the parties recognise one another's viewpoints and right to a viewpoint, and accept one another's right to exist and to use certain methods of operation. In the absence of such recognition and acceptance, conflict levels will probably increase.

2. Personal qualities of the leaders

Obviously, the personalities of trade union leaders and management representatives may have a significant effect on how the relationship between the two groups develops. You will appreciate the fact that a highly authoritarian personality; that is a person who is conservative, callous, power hungry and hostile to outsiders is more likely to create distrust and advocate a "win lose" approach to collective bargaining.

3. Professionalism and maturity of the parties

People who have learnt from past conflict situations are usually better equipped to handle conflict than inexperienced persons. By the same token, parties who do not understand conflict and who are not trained to handle it may act incorrectly, thus causing the conflict to rise to dysfunctional levels.

4. Competing goals

In a sense this refers to a relationship between parties who compete for scarce resources. The division of economic benefits between industrial and management self-evidently becomes a cause of conflict. Collective relationships could therefore be more harmonious if both parties use every opportunity to cooperate in matters of mutual interests.

Many of the issues faced by management and industrial are power-related, and a power struggle may be dealt with in a number of ways. On the one hand, trade unions may see the entire collective bargaining process in the light of absolute power, in which case they will engage in a constant battle for supremacy, and any advantage which they gain will be seen as a loss to the employer. If, on the other hand, management and industrial see their task as a

matter of problem solving, both will try to reach a compromise when faced with conflict, or at least a solution that will require a minimum of sacrifice from both parties. In other words, conflict levels are raised or lowered according to whether the parties choose an integrative or divisive type of bargaining.

5. Super-ordinate goals

An issue closely related to the previous one is the matter of super-ordinate goals. It has been found that the most effective way of reducing excessively high intergroup levels of conflict to optimal levels is to lay down a series of super-ordinate objectives or goals. This places the emphasis on “us” rather than on the separate parties (industrial and management).

The areas and modes in which hostility and frustration between management and industrial (hence, dysfunctional conflict levels) may be reduced could include the following:

- training and education programmes that benefit both parties
- joint inspection of the reduction of expertise and waste
- promotion of occupational health and safety in the workplace
- promotion of human dignity, regardless of race, gender, colour, etc.
- measures to alleviate the housing needs of workers and their families
- pursuit of a better –quality working life.

These are potential areas of common interest for which more integrative or cooperative bargaining styles are needed. In other words, it involves working towards a situation that is to everybody’s advantage. Basically there are some external factors which can cause conflicts in an organisation. Industrial relation in organisations cannot be viewed in isolation. Any study of industrial relations must take into account the general social and political milieu in which management and industrial find themselves.

The government promulgates and enacts industrial legislations in accordance with which management and trade unions are required to function. Such legislations are designed to institutionalise conflict between these two parties. The IAP and the Industrial Court were for instance established as independent entities with the tasks of assisting management and trade unions to resolve the conflict between them.

It is important that we distinguish between pure conflict resolution and true conflict management (Bendix, 2001). Conflict resolution refers to the achievement of an agreement between two parties who initially differed regarding a particular matter. However, it often happens that such an agreement is reached because one of the parties has more power than the other and the “weaker” party merely acquiesced. In this situation, one or more of the parties will consequently still be dissatisfied, despite the agreement that has been reached. To truly manage conflict, no duress must emanate from one of the parties, or from a third party. Both parties must be satisfied with the outcome and the potential for future conflict must be reduced. The overarching goal must therefore be to improve the relationship between the two parties.

Self-Assessment Exercise

Identify and discuss factors which may aggravate organisational conflict.

4.0 Conclusion

From the foregoing analysis, you can appreciate the fact that industrial conflict cannot be avoided or wished away by the management of any organisation. Hence, it is imperative that you should understand the nature of the conflict, their manifestation, factors that aggravate it and how to manage it in your own organisation.

5.0 Summary

This unit addressed the importance of conflict and the management thereof in industrial relations. Conflict among the various members in organisations is inevitable. Therefore, you have been exposed to the various forms of conflict, their causes or sources, and the variables that tend to create conflict situations. In the next unit, you will be taken through the various ways of resolving industrial conflict.

