DEALING WITH WORKPLACE CONFLICT: THE 'STRIKINGLY DIFFERENT WORLDS' OF MANAGERS AND SUBORDINATES

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DEALING WITH WORKPLACE CONFLICT: THE 'STRIKINGLY DIFFERENT WORLDS' OF MANAGERS AND SUBORDINATES

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ABSTRACT

Conflict is ever-present in Australian workplaces and is consequently embedded in the fabric of organisational life. The predominant method of dealing with workplace conflict is the utilisation of multi-step conflict resolution procedures as specified in enterprise agreements, grievance procedures and similar workplace procedures. Notwithstanding the prescriptive nature of the procedures, employees generally have a number of options to choose from including informally dealing with a conflict, negotiating a resolution through a multi-step procedure, opting for an independent third-party to deal with the issue in contention, or not choosing to participate in conflict resolution by either ignoring the conflict, or leaving the organisation.

This thesis is predicated on the view that there are a number of factors that have the potential to influence employee choice. Some of those factors are more overt than others, such as unfair procedures and the power imbalance between managers and subordinates. Other factors, however, may be more subtle but nonetheless equally influential, such as the potential manipulation and exploitation of vulnerable employees, the effects of stress and anxiety and the culture of conflict that pervades the organisation.

This thesis therefore examines the factors influencing employee choice from the perspective of workplace justice. Although workplace justice is a matter that arises, in varying degrees in several disciplines, including industrial relations, labour law, management, human resource management, and organisational psychology, the literature in the thesis is primarily derived from the field of organisational psychology.

Four key themes are developed in literature reviews that form the framework within which an overall assessment of factors is made. They are fairness and justice; the implications of the conflict-justice-stress nexus; manager-subordinate power relationships; and organisational conflict culture.

The thesis contributes to the advancement of knowledge concerning workplace conflict through the creation and analysis of four sources of empirical data: content analyses of various aspects of the historical development of dispute resolution procedures in Australian workplaces, and an examination of the utilisation, structure and processes of multi-step procedures; a survey of the attitudes of managers and employees in three private sector organisations concerning multi-step procedures, and a case study which explores the attitudes and behaviours of an HR Consultant, a Manager and an employee in relation to a complex workplace conflict. The thesis identifies the following six factors as affecting employee choice of conflict resolution procedures:

1. The influence of employee perceptions of workplace injustice, and a lack of understanding and awareness, particularly by managers and supervisors of the implications of workplace justice concerning conflict resolution;

2. Deficiencies in the provision of employee voice options, including the voice management competency of managers/supervisors;

3. The significant imbalance that exists in manager-subordinate power relationships, and a lack of understanding and awareness, particularly by managers and supervisors of the implications of power concerning conflict resolution;

4. The influence of stress arising from perceptions of injustice and consequent conflict, and a lack of understanding and awareness, particularly by managers and supervisors of the implications of stress concerning conflict resolution procedures;

5. The prevailing organisational conflict culture, including the way conflict is explicitly or implicitly defined within an organisation;

6. The limitations of multi-step conflict resolution procedures.

Given the nature and range of the factors identified, a number of conclusions are drawn from the study that provides the basis for speculation concerning subsequent research and organisational implications.

STATEMENT OF ORIGINALITY

This thesis contains no material that has been accepted for the award of any other degree or diploma in any university and to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

_____ _____

Donald Arthur McKenzie Date

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CHAPTER 1

INTRODUCTION

Objective of this chapter

The objective of this chapter is to identify the impetus that motivated this study, identify the research problem and aims of the thesis, set out the context concerning workplace conflict, clarify the justice framework within which the research is developed and provide an outline of the various chapters that constitute the thesis.

Impetus for the study

This thesis is directed at exploring the factors that may influence the choices that employees make concerning conflict resolution procedures. The candidate's interest in this matter arose from many years of experience as a conflict resolution consultant. From this experience emerged a belief that there were numerous inter-related factors which had the potential to significantly influence the actions and behaviours of both managers and subordinates concerning the available choices of conflict resolution procedures. Given that such choices had the potential to affect the capacity of employees to participate on an equal footing in effective conflict resolution procedures the candidate was motivated to explore this assumption.

The Research Problem and Aims of the Study

The research problem addressed in this study is the need to identify the factors that may influence employee choice of conflict resolution procedures.

The consequent aim of the study is to provide specific insights for managers, supervisors and employees concerning the range of factors that may influence the way in which employees respond to workplace conflict and related conflict resolution procedures. Accordingly, the justification for the research is that the potential usefulness of the findings of the study will:

- assist managers, supervisors and employees to identify impediments in conflict resolution procedures and propose changes which will more adequately reflect the diverse responses of employees to workplace conflict;
- provide insights into alternative ways of assessing, evaluating and addressing workplace conflicts;
- establish the basis for further more detailed analysis of the issues raised in the study;
- provide for a reappraisal of the segmentation of literature concerning workplace conflict, which may lead to improved integration of theories across academic disciplines.

