

CONFLICT MANAGEMENT

02 MAY 2013

Lesson Description

In this lesson, we:

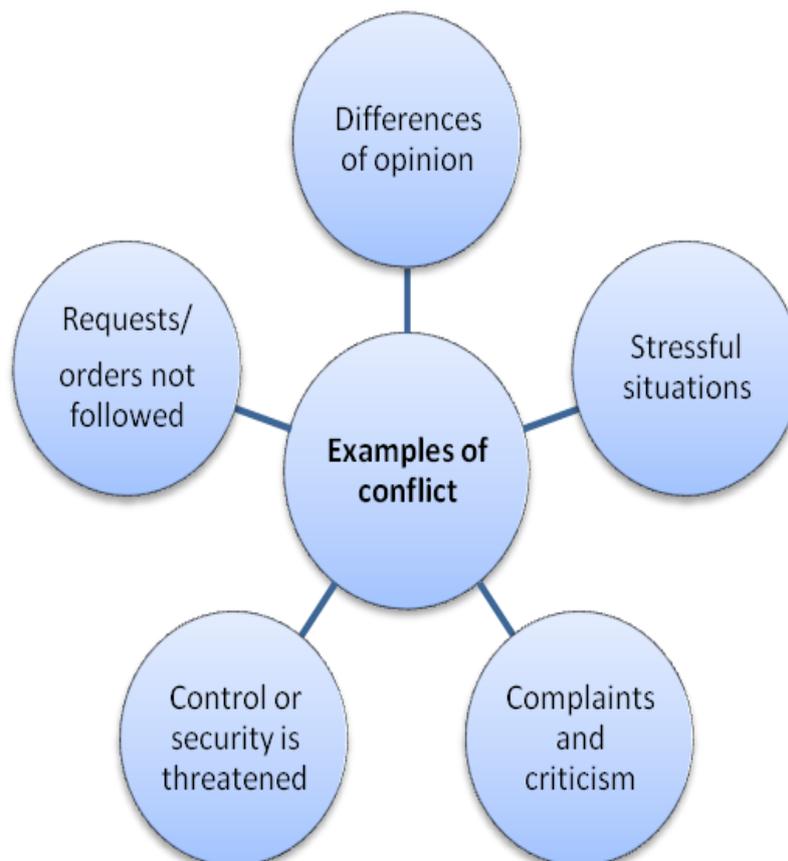
- Apply conflict management skills to resolve differences in business situations.
- Examine problem solving and management problems that arise from working with others in teams.
- Look at the role of workplace forums.
- Examine general and exam questions

Key Concepts

What is Conflict?

- Conflict can be seen as a struggle or clash between individuals or groups.
- This conflict can arise because each person or group holds different ideas, opinions, needs and desires.
- This leads to tension, and a confrontation is inevitable.

Examples of situations which can lead to conflict



Causes of Conflict in the Workplace

Causes of conflict can broadly be divided into six categories, namely:

Payment Matters:	Salary, administration, promotion, overtime pay and consistency of management decisions.
Management Affairs:	Policies and procedures, goals and objectives of the company.
Labour Relations:	This involves the handling of disciplinary enquiries, grievances, dismissals, retrenchments, and general labour practices.
Communication Problems:	Such as language barriers, misunderstandings, etc.
Personnel Affairs:	This includes working conditions, equipment, facilities and benefits.
Training Matters:	Such as the needs of workers, and opportunities for promotion, re- skilling and job rotation (moving workers to perform other tasks).

Managing Conflict

- Conflict between management and labour is one of the key issues to be managed in the workplace.
- Conflict levels can be minimised by means of worker participation, effective and regular communication, handling problems as soon as they occur and maintaining good discipline in the workplace.
- Conflict should not be avoided, but rather confronted, accepted, understood and managed.
- When conflict is not resolved in a controlled way, for example by means of negotiation, it can result in industrial action such as strikes or lockouts.
- There are various methods of managing conflict in the workplace such as negotiating, collective bargaining, mediation and arbitration.

Negotiating, Collective Bargaining, Mediation and Arbitration

Negotiating

- Negotiating is sitting down with the other party and thrashing out the differences.
- Usually successful negotiating means compromise – one or more party has to give up something – in order to reach a decision that is mutually acceptable to both parties.

Collective bargaining

- Collective bargaining means that a group of people come face-to-face with management to negotiate to solve their problems.
- The group of people is usually a trade union (like COSATU) to which the employees belong.
- A trade union's real strength lies in its collective power.
- Conflict between management and trade unions typically arises from the differences in their goals and value systems, as well as the different methods used to achieve these goals.

Mediation

- When negotiations fail, and a deadlock is reached, the parties can resort to mediation to resolve the conflict.
- Mediation is using an impartial (neutral) person, i.e. one who is not involved with either party and is not affected by the outcome, to intervene on behalf of both parties.
- This person is like a 'go-between person' and represents both parties and helps them reach a mutually acceptable decision to resolve the conflict.