6.0 Self Assessment

1. Describe the nature and significance of conflict.

List and discuss at least eight potential benefits of conflict.

2. Explain at least five categories of possible cause or sources of conflict in collective bargaining.

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Bendix, S. (2001). *The Basis of Industrial Relations*. Kennyn: Juta.

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Unit 4 Framework for Management of Organisational Conflict

1.0 Introduction

In the previous unit, you are introduced to the intricacies of industrial conflict in terms of the nature of industrial conflict, various types and levels of conflict, causes or sources of conflict and the variables that moderate and/or aggravate conflict. In this unit, the discussion is focused on the various ways through which the organisation can encourage the resolution of industrial conflict.

2.0 Objectives

At the end of this unit, you should be able to:

- explain the concept of conflict process
- explain the meaning of conflict episode
- identify and explain the strategies for conflict management and resolution
- identify and explain the appropriate situations to use conflict-handling orientations.

3.0 Main Content

3.1 The Conflict Process

An organisational conflict has been viewed as a perceived condition that exists between parties in which one or more of the parties perceives goal incompatibility and some opportunity for interfering with the goal attainment of others.

There are three propositions about conflict, as observed by Albanese (1998). These propositions are that: conflict arises within a context of interdependence; conflict can occur or grow out of the similarities of the requirements of organisation members; and conflict can emerge out of the differences in the requirements of organisation members. Managing conflict requires both the reduction and stimulation of the level of conflict.

For an in-depth understanding of the resolution of industrial conflict, there is the need to throw more light on the conflict process. Albanese (1998) posits that conflict is a dynamic process in nature. It also means that conflict involves an element of time sequence and a series of events rather than a discrete event that occurs at one moment.

Furthermore, according to Kilmann and Thomas (1978), as quoted in Albanese (1998), the process models of behaviour place the parties in conflict in a temporal sequence of events. And behaviour is assumed to be directly influenced by preceding events and anticipation of subsequent events.

Knowing how to manage and cope with conflict, as observed by Albanese (1998), is a skill of increasing importance to managers. This view is true because of a variety of forces, operating within and outside the organisations that make conflict a more probable dimension of managerial problems. Basically conflict can affect all components of job performance; such as role perception, abilities and skills, motivation, and the situational context.

3.2 The Conflict Episode

The conflict episode, according to Albanese (1998), portrays that conflict is a series of stages: latent conflict, perceived conflict, felt conflict, manifest conflict, conflict resolution, and conflict aftermath. Basically, therefore, a conflict episode is a gradual escalation of conflict through the series of stages. Figure 7 portrays vividly the conflict episode.

