

2. 7 c) Approaches to conflict in the workplace by employers (HL only) (AO3)



"Nothing in life is to be feared, it is only to be understood. Now is the time to understand more, so that we may fear less."

- Marie Curie (1867 - 1934), recipient of the Nobel Prize in Physics (1903) and the Nobel Prize in Chemistry (1911)

"When people make mistakes, the last thing they need is discipline. It's time for encouragement and confidence building. The job at this point is to restore self-confidence."

- Jack Welch (1935 - 2020), chairman and CEO of General Electric (1981 - 2001)

Employers can take action to achieve their objectives in times of conflict. The Business Management guide states the following four approaches to conflict in the workplace used by employers:

- **Collective bargaining**
- **Threats of redundancies**
- **Changes of contracts**
- **Closure and lock-outs.**

Collective bargaining (AO3)



Collective bargaining is the process of negotiation of working conditions and pay between employer and employees, or their representatives. It involves employee and employer representatives engaging discussions in order to achieve a mutually beneficial outcome regarding the terms and conditions of employment.

Such discussions might include negotiations regarding wages (and salaries), hours of work, working conditions and employee rights and responsibilities in the workplace. The negotiations usually involve discussions about pay (such as wages, salaries and bonuses), fringe benefits, working conditions, and hours of work.

Threats of redundancies (AO3)



Redundancies (or **layoffs**) occur when an organization cuts back on its staffing as certain job roles are no longer required. Employer representatives might put pressure (or threaten) employees with redundancies in order to resolve industrial unrest in the workplace.

The threat of redundancies can be a legitimate one, because industrial action is disruptive to the firm's operations and harms its profits, which ultimately results in job losses if the matter is not resolved. Hence, it can be in the best interest of employees to renegotiate in order to protect their jobs.

However, employer representatives cannot just abuse their power by threatening staff who take industrial action; employees are protected by employment laws that prevent workers from being simply dismissed at will.

Changes of contract (AO3)



An alternative to the threat of redundancies is for the employer to **change the terms and conditions of employment** for employees. Contract changes can include a review of employment hours, pay structures, fringe benefits, and different terms and conditions of employment. For example, changing some workers from full-time to part-time employment with

reduced hours may limit employment perks such as paid holiday leave, sick leave, and long-service benefits. These changes may prove to be so unattractive that the workers resort to the demands of the employer, who reverts to using the previous employment contract, or the workers resign from their jobs.

Nevertheless, employers cannot unreasonably just change a person's employment contract; this needs to be done in accordance with the legal system, such as giving workers advanced notice prior to renewal of contracts. However, in extreme cases, the employer may exercise the right not to renew the employment contracts of workers who are highly disruptive to the organization.

Closure and lock-outs (AO3)



A **closure** occurs when employers shut the business indefinitely (until further notice) in response to extreme industrial action of its employee (such as strike action). It is only used as a last resort when dealing with industrial disputes, because closure creates hostility between employers and employees. By not being able to work, employees may also be deprived of their pay.

Closure, or the threat of a closure, serves to encourage employees back to work, rather than risk losing pay or even their job. Therefore, it forces employee representatives to renegotiate the terms and conditions of employment.

Similarly, a **lock-out** occurs when employers shut out their employees. Locks may be changed and/or added security is used to prevent employees from entering the workplace. As the employees cannot get into the workplace, they simply cannot work. The aim is to divide the employees (and members of a labour union) as no work means no pay. Those who need to work will then renegotiate for a settlement with the employer's representatives.

However, closures and lock-outs are hostile forms of industrial action taken by an employer. Such methods can be highly destabilising for the business and damage its corporate image.