Arbitration

- Arbitration is similar to mediation, but it follows a more formal procedure, and the ruling is legally binding on both parties.
- If labour disputes cannot be resolved by other means (such as negotiation and mediation), they are referred to the Commission for Conciliation, Mediation and Arbitration (CCMA).
- The CCMA is a statutory body which convenes to hear and resolve labour disputes.
- The CCMA is an important independent conflict management institution, and also assists with the establishment of workplace forums.

Closed shop agreements

- A registered trade union that represents the majority of the employees in a specific workplace, in conjunction with an employer or employers' organisation, can enter into a collective agreement known as a closed shop agreement.
- Such an agreement requires that all employees covered by the agreement must become members of the trade union concerned.

Workplace forums

- Collective bargaining is the most effective means of resolving disputes (conflict) between employers and employees.
- The most common problems which have to be resolved are claims for higher wages and better conditions of employment.
- It is difficult for workers who act against their employer individually, to demand change.
- A workplace forum is an elected organisation consisting of employees in a particular workplace.
- A workplace forum is usually formed in a business employing 100 employees or more.
- The members of a workplace forum have to be representative of the employees at a particular workplace.
- Workplace forums ensure that workers have a say in most decisions that affect their working conditions.

The purpose of workplace forums is to:

- Prevent decision making by employers only, especially in matters that affect employees directly.
- Encourage worker participation in decision making

The functions of a workplace forum include:

- Promoting the interests of all workers (not only trade union members)
- Enhancing workplace efficiency
- Consulting with employers
- Taking part in decision making

A workplace forum has the right to be consulted by the employer on (amongst other things):

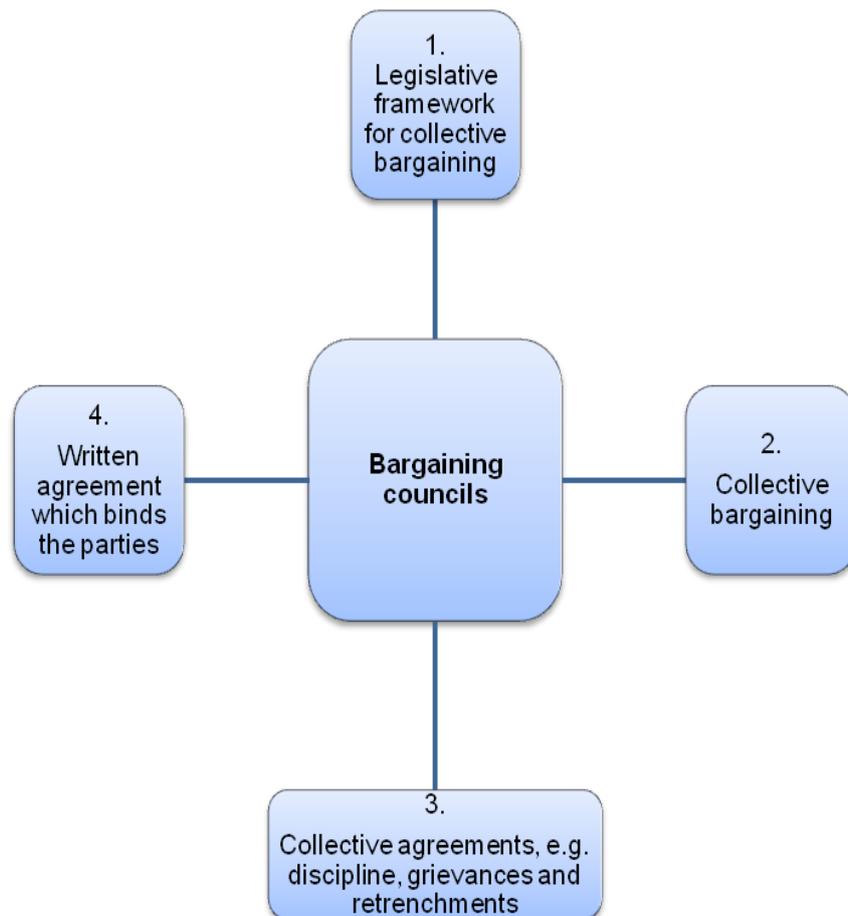
- Restructuring and new work methods
- Mergers and ownership transfers
- Retrenching workers
- Criteria for merits and bonuses
- Health and safety measures
- An employer must provide all information that will allow a workplace forum to consult and to make joint decisions effectively.