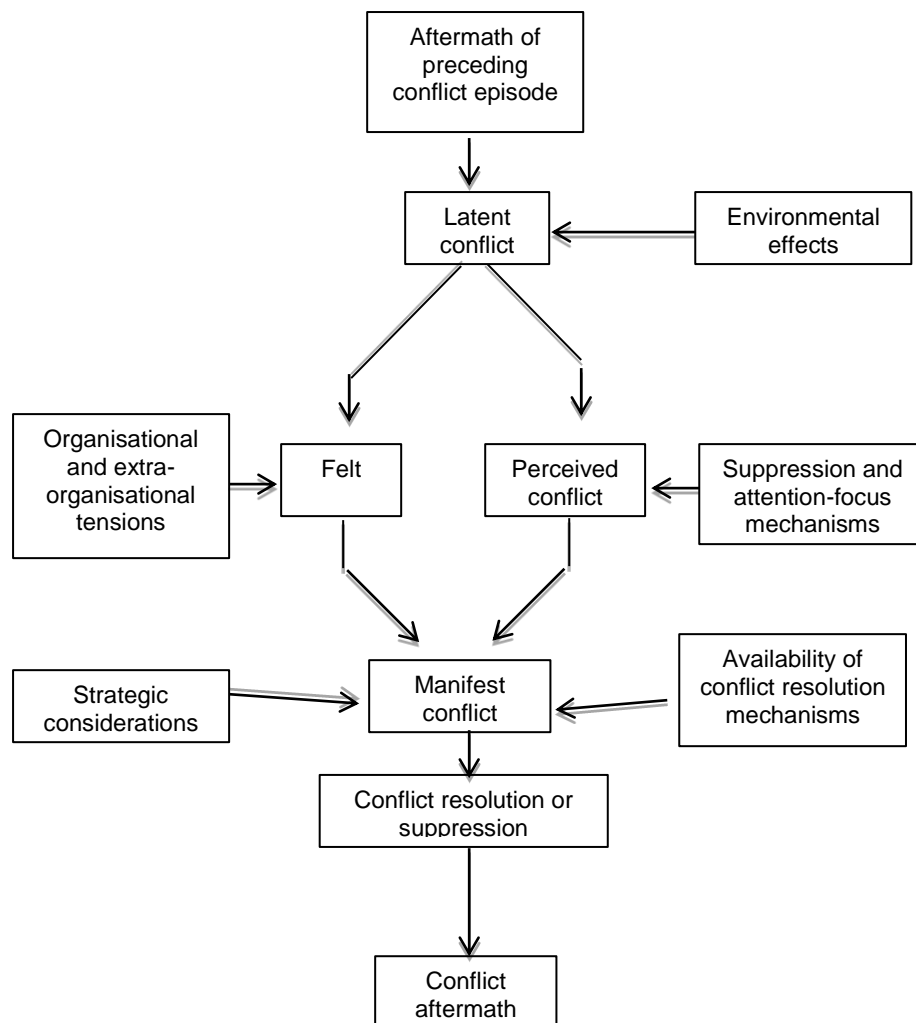


Fig. 7: The Conflict Episode

Source: Albanese, R. (1998)

Latent conflict: It provides the necessary antecedent conditions for conflict in organisations. The basic types of conditions are competition for scarce resources, role conflict, competition for positions in the organisation, and divergence in the goals of organisation members.

Perceived conflict: It is the conflict about which organisation members are aware. It may, according to Albanese (1998), result from misunderstanding or lack of understanding and does not necessarily emerge out of latent conflict. Some latent conflicts are never perceived as conflicts; that is, they never reach the level of awareness.

Felt conflict: Felt conflict is a situation whereby A is aware that B and A are in serious disagreement over some policy, but it may not make A tense or anxious, and it may have no effect whatsoever on A's affection towards B.

This happens most often in organisations whereby the head of marketing department is aware that the head of sales department is in serious disagreement with him over, say, a promotion policy. However, this situation may not make the former to be tense or make him to lose interpersonal affection for the latter in the organisational relationship.

Manifest conflict: The manifest conflict takes the overt behaviour including sabotage, open aggression, apathy, withdrawal, and minimal job performance. This situation can occur when a subordinate is in conflict with his superior officer such as his head of department. The subordinate as expected, may resort to withdrawal, apathy, and sabotage. The subordinate may even resort to open confrontation against the superior officer, which will affect his job performance.

Conflict resolution: The conflict resolution or suppression can range from approaches that essentially avoid facing up to the conflict to approaches that confront the conflict in an attempt to resolve it so that all the parties achieve their goals.

Conflict aftermath: This represents the conditions that result from the resolution of conflict. According to Albanese (1998), if the conflict is genuinely resolved it can lead to an improved relationship between organisational participants. On the other hand, if the conflict is inadequately resolved, it can provide the conditions for additional conflict.

Self-Assessment Exercise

Enumerate and discuss the various stages of conflict episode.

3.3 Conflict Management and Resolution

Mary Parker Follett, as quoted in Albanese (1998), proposed three main ways of dealing with conflict such as domination, compromise, and integration. Accordingly, domination is regarded as a style used by someone operating from a position of power. This is a style regarded these days as a “win-lose style”. On the other hand, integration style is the “win-win” style of managing conflict. The style involves the use of creative, problem-solving approach to conflict management. Compromise indicates creating a situation for the parties in conflict to partake in share of some winning and losing.

In modern times there is two-dimensional approach to the management of organisational conflict. In essence, therefore, the approach is viewed in terms of a two dimensional graph. One axis of the graph represents a person's degree of concern for his or her own interest or goals. The other axis of the graph represents the person's degree of concern for the other person's interest or goals. This is a simplistic view of the modern approach to the management of organisational conflict because, as you are aware, the parties to a conflict, in addition to individuals, can be groups, departments, or other social groupings.