The context

Conflict is part of the fabric of organisational life. For example, in any given week an organisation might experience conflict that arises from fairness concerns relating to the way a manager or supervisor has allocated work, from a contested performance assessment, from claims that allowances have not been appropriately paid or that an employee has behaved inappropriately. The omnipresent nature of conflict has led Tjosvold (2008a, p.19) to argue that, "to work in an organization is to be in conflict. To take advantage of joint work requires conflict management". Although it is ubiquitous in nature and embedded within the structure of organisations, the formal process of dealing with conflict in Australian workplaces is prescribed by statute and workplace policies and procedures.

For the purpose of this study the terms conflict, grievance and dispute are used interchangeably (cf. Tillett, 2001), as are the terms justice and fairness (Boroff & Lewin, 1997; Boswell & Olson-Buchanan, 2004). A number of constructs have been identified over the last 10-15 years which capture a wide array of workplace behaviours including conflict, aggression, hostility, deviance, abuse, bullying, harassing and other uncivil actions within the workplace (Raver & Barling, 2008). In an attempt to distinguish between the various constructs this study focuses primarily on workplace circumstances

in which an employee may perceive unjust or unfair treatment. This approach is consistent with that adopted by Olson-Buchanan and Boswell (2008a) in which they use the term mistreatment as a means of identifying unjust or unfair treatment. In applying the terms conflict, grievance and dispute, this study includes relationship, task and process conflicts (Jehn & Bendersky, 2003: see Chapter 2 for a detailed discussion of conflict types). The basic premise is that an individual perceives deterioration in the employment relationship (Boroff & Lewin, 1997; Olson-Buchanan, 1996), and that an organisational member is blamed (Folger & Cropanzano, 2001).

The predominant methods of dealing with conflict in Australian workplaces, as defined in this study, are (a) dispute resolution procedures contained within enterprise agreements, and (b) workplace grievance and related procedures. The procedures generally provide for a graduated series of steps enabling conflicting parties to negotiate a resolution and, if that is not possible, the unresolved conflict will normally be referred to an independent third party. Depending on the nature of the conflict, and the structure and processes of the conflict resolution procedure, employees may have a number of options to choose from, including the use of informal processes, negotiating a resolution through a multi-step procedure, opting for an independent third-party to deal with the issue in contention, or choosing not to participate in conflict resolution by either ignoring the conflict or leaving the organisation.

It is the question of employee choice that forms the catalyst for this thesis: what is it that determines why an employee chooses one conflict resolution procedure over another, or simply ignores a conflict? For example, an employee may choose not to lodge a formal grievance against a manager or supervisor, or an employee may make a conscious decision to play a passive role in the negotiation steps of a multi-step procedure; alternatively, an employee may refuse to participate in the negotiation process in a multi-step procedure, preferring that an independent third-party deal with the matter; or an employee may decide to leave an organisation based on a perception that the grievance is unlikely to be dealt with appropriately. Although it may be argued that in such circumstances the employees are making judgements in accordance with the

respective procedures, such an argument presumes that the procedures are fair and the employees in question are able to make objective and rational choices. These matters are the subject of inquiry in this thesis. The thrust of the inquiry is predicated on the view that there are a number of factors that have the potential to influence employee choice of conflict resolution procedure. Some of those factors are more overt than others, such as procedures which are demonstrably unfair, or the power imbalance that may exist between the conflicting parties. Other factors, however, may be more subtle but nonetheless equally influential, such as the potential manipulation and exploitation of vulnerable employees, the effects of stress and anxiety and the culture of conflict that pervades the organisation.

Consequently, it is the question of *choice* that has emerged as the central issue for consideration in this thesis. What is it that prompts an individual employee to opt for one conflict resolution procedure over another, or indeed to not choose one at all? This is an important question for how a conflict is addressed is likely to have important implications for the individuals involved and the workplace generally.

Factors influencing choice of conflict resolution procedure

The procedural choice literature (e.g. Peirce, Pruitt & Czaja, 1993) suggests there are potentially myriad reasons for employees to choose or not choose a conflict resolution procedure. Choices may depend on the nature of the conflict (e.g. Renwick, 1975), or the issue in dispute (e.g. Bemmels, 1994). When individuals perceive a dispute as severe, they are likely to choose non-consensual procedures such as arbitration (e.g. Houlden, LaTour, Walker & Thibaut, 1978). When individuals experience feelings of anger or injustice, they often respond spontaneously and impulsively, lodging a formal complaint or grievance (Klaas, 1989). For interpersonal conflicts, individuals seem to prefer informal approaches and third-party strategies (Peirce et al., 1993). The relationship of the parties in dispute is also a consideration (Jameson, 1999), as is the level of trust, and previous experiences with the each other, including the perceived level of supportiveness (Saunders, Sheppard, Knight & Roth, 1992). The accessibility and reputation of the various conflict resolution procedures will also be an influence (Blancero & Dyer, 1996), as will the prevailing organisational culture and workplace

norms (Olson-Buchanan & Boswell, 2008b) and an individual's conflict management style (e.g. Thomas & Kilmann, 1974)