An employer may not provide information which:

- Is legally privileged
- Violates any law or court order
- May harm a worker or an employer
- Is personal to a worker, unless a worker allows it

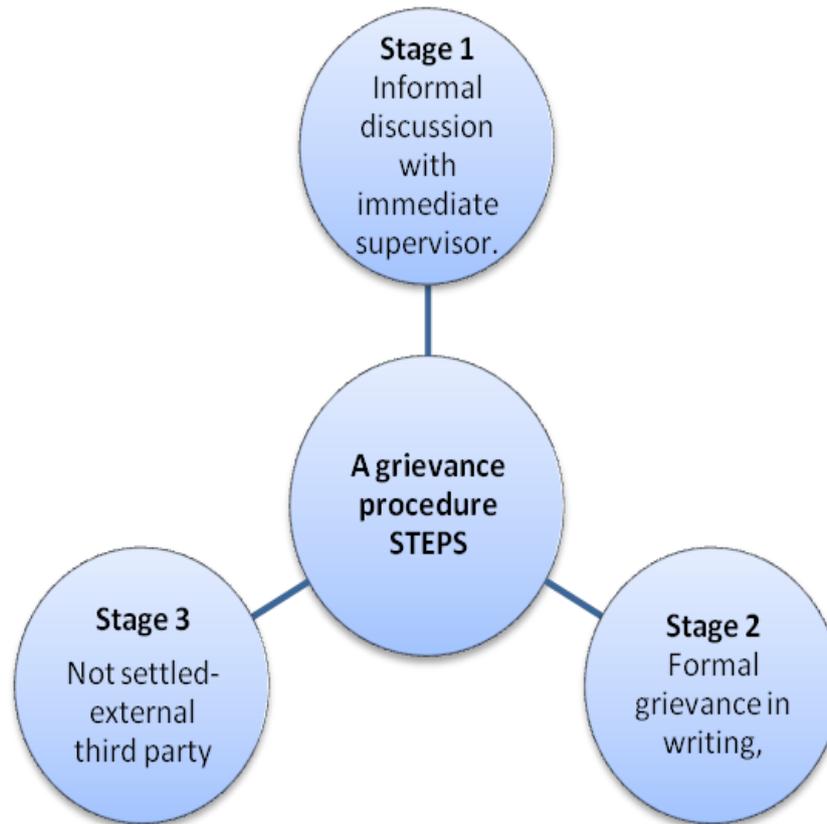
If an employer and a workplace forum disagree, the issue may be referred for arbitration or to the CCMA in writing.

Structures in the Workplace to Resolve Conflict



Grievance Procedure

- When workers are unhappy about work-related matters, there should be procedures to deal with the problem within a reasonable time.
- Grievance procedures are an important means for this purpose, particularly to ensure that agreements are implemented.
- The grievance procedure offers the workers a channel for expressing their dissatisfaction or feelings of injustice in the work situation.
- A dispute only arises once the grievance has run its full course without any agreement being reached between the involved parties.
- Workers should be informed during their induction how to utilise the procedure.



Questions

Question 1

(Adapted from Nov 2010, NSC, Question 4.4)

Read the case study and answer the questions that follow: State the main causes of the conflict in the above case study.

CONFLICT IN THE WORKPLACE

Peter is the marketing manager of Bush Lodge in King Williams Town. He employs three workers, Vusi, Jane and Busi. He dislikes Vusi and treats him differently from the two female employees.

He requires Vusi to work on weekends and to work overtime without payment, but he pays the other two workers for weekends and overtime worked. Vusi is considering quitting his job if he is not transferred to another department.

- State the main causes of the conflict in the above case study.
- Name THREE other causes (NOT from the case study) of conflict in the workplace.
- Give Vusi advice on the different ways in which he can overcome his dissatisfaction as an employee at Bush Lodge.

Question 2

(Adapted from Mar 2010, NSC, Question 2.1)

Read the case study below and answer the questions that follow.

LABOUR MATTERS – DRUGS AND SUBSTANCE ABUSE

The management of Laduma Ltd was suspicious about the behaviour of certain factory workers whom they suspected of being under the influence of either drugs or alcohol.

During the past seven months, three employees who were allegedly using drugs on duty, were dismissed by management immediately. This was a concern, because it led to serious conflict between management and employees in the workplace, lower productivity, and low morale amongst the workforce.

The three dismissed workers submitted written statements to the union claiming that they did not use drugs while on duty.

The company met with the union through the workplace forum and was requested to reinstate the three employees. Laduma Ltd had no policy in place, a formal disciplinary hearing regarding their dismissal was not held, and there was no evidence provided by the company as reasons for their dismissal.

- Name any TWO causes of conflict from the above case study.
- State FIVE steps that management should follow when resolving conflict in the workplace.
- Describe the functions of the workplace forum at Laduma Ltd.
- Outline ways that Laduma Ltd could use to avoid the conflict that arose between staff and management as a result of the dismissal.

Question 3

(Adapted from *Business Studies for All*, Macmillan, Activity 3, Page 160)

UNION CONSIDERS STRIKE ACTION

The Communication Workers' Union, which represents 23 000 Telkom workers in wage negotiations, declared a dispute with the CCMA. A pay dispute between management and the trade union failed and strike action may now result. Six thousand jobs were already cut last year in anticipation of the introduction of the country's second fixed-line operator by the end of 2006.

Adapted from the Business Day, March 8 2006

- Name the trade union involved in the dispute.
- What is the main cause of the conflict?
- Why did the union declare a dispute with the CCMA?
- What is the CCMA?
- How can the CCMA assist in resolving the dispute?