The graph of figure 8 serves the basis for the discussion of the management of organisational conflict in terms of the modern approaches to conflict resolution.

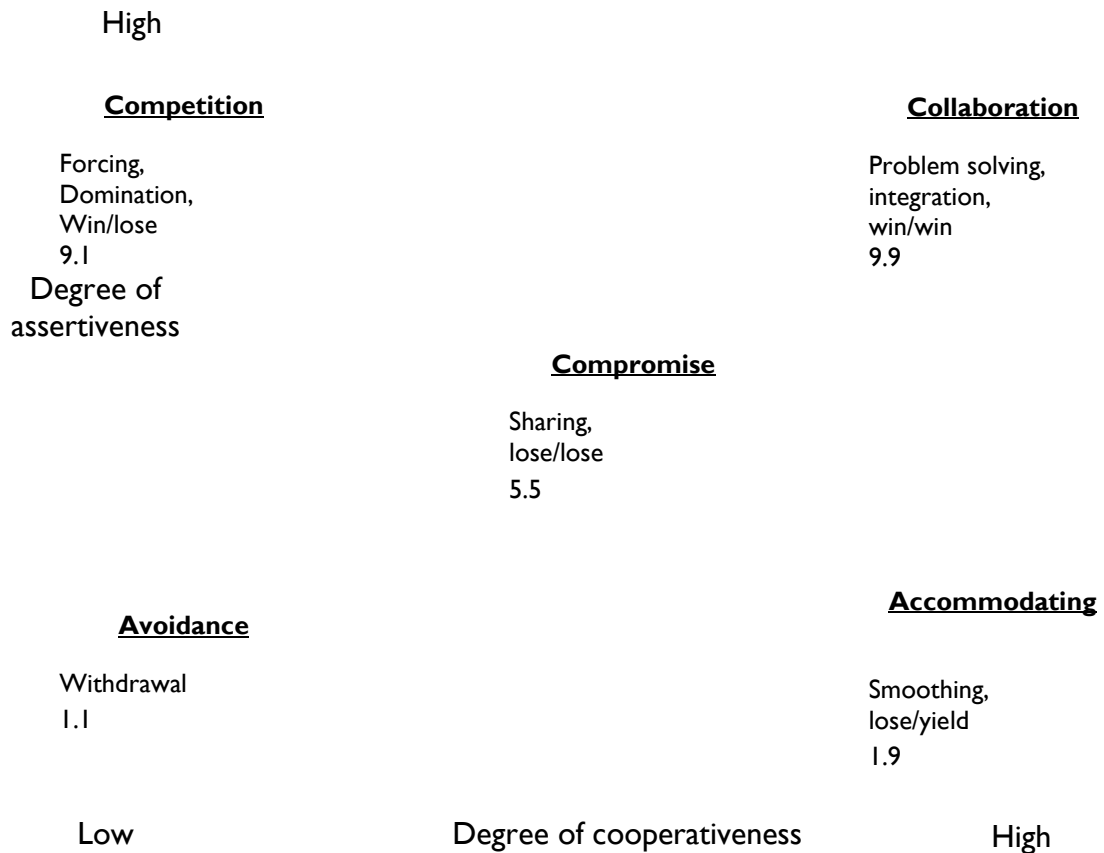


Fig. 8: Graph of Conflict-Management Styles

Source: Albanese, R. (1998)

The Y-axis of the graph represents the degree to which the person in conflict asserts his or her own goals. The X-axis represents the degree to which the person co-operates with the other person. There are five basic conflict-management styles as portrayed in figure 8. These styles are competition, avoidance, accommodating, compromise and collaboration, and they are discussed below.

3.3.1 Competition

The approach involves high assertiveness and low cooperativeness. The style is essentially power oriented and approaches conflict in terms of a win-lose strategy. On the negative side, according to Albanese (1998), a competitor may suppress, intimidate, or coerce the other parties to a conflict. Hence, it may result in making others to be afraid to communicate with the superior officer who uses this style.