The approach adopted in this study is primarily directed at examining the factors influencing the choice of conflict resolution procedures from the perspective of workplace justice. Workplace justice theory - also referred to as organisational justice theory - is the study of fairness within workplace settings (Greenberg, 1990). Workplace justice is a matter that arises, in varying degrees, in several disciplines including industrial relations, labour law, management, human resource management, and organisational psychology. Although this thesis invokes a number of these disciplines, the literature is primarily derived from the field of organisational psychology as that discipline provides the context in which it is possible to examine the behavioural responses to conflict, and to assess the extent to which those responses might influence employee choice of conflict resolution procedure.

Two preliminary matters

Although the thrust of the thesis arises from an examination of workplace justice theory, there are two inter-related preliminary matters that require consideration. The first concerns the culture of conflict that may exist within an organisation. Although employees may develop idiosyncratic preferences for different conflict resolution processes, organisational contexts provide significant influences in the way conflict is resolved (Johns, 2006; O'Reilly & Chatman, 1996). As a consequence of those organisational contexts employees learn to share similar attitudes about the normative way to deal with workplace conflict (Chatman, 1991; Schneider, 1987). It appears therefore, that an organisation's conflict culture is potentially a significant factor that may influence employee choice of conflict resolution procedure. This matter is also the subject of inquiry in this thesis.

The second matter, which arguably arises from the conflict culture within an organisation, concerns what appears to be an assumption built into prevailing conflict resolution procedures that conflict is, by definition, a negative and potentially destructive force, which needs to be contained and controlled (Schulz-Hardt, Mojzisch

& Volgelgesang, 2008). While this approach presumes that co-operation and conflict are mutually exclusive, such a presumption is challenged by Tjosvold (2006, p.93) who has argued that "Our inattention to defining conflict and reliance on confounded definitions have frustrated both research progress and practice". The extent to which conflict is perceived as a negative influence appears to be a potentially significant factor in the development of workplace norms that affect both management and employee choice of conflict resolution procedures. This is a matter that is also explored within the thesis.

Workplace Justice: Issues arising

The notion of procedural justice has a long history in the development of conflict and dispute resolution procedures (Olson-Buchanan & Boswell, 2008a). Consequently, the question of fairness and justice is central to any consideration of workplace conflict resolution procedures. The exploration of justice issues is predicated on the view that there are several potential factors which may affect employee choice of conflict resolution procedure, including:

- The extent to which various aspects of justice – distributive, procedural and interactional justice – may influence behaviour in the workplace (Elovainio, Kivimaki & Vahtera, 2002) and consequently affect employee choice of conflict resolution procedure;

- The extent to which employee voice may empower or inhibit an individual's decision to utilise a conflict resolution procedure (Lewin, 1987; Klaas & De Nisi, 1989);

- The extent to which injustice, and any subsequent conflict, may affect the health and well-being of employees, including workplace stress (Tepper, 2001), and consequently influence an employee's choice of conflict resolution procedure;

- The extent to which perceptions of justice may be affected by power (Fortin & Fellenz, 2008) and consequently influence not only an employee's choice of conflict resolution procedure, but also the capacity of an employee to effectively participate in a dispute resolution process.

Outline of the thesis

The thesis is arranged in twelve chapters with references and appendices.

Chapter 2 – Exploring the nature of workplace conflict

Given the essential role that conflict plays in this study, this chapter explores the nature of workplace conflict. It examines four inter-related matters: First, it addresses the popular conception that conflict is a negative influence that disturbs a natural harmonious state. This arises from a conventional approach which defines conflict as divergent goals and opposing interests. Tjosvold (2006) argues that such a definition is too narrow and denies the virtues of Deutsch's (1973) theory of co-operation and competition. Second, although the chapter distinguishes three conflict types - task, relationship and process - Tjosvold (2008a) argues that the categorisation of conflict types creates harmful stereotypes which create narrow and ambiguous definitions, arbitrary labels and erroneous assumptions. The third issue concerns conflict management styles and focuses specifically on the dual-concern model (Thomas & Kilmann, 2002). The final issue concerns conflict culture. While acknowledging that there has been little research on conflict cultures the chapter draws on the work of Gelfand, Leslie and Keller (2008), which develops a typology of conflict cultures including collaborative, dominating, avoidant and passive-aggressive cultures. Chapter 3 extends the discussion of conflict by examining the extent to which employee perceptions of conflict are influenced by workplace justice.