The competing style could prevent the real causes of a conflict from being noticed, and therefore, the style tends to generally create forces which aggravate the conflict and does

little to bring about innovative, constructive solutions acceptable to all the parties involved in the conflict.

On the positive side according to Albanese (1998), the style is useful in many circumstances such as: when you know you are right on a conflict issue; when important but unpopular courses of action must be taken; and when a quick, decisive action must be taken.

The style therefore, is frequently used by managers because of the fact that they are in position of formal authority and they often are able to assert their views and impose them on their subordinates. Nevertheless, such assertive behaviour may not be as effective in the long run when compared with more cooperative type of behaviour from the managers.

3.3.2 Avoidance

Albanese (1998) posits that an avoiding style may reflect the failure to address important issues and a tendency to remain neutral when there is a need to take a position and therefore, of no value as a model of managing a conflict. An avoidance approach may also involve the exhibition of detachment from conflict and a readiness to comply or conform that indicates an indifference position.

The style is useful in circumstances when: a conflict situation has relatively minor implications for managerial effectiveness; there appears to be little chance for a person to win; and the benefits of confronting a conflict situation are overshadowed by the potential damage of confrontation. The avoidance style is also appropriate when it is imperative to reduce tensions, to regain perspective, and to generate additional information.

3.3.3 Accommodating

The accommodating style portrays low position on assertiveness and high consideration for cooperativeness. Accordingly, Albanese (1998) posits that a person who uses an accommodating style as the primary approach to conflict management may be showing too little concern for his personal goals. This can lead to loss of influence and recognition. Nevertheless, the style may be employed for gaining acceptance and affiliation.

The inherent snag in the style is the fact that conflicts can be resolved without each party to the conflict presenting their views in a forceful manner. An accommodating person may appear to be agreeable cooperative, but on a subtle posture. Nevertheless, underling the accommodating style may be a failure to realise that interpersonal relations can be strengthened by a process of working through conflicts.

The accommodating style is useful when: the issue in conflict is more important to the other person; one of the other style is more disadvantageous than the accommodating style; maintaining harmony is important; it is advantageous to allow the other person to experience winning; and an accommodating style on one issue may make the person more receptive on another, more important issue.

3.3.4 Compromise

The style involves considering expediency above principle as regards seeking short-term solutions at the expense of long-term objectives. The approach enables each party in conflict to share in some degree of winning and losing position.

Albanese (1998) posits that if the compromise position is based on a genuine consideration for reaching a solution to a conflict, then the style can be a variant of the win-win strategy. On the other hand, if it serves to prevent an airing of the real issues in a conflict, and it tends to undermine trust between the parties in conflict, then the approach more closely approximates to a lose-lose strategy.

The compromise style is a common practical approach to conflict management it often conforms to the realities of situations in organisational setting. This becomes imperative when a conflict is not important enough to warrant the time and “psychological investment” in one of the more assertive modes of conflict management. Furthermore, compromise may serve as the only viable way of handling a conflict situation in which two equally strong and persuasive parties are interested in working out a solution to the conflict. It is also useful when the time allowed for the resolution of a conflict does not favour the consideration of any other style.

3.3.5 Collaboration

The collaborative approach involves the position of high assertiveness and high cooperativeness in terms of personal goals and the goals of others respectively. Hence, the style can only be used when the parties to a conflict are ready to consider it as problem-solving situation.

Albanese (1998) observes that a problem-solving approach requires the following conditions:

- There is an attempt to depersonalise the conflict in the sense that the parties to the conflict channel their energies to solving the problem rather than defeating each other.
- The goals, opinions, attitudes, and feelings of all parties to the conflict are seen as legitimate and acceptable concerns, and all the parties are seen as playing a constructive role.
- The parties realise that a conflict issue can make a constructive contribution to the quality of human relationships if the issue is worked through in a supportive and trusting climate in which opinions, information, and differences are freely aired and openly shared.

The collaborative style to conflict management, based on the above requirements is not an easy approach because of the fact that people who engage in conflict may be greatly emotionally involved. Hence, it may be difficult for the parties involved to treat the conflict as a problem-solving situation; which is simply asking the parties for a complete rethinking of all elements of the conflict situation.