Chapter 3 – Workplace justice: Perceptions of fairness in the workplace

In extending the discussion of conflict this chapter addresses the responses of individuals to workplace injustice and unfairness. It explores distributive (Singer, 2007), procedural (Leventhal, 1980) and interactional justice (Bies & Moag, 1986) as core components in the relationship between conflict and unfairness. Fairness heuristic theory (MacCoun, 2005) as well as referent cognitions (Folger, 1986) and fairness theories (Folger & Cropanzano, 2001) are identified as important considerations in the manner in which individuals both anticipate and respond to the way in which they are treated by organisations. In this context, the chapter identifies the extent to which perceptions of fairness may profoundly affect a range of workplace attitudes and behaviours. The role

of ‘voice’ is identified as central in the provision of conflict resolution procedures (Folger, 1977) and the chapter notes its intrinsic worth whilst also acknowledging the potential for its abuse, with MacCoun (2005, p. 24) referring to it as the “dark side of procedural justice”. Similarly, the chapter notes the research that has confirmed the potential for organisational punishment for individuals who lodge grievances or disputes (e.g. Lewin & Peterson, 1999). Given the extent to which employers may influence employees in relation to conflict resolution procedures, Chapter 4 examines the extent to which the influence may occur as a result of the power relationship between managers and subordinates.

Chapter 4 – Power and the manager-subordinate relationship

Given the acknowledgement in previous chapters that managers may influence the way in which conflict resolution procedures may be structured and operate, this chapter examines the influence of power in the manager-subordinate relationship. In exploring the research relating to the influence of individuals possessing power towards those with less power, Kipnis’s (1972) thesis that power corrupts establishes a benchmark against which subsequent research sets out a compelling case for the corrosive nature of power. Although the chapter examines the evidence concerning a more benevolent and trusting use of power, it concludes that the circumstances in which power elicits positive outcomes appear to be limited. In seeking to explain the manifestations of power that have been identified, the chapter explores the approach-inhibition theory of power (Keltner, Gruenfeld & Anderson, 2003) and regulatory focus theory (Higgins, 1997). Both theories show that power prompts disinhibited, self-serving behaviour and that powerful individuals exert significant influence over less powerful individuals. Conversely, less powerful individuals are constrained in thought, word and action. In identifying the behavioural responses to the power differential between managers and subordinates the chapter notes that there is likely to be an inter-relationship between perceptions of justice, the emergence of conflict and the consequences of stress and employee health and well-being. These matters are explored in Chapter 5.

Chapter 5 - Justice, Conflict, Stress and Employee Health & Well-Being: A critical constellation of issues

In exploring the relationship between justice, conflict and employee health and well-being, this chapter examines how an initial judgement of unfairness may provide the trigger for a range of physiological, psychological and behavioural responses. The chapter identifies a growing body of evidence that indicates that experiencing workplace injustice provokes workplace stress (Elovainio, Kivimaki & Vahtera, 2002) and provides numerous examples of responses to the conflict-stress nexus, including cardio-vascular disease, anxiety, frustration and burnout. In seeking to explore the reasons for these outcomes attachment theory and self-esteem are examined as two key psychological constructs. In the context of self-esteem the chapter discusses the sociometer hypothesis (Learly, Tambor, Terdahl & Downs, 1995) which represents a psychological warning system; the chapter also discusses a more recent development concerning a psychological hypothesis referred to as the *human alarm system* (Eisenberger & Lieberman, 2004). Consideration of this hypothesis provides an insight into one aspect of the literature concerning the brain and its relationship to workplace justice and stress. In exploring neuroscientific literature the chapter notes the role of neuroscience as a relatively new but critically important aspect of our developing knowledge and understanding of the extent to which the brain may be a significant influence on the way individuals respond to unfairness and conflict (Beugre, 2009).

Chapter 6 – Research Method and Data Analysis Techniques

This chapter has three main aims: to explain the nature of the research approach; identify the research design; and outline the methods of analysis. The chapter develops an explanation for the use of content analyses of historical data concerning multi-step procedures, and the utilisation, structure and processes of multi-step procedures; a single-organisation case study and a survey of three organisations. The case study is identified as the centre-piece of the research, with the content analysis and survey providing the basis of a mixed-method approach which enables insights into the attitudes and actions of managers and subordinates concerning multi-step conflict resolution procedures. The chapter identifies the mixed-methods approach as facilitating the process of triangulation in relation to manager-subordinate power relationships. Finally,

the chapter outlines the process by which the data from the content analyses, case study and survey are integrated to develop a number of conclusions. Chapters 7, 8, 9 and 10 provide the procedures and results of the content analyses, survey and case study respectively.

Chapter 7 - Workplace Dispute Resolution from 1904 – 2006: An Historical Analysis

This chapter explores the historical development of dispute resolution procedures in Australian workplaces during the period 1904 – 2006 with the objective of clarifying the prevailing workplace models of dispute resolution. The chapter examines the continued development of multi-step dispute resolution and notes that historically the procedures were largely underutilised until 1993. Legislative initiatives in 1993 and 1996 resulted in an increase in both the utilisation of the procedures and the range of issues being considered within the procedures. The chapter notes that although Australian workplaces continue to utilise a multi-step model there is a paucity of research concerning its structure, role and effectiveness.

Although the chapter takes a broad view of aspects of Australia's labour history as it relates to workplace dispute resolution, it provides an important insight into the influences that may have shaped the attitudes of managers, supervisors and employees concerning the resolution of workplace disputes. Chapter 8 extends the discussion of multi-step procedures by undertaking an analysis of their utilisation, structure and processes.

Chapter 8 – Dispute Resolution Procedures in Workplace Agreements: An Assessment of Utilisation and Key Characteristics

This chapter extends the discussion of the history and development of dispute resolution procedures in Chapter 7 by undertaking a study of a random sample of dispute resolution procedures in certified agreements during the period 2005/2006. The study explores the utilisation, structure and processes of the procedures. The chapter confirms that dispute resolution procedures continue to reflect the multi-step model that has been characteristic of statutory and related initiatives since at least the 1970s. The chapter identifies a lack of objectives and goals concerning fairness and justice in dispute

resolution procedures, and a significant deficiency in the structural capacity of the procedures in dealing with a wide range of disputes. The chapter challenges what appears to be an unquestioning assumption by the workplace parties that multi-step procedures are capable of responding to the complexity of diverse workplace conflicts.

In seeking to develop a better understanding of the attitudes that underpin the findings in this chapter, Chapter 9 undertakes a study of the attitudes of manager and subordinates concerning multi-step procedures.

Chapter 9 - Conflict Resolution: The 'strikingly different worlds' of managers and subordinates.

Given the extent to which multi-step dispute resolution procedures play such an important role in dispute resolution within Australian workplaces (Chapters 7 and 8), and the extent to which the power relationship between managers and subordinates may influence employee choice of dispute resolution procedure (Chapter 4), this chapter explores the influence in more detail by examining a study undertaken to determine the way in which hierarchical power may influence the choices available to managers and subordinates within multi-step dispute resolution procedures. The study is based on the responses of managers and subordinates in three private sector organisations to a questionnaire concerning their attitudes to multi-step conflict resolution procedures of the type found in Enterprise Agreements, Grievance Procedures and similar workplace procedures. The responses to the questionnaire were analysed using the approach-inhibition theory of power (Keltner, Gruenfeld & Anderson, 2003) and regulatory focus theory (Higgins, 1997). The study concludes that hierarchical power has the potential to significantly influence the behavioural responses of both managers and subordinates in multi-step conflict resolution procedures.

Chapter 10 – MetalCo: A case study

This chapter examines a case study which explores the links between a real-life workplace conflict and the broader theories and findings that have previously been identified in this thesis. In so doing, the chapter provides insights into a complex workplace conflict which enable an understanding of the behaviours and motivations of the respective parties.

The study examines the decisions and actions of three individuals - a Manager, an HR Consultant and an employee - concerning the application of performance management and discipline procedures following allegations of poor performance and inappropriate behaviour against the employee. The focus of the study is concerned with assessing the actions and behaviours of the participants in the context of the four themes that have been explored in the thesis – fairness and justice, the nexus between justice-conflict-stress, the power relationship between managers and subordinates, and conflict culture.

Chapter 11 – The factors influencing employee choice of conflict resolution procedures

This chapter analyses the four research questions that are identified in the respective literature reviews to identify the various factors that may influence an individual's choice of conflict resolution procedure. In addressing the research questions the chapter draws upon the empirical research studies in the thesis and identifies six factors that may influence employee choice of conflict resolution procedures. In doing so, the chapter notes that there are a number of research and organisational implications which arise. Those implications are addressed in Chapter 12.

Chapter 12 – The 'strikingly different worlds' of managers and subordinates: Conclusions and Recommendations

This chapter extends the discussion of the factors which may influence employee choice of conflict resolution procedures in Chapter 11, which leads to the development of a number of conclusions. The conclusions provide the basis for speculation concerning various research and organisational implications from which specific recommendations are made.

Chapter summary

This chapter has introduced the research problem and aims of the study and provides an overview of the structure of the thesis. The next chapter is the first of four literature review chapters and addresses the nature of workplace conflict.

CHAPTER 2

EXPLORING THE NATURE OF WORKPLACE CONFLICT

Introduction

The purpose of this chapter is to investigate the characteristics of workplace conflict by exploring the literature relating to four key aspects of workplace conflict. First, the chapter examines the literature concerning the definition of workplace conflict, contrasting the conventional conception of conflict as opposing interests and divergent goals (Rubin, 1994; Lewicki, Saunders & Minton, 1999) with the notion of co-operative conflict (Tjosvold, 2006). The prevailing evidence indicates that conflict is widely acknowledged as a negative influence that needs to be avoided, resolved or at least managed. Second, the chapter reviews conflict types and emphasises that relationship, task and process conflicts have emerged as the predominant categories. Third, the chapter reviews the conflict management literature with a specific focus on the evolution of conflict management styles derived from the dual concern model (Blake & Mouton, 1964, 1970; Pruitt & Rubin, 1986; Thomas & Killman, 2002). Finally, the chapter examines the extent to which organisational culture may influence or guide the way in which conflict is perceived and the procedures that are undertaken to resolve these issues at the workplace (Gelfand, Leslie & Keller, 2008).