The general view is that the collaborative style should be used to manage conflict when:

- The source of the conflict is rooted in semantic misunderstandings because the style may allow doubts and misconceptions to surface.
- The issues involved are very important to both parties, thus warranting the time and effort required in using it.
- The issues in conflict cannot be compromise.
- They have implications for long-term benefits to all parties involved in conflict.
- The parties involved are mutually dependent, where the use of creative resources by the parties involved is important.

The collaborative style should be used in managing conflict with a lot of caution due to the following reasons:

- The conflict issue may not be important enough to justify the time and effort required.
- The parties involved may lack the necessary problem-solving skills.
- The conditions of support, trust, and open sharing of information may be absent.
- The parties involved may lack power parity, thus making candid and creative interaction difficult.
- The conflict issue may be such that neither party can cooperate with the other, for instance, a conflict arising out of differences in values that are “non-negotiable”.

Hence, the collaborative style to conflict management is not always appropriate because it is not the “one best way” to resolve and manage conflict. The style can only be used when all the parties share appropriate cooperative values such as openness, trust, sharing, and mutual respect and support for each other.

Below is the summary of the situations under which each of the conflict resolution strategies can be appropriate as succinctly espoused by Robbins (1989).

Conflict-Handling Appropriate Situations Orientation

Competition

1. When quick, decisive action is vital.
2. On important issues where unpopular actions need implementing.
3. On issues vital to the organisation’s welfare and when you know you are right.
4. Against people who take advantage of non-competitive behaviour.

Collaboration

1. To find an integrative solution when both sets of concerns are too important to be compromised.
2. When your objective is to learn.
3. To merge insights from people with different perspectives.
4. To gain commitment by incorporating concerns into a consensus.

5. To work through feelings that interfered with a relationship.

Avoidance

1. When an issue is trivial, or more important issues are pressing.
2. When you perceive no chance of satisfying your concerns.
3. When potential disruption outweighs the benefits of resolution.
4. To let people cool down and regain perspective.
5. When gathering information supersedes immediate decision.
6. When others can resolve the conflict more effectively.
7. When issues seem tangential or symptomatic of other issues.

Accommodating

1. When you find you are wrong-to allow a better position to be heard, to learn, and to show your reasonableness.
2. When issues are more important to others than yourself – to satisfy others and maintain cooperation.
3. To build social credits for later issues.
4. To minimise loss when you are outmatched and losing.
5. When harmony and stability are especially important.
6. To allow subordinates to develop by learning from mistakes.

Compromise

1. When goals are important but not worth the effort or potential disruption of more assertive methods.
2. When opponents with equal power are committed to mutually exclusive goals.
3. To achieve temporary settlements to complex issues.
4. To arrive at expedient solutions under time pressure.
5. As a backup when collaboration or compromise is unsuccessful

Fig. 9: When to Use the Five Conflict-Handling Orientations

Source: Robbins, S. P. (1989)

Self-Assessment Exercise

Differentiate between compromise and competition as strategies for managing conflict.

4.0 Conclusion

The foregoing analysis has enabled you to appreciate the fact that organisational conflict is a series of stages, which involve latent conflict, perceived conflict, felt conflict, manifest conflict, conflict resolution, and conflict aftermath, a process called conflict episode; a gradual escalation of conflict through the series of stages. From the preceding study unit, you observe that organisational conflict cannot be avoided or wished away by the management of any organisation. Therefore, it is imperative that you should understand the nature of the available strategies through which organisational conflict can be managed and resolved by the management.

5.0 Summary

This study unit has been used to discuss the nature of the process of organisational conflict, the conflict episode and the conflict management and resolution. The strategies for the management of conflicts in organisations are elaborately treated to drive home the fact that there is no one best way to manage and resolve organisational conflict. You have appreciated the fact that the application of any of these conflict resolution strategies depends on the nature of the conflict and the amount of time and energy required to resolve a given conflict.

In the next study unit, you will be taken through industrial democracy to underscore the need to involve the workers in the determination of the decisions that affect their life at work and the organisation affairs as a whole.

6.0 Self-Assessment Exercise

Enumerate and discuss the various strategies through which organisational conflict can be managed and resolved.