Defining Conflict

The *Concise Oxford Dictionary* (Fowler & Fowler, 1971, p. 254) defines ‘conflict’ in the following terms:

> Conflict, n, Fight, struggle (lit. and fig.); collision; clashing (of opposed principles etc.).
>
> Conflict, v, Struggle ... clash, be incompatible.

In the context of the dictionary definition, unsurprisingly, for many people, the word conflict evokes a negative connotation. The popular conception of workplace conflict is that a normal harmonious state is disturbed and something is wrong. Consequently, conflict is something to be avoided and must be resolved or at least managed (Schulz-Hardt, Mojzisch & Volgelgesang, 2008; De Dreu & Weingart, 2003). Tjosvold (2006) challenges this conceptualisation, arguing that the problem with conflict is the inadequacy of its definition. He argues that limited scrutiny of the definition of conflict has contributed to the way it is characterised as destructive, and the widespread belief that "conflict escalation just happens without human choice" (Tjosvold, 2006, p.88).

The prevailing definition has typically reflected the assumption that conflict arises from both opposing interests and incompatible goals (Mack & Snyder, 1957; Pondy, 1967; Schmidt & Kochan, 1972). Rubin, Pruitt and Kim (1994, p.5) argue that conflict was "a perceived divergence of interests or a belief that the parties' current aspirations cannot be achieved simultaneously". This approach is supported by Lewicki, Saunders and Minton (1997, p. 15) who define conflict as "the interaction of independent people who perceived incompatible goals and interference from each other in achieving those goals". Consistent with this theme of opposing interests and incompatible goals De Dreu, Harinck and Van Vianen (1999, p. 369) conclude that conflict involves "the tension an individual or group experiences because of perceived differences between him or herself and another individual or group", and Jehn and Bendersky (2003, p.189) define conflict as "perceived incompatibilities or discrepant views among the parties involved".

Tjosvold (2006) argues that this consistent approach to defining conflict is not realistic: Not every conflict involves a perceived divergence of interests or goals. He states that "our common definitions are misleading and have significantly disrupted our understanding" (Tjosvold, 2008b, p. 447). Tjosvold's (2008a) definitional preference is drawn from Deutsch's (1973) theory of co-operation and competition, which indicates that defining conflict as opposing interests is fundamentally flawed. Deutsch (1973) defines conflict as incompatible activities: one person's actions interfere or obstruct another person's action. Incompatible activities occur in co-operative and competitive

contexts and the protagonists determine whether their interests are different or compatible. How protagonists negotiate their conflict will be determined in part by the extent to which they believe their goals are co-operative or competitive. A co-operative context tends to facilitate constructive controversy, whereas a competitive context tends to promote destructive controversy. A competitive context is likely to promote closed-minded disinterest and rejection of an opponent's ideas and information (Tjosvold, 1998); whereas a co-operative context, or constructive controversy, encourages helpfulness in discussing opposing positions, open-minded listening, motivation to hear more about the opponent's arguments, more accurate understanding of the opponent's position and the reaching of more integrated outcomes (Johnson, Johnson & Tjosvold, 2006).

Tjosvold (2006) maintains that conflict does not just evolve or escalate by itself: individuals make choices that will either escalate conflict or provoke constructive outcomes. Defining conflict as divergent goals and opposing interests is potentially disruptive to effective negotiation of conflict; this definition encourages suspicion and competitive approaches that are difficult to reverse.

Contrary to the belief of Tjosvold (2008a) that social systems benefit from conflict and controversy, De Dreu (2008, p. 7) argues that "conflict that has primarily positive consequences is exceedingly difficult to track down." He notes that a study undertaken by De Dreu and Weinberg (2003) identifies conflicts of various types as negatively related to outcomes. The study notes that, in the past ten to fifteen years from the date of their research, there had been an emerging optimistic view of conflict as possibly functional and stimulating. That is, conflict may unearth, highlight and resolve issues that might not otherwise be considered. De Dreu and Weinberg (2003, p. 746) state that: "contrary to this optimistic view ... our results show that for team performance, both task conflict and relationship conflict are equally disruptive". In support of his position that there is "no such thing as positive conflict", De Dreu (2008, p.14) also refers to the costs of conflict in terms of individual health and well-being, and group and organisation level stress (See Spector & Jex, 1998; Penny & Spector, 2005; De Dreu, Van Dierendonck &

Dijkstra, 2004; Spector & Bruk-Lee, 2008). De Dreu (2008) argues that conflict is stressful and relates to rigidity of thought, psychosomatic complaints, and feelings of burnout. Furthermore, predispositions and circumstances which are favourable to mutual problem solving in conflict reduce, but do not reverse, the positive relationship between workplace conflict and stress related complaints.