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Unit 5 Nature and Goals of Industrial Democracy

1.0 Introduction

The worldwide trend towards worker participation is in line with the principles of democracy. It has to do with the empowerment of workers (directly, or indirectly by way of their representatives) in the context of the organisation.

There is a trend, worldwide, towards changed modes of governance and management in organisations, especially as a result of the attempts on the part of organisations to position themselves so as to be competitive in the new millennium. These changes apply particularly to adjustments concerning the modern day employment relationship. Internationally, notions of “empowerment through democracy” are pre-eminently affecting the work relationship. Communist, socio-economic systems are being replaced on a large scale by the free market-oriented and democratic systems. Change, even in the market-driven economies of the world, is taking place at an ever-increasing rate.

Workers can now expect a greater degree of participation in organisational decision making. Various structures, such as bargaining councils and collective agreements are put in place in many countries to promote participation, and organisational rights were expanded in order to realise this aim. The most important structure for the promotion of worker participation is the workplace forum.

Consequently, in this unit, we shall focus on the empowerment of workers (directly, or indirectly through their representatives) within the organisational context.

2.0 Objectives

At the end of this unit, you should be able to:

- explain the concept of industrial democracy
- explain the meaning of worker participation
- identify and explain the goals of industrial democracy
- identify and explain the reasons for worker participation.

3.0 Main Content

3.1 An Overview of Industrial Democracy

According to Pons and Deale (1998), industrial democracy refers primarily to participation in management decision-making processes by the workers in organisations. In other words, to an industrial relations system in which the democratic rights of workers are recognised, empowerment in the workplace is allowed, and employers and employees are seen as partners. Employees must be afforded the opportunity of directly or indirectly participating

in the management and decision-making processes of the organisation. And the development of industrial democracy must be driven by industrial legislation.

Nel (2002) describes the underlying basis of industrial democracy as follows:

A respect for the dignity of man which must not be arbitrarily disregarded in the promotion of the interests of the total society. It requires an equal opportunity for advancement to all men, regardless of race, religion, national origin, political belief or any other personal characteristic apart from the requirements of the job. It calls for certain minimum standards of life relating to wages, leisure, education, health, and safety. And it involves a general atmosphere or climate of opinion which minimizes class differences, rejects the master-servant relationship, and regards all men as spiritually equal, even though they may differ in intellectual or physical abilities.

In the same vein, Elliot (1992) as quoted in Nel (2002) describes industrial democracy as given below:

Broadly, industrial democracy involves workers (normally through their trade unions) claiming rights to have a greater say over matters affecting their work lives. This involves the running of the country's economic and industrial affairs which in turn involves those who are in positions of authority handing over some of their powers to representatives of workers.

You can, therefore, appreciate the fact that industrial democracy is related to the role and status of workers in industrial community. Pons and Deale (1998) define industrial democracy as the extent to which workers and their representatives influence the outcome of organisational decisions. Here, two aspects are of importance, namely the extent of participation in decision making (the number of decisions) and the importance/value which workers attach to the specific decisions.

Two important factors that have come to the fore in the above discussion are those of participation and representation. Recognition of these factors is essential for the creation of industrial democracy in an organisational setup.

Self-Assessment Exercise

Explain, in your words, the meaning of industrial democracy.

3.2 The Concept of Worker Participation

Anstey (1997), defines worker participation as “a process which recognizes the needs and rights of employees – individually and collectively – to participate with management in organisational decision-making areas beyond those usually associated with collective bargaining.”

Salamon (1998), on the other hand, defines participation as “a philosophy or style of organisational management which recognises both the need and the right of employees, individually or collectively to be involved with management in areas of the organisation's decision-making beyond that normally covered by collective bargaining,” and as “those initiatives by the state, unions and employees which promote the collective rights of employees to be represented in organisation decision-making.”

Nel (2002) defines participation as the involvement of one group of employees (not managers) in the decision-making processes of the organisation which were traditionally the responsibility and prerogative of another group of employees (managers).

Bendix (2001) describes worker participation as “the involvement of the employee in the organisation and planning of the work process, in the establishment of procedures and future processes, in the decision-making bodies of the undertaking.” She also clearly states that participation can assume different forms; from disclosure of information and consultation to joint decision making and shared ownership, with the goal of participation being exclusively the realisation of industrial democracy in the workplace.

Swanepoel (2001) regard worker participation as those attempts on the part of management to give workers the opportunity to become involved with, or to participate in the decision-making processes which are related to their daily activities as well as to the functioning of the organisation as a whole. Worker participation thus refers to any process by which the relationships of power in the organisation are changed directly or indirectly outside the confines of the traditional form of power sharing by way of collective bargaining. Some methods of ensuring better communication in an organisation, such as meetings and committees, may thus also be regarded as forms of worker participation.

From the array of definitions above, worker participation thus mainly entails those processes by which non-managerial employees are afforded the opportunity of participating in (and feeling part of) decision making and of exerting a significant influence on decision-making areas which, traditionally were regarded as the “employer’s prerogative.” Consequently, management will, to some extent, have to give up some of its powers and resort to more participatory management styles and methods.

3.3 Goals of Industrial Democracy

The realisation of democracy in the economic environment means that all workers must, directly or indirectly, be given the opportunity of participating in the management, and thus the decision making of the organisation. However, democracy is usually seen as comprising only direct participation in these processes.

Nel (2002) opines that industrial democracy is important to workers because it results in an increased share in the control of the organisation, in the economy and in the community as a whole. In addition, for other reasons, management also starts becoming more positive about industrial democracy, seeing it as a way of promoting the more effective operation of the organisation.

Essentially, participation means that workers who work under the supervision of others, as well as all those workers affected by the activities of a particular organisation, should have a say in the decisions regarding these activities.

The following goals of worker participation can be identified:

- The ethical goal, which is concerned with the personal growth of the worker.
- The political goal, which is aimed at extending the individual’s civil rights in the organisation – an aim which is in line with the concept “democracy.”

- The social goal, which is concerned with the promotion of healthy relationships in the organisation, which will have a beneficial effect on the organisation as well as on the community.
- The economic goal, which is aimed at the promotion of productivity and profitability.

3.4 Reasons for Allowing Worker Participation

Salamon (1993) posits that there are chiefly four reasons that participatory structures are established in organisations, namely:

Morale: It is an ideological belief in the right of workers to share in decisions which affect them.

Power: It is the pragmatic reaction of management to the collective power of workers within the organisation.

iTrade union: It constitutes direct trade union activities which “compel” management to allow a greater degree of worker participation.

Political: it refers to the policy and legislation emanating from the political system which compels organisations to accept systems allowing greater participatory management.

Bendix (2001) also advances some reasons why management and trade unions support participatory programmes, which are as highlighted below.

1. Management sees participation as a way of increasing the commitment and cooperation of workers.
2. Trade unions see it as a way of increasing worker influence and control in the workplace.
3. Workers see participation as a way of overcoming employer-employee conflict and of achieving cooperation between management, trade unions and employees.
4. There is an economic benefit flowing from participation.

Self-Assessment Exercise

What are the reasons which inform the promotion of industrial democracy?

4.0 Conclusion

You will understand from the analysis above that industrial democracy is a compelling aspect of managerial decision making in the modern industrial undertaking. The rationale for the involvement of workers in decisions affecting the affairs of the organisation is because the workers are regarded as partners in progress by the management. It is also necessary for the management to involve the workers in managerial decisions in order to ensure high level of morale and performance among the rank and file of the workers in the organisation.

5.0 Summary

This unit has been used to discuss the concept of industrial democracy and the meaning of worker participation in organisational decisions. In addition, the unit also discusses the goals of industrial democracy and the reasons for allowing workers to partake in the decisions affecting the operations of the organisation.

In the next unit, you will be taken through the discussion on forms and techniques of worker participation in organisational affairs. This is in regards to the various forms of worker involvement and techniques which can be adopted by the management of an organisation towards ensuring that workers are accorded some modicum of freedom to participate in the decision-making processes of the organisation.

6.0 Self-Assessment Exercise

1. Discuss the relationship between industrial democracy and worker participation.
2. What are the reasons for allowing the workers to partake in decisions affecting the operations of the organisation?

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