Although the way in which an individual responds to a workplace conflict will be determined by a variety of factors, the way in which conflict is defined, either explicitly or implicitly, within a workplace appears to be a significant factor in any response. The conventional approach to the term conflict reflects the assumption that it involves not only differences but incompatible goals, sometimes referred to as a zero-sum game (Tjosvold, 2006). Notwithstanding Tjosvold's (2008a) commitment to constructive controversy, the evidence indicates that conflict is more likely to be perceived as a negative influence and consequently the responses of managers and employees will be formed within a competitive context resulting in destructive controversy.

Evident from this discussion is a close relationship between the definition of conflict and types of conflict. This chapter now distinguishes these types.

Conflict Types

Although considerable attention has been devoted to conflict types over many years (e.g. Jaffee, 2008; De Dreu & Gelfand, 2008), only recently has a consensus been reached within the discipline of organisational psychology that conflicts fall into three categories: task, relationship and process (Jehn & Bendersky, 2003). Notwithstanding that consensus, Tjosvold (2008a) presents a voice of dissent, suggesting the categorisation of conflict types is detrimental to effective conflict resolution. Prior to considering these two approaches, a review of past typologies of conflict may be constructive.

Guetzkow and Gyr (1954) identify a conceptual distinction between substantive conflict, or conflict based on the substantive task that a group is performing, and affective conflict rooted in the emotional aspects of interpersonal relationships. Coser (1956) discusses social change effects based on realistic and non-realistic conflict. Realistic

conflicts are social conflicts that evolve from frustration regarding specific demands and expectations, whereas non-realistic conflicts do not focus on goals but on the need for tension release. In identifying two types of conflict, Cosier and Rose (1977) distinguish between cognitive and goal conflict. Cognitive conflicts involve disagreement over interpretation and goal conflicts are interpersonal disagreements focusing on competition for rewards or status. Priem and Price (1991) extend the earlier distinction between cognitive and goal conflict. They define cognitive conflict as disagreements that are task- related, often about goal differences. They define social-emotional conflicts as those that involve interpersonal disagreements in general and more specifically as a consequence of miscommunication and competition.

Pondy (1967), in contrast, identifies three general types of organisational conflict: bargaining conflicts, bureaucratic conflicts and systems conflicts. Bargaining conflicts are based on differing interests and discrepancies over demands for shared resources. Bureaucratic conflicts arise because of the hierarchy in organisations and emerge because superiors attempt to control subordinates, and the subordinates resist. Systems conflicts reflect lateral conflicts among employees at the same level, which are based on problems of co-ordination.

Pinkley (1990) identifies disputants' conflict resolution frames and recognises three dimensions of conflict, (1) relationship versus task (2) intellectual versus emotional; and (3) win versus compromise. Relationship conflicts focus on interpersonal issues based on problems within the relationship whereas task conflicts relate to issues associated with money and property. Disputants using intellectual conflict frames focus on the facts whereas disputants in emotional frames focus on feelings of jealousy, frustration and anger. Disputants in a win frame perceive one party as being right, the other wrong, and disputants in a compromise frame feel that mutual agreement is necessary and that both parties caused the conflict.

Research on organisational conflict has typically focused on two types of conflict: task and relationship conflict. They are based on, and subsume, the range of conflict types distinguished in past taxonomies (e.g. Amason, 1996; Jehn, Northcroft & Neale, 1999;

Kabanoff, 1991; Kramer, 1991; Pelled, 1996), and are defined as follows: *Relationship conflict* exists when there are interpersonal incompatibilities among group members. This type of conflict often includes differences of opinion and preferences concerning such matters as religion, politics and related matters, or simply aversions to the values, or behaviour of another person. (Jehn & Bendersky, 2003). *Task conflict* occurs when there are disagreements among group members about the tasks being performed. This type of conflict includes disagreement about the content and issues relating to the task, including differences in perspectives, ideas and opinions (Jehn & Bendersky, 2003)

Recent research has, however, examined a third type - process conflict - which is separate from task conflict (Behfar, Mannix, Peterson, & Trochin, 2005; Jehn & Mannix, 2001). *Process conflict* concerns conflict about the means to accomplish the specific tasks, not about the content or substance of the task itself, but about the strategies for approaching the task, and may include such matters as the composition of a team, who should undertake particular tasks, as well as what resources and schedules, shall apply. (Jehn & Bendersky, 2003).

The distinction between the different conflict styles is, to some extent, artificial; indeed task conflict will often evoke relationship conflict (Friedman, Tidd, Currall & Tsai, 2000; Gamero, Gonzalez-Roma & Peiro, 2010). As Amason and Schweiger (1997, p.107) state:

> The propensity to mistake cognitive (task) disagreement for personal animosity is especially high in instances where the issues are serious and there is the potential for great personal gain or loss. Often, rather than being seen as a cognitive exercise, disagreement or criticism will be interpreted as a sinisterly motivated effort to expand the influence of some at the expense of others. Such (mis)interpretation can trigger affective conflict. The offended team members respond to what they perceive to be personally motivated criticism with personal attacks of their own and, by so doing, trigger more affective conflict. The downward spiral produces animosity and unwillingness to tolerate opposition or continue working together.

Notwithstanding the development of the three conflict types, Tjosvold (2008a) argues that the categorising of conflict strengthens the harmful stereotype that destructive conflict just happens to people – that conflict, in essence, takes over. He asserts that conflict is a broad phenomenon and that the arbitrary allocation of labels does not acknowledge its complexity. Moreover, he contends that, by attempting to define conflict types, there is a danger that the parties may accept that the negative effects of conflict are inherent in the conflicts themselves. His concern is that the parties are not being empowered to deal with conflict but are led to believe that destructive conflict "just happens" to them (Tjosvold, 2008b, p.449). This typology implies that various conflicts can be assigned to immutable categories. Because these categories are immutable, the emerging nature of the conflicts and the complex inter-relationships between issues is neglected.

Tjosvold (2008a, p.25) states that "the kind or source of conflict is not the culprit; it is how people manage it that determines its course and outcomes". Accordingly, this chapter now addresses the matter of conflict management.

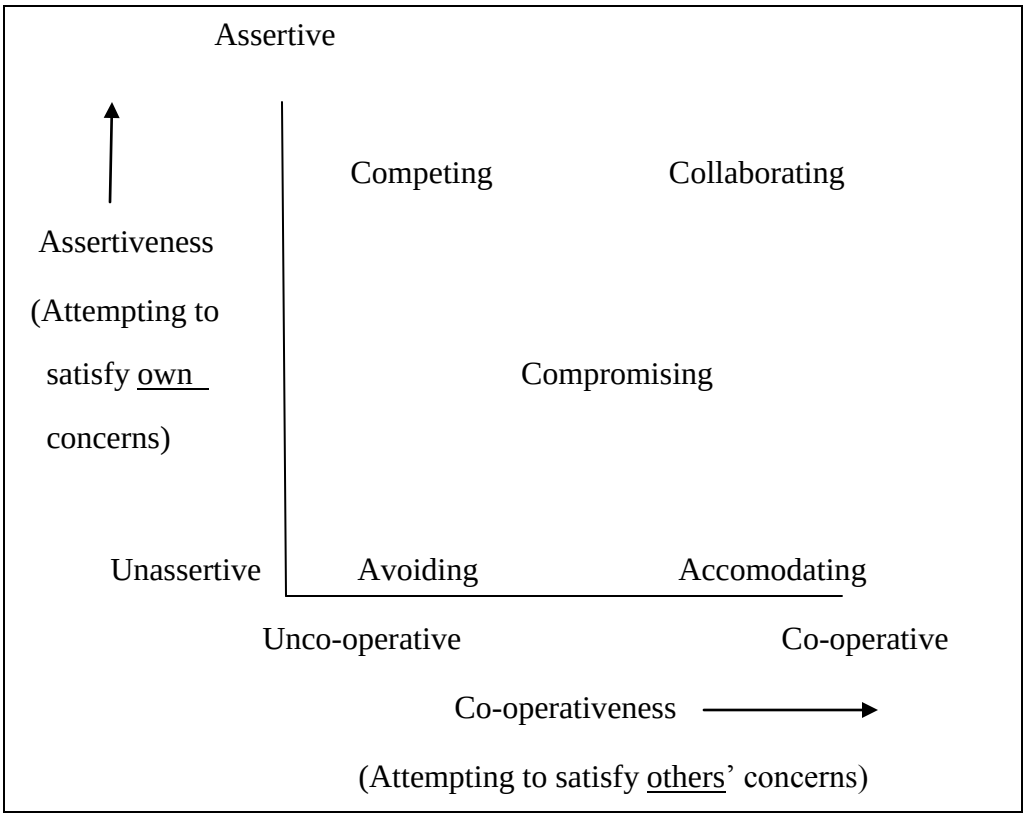
Conflict Management

Conflict management is defined as "behavior oriented toward the intensification, reduction, and resolution of the tension" (De Dreu, Harinck, Van Vianen, 1999, p. 371). Although an infinite number of conflict management strategies may be differentiated, conflict research and theory tends to converge on Dual Concern Theory. Originating with the work of Blake and Mouton (1964), other similar two-dimensional models have defined the concerns underlying conflict choice somewhat differently (Rahim, 1983; Thomas & Kilmann, 1974; Pruitt, 1983; Pruitt & Rubin, 1986). Notwithstanding the variations, they all adopt four or five conflict-handling approaches based on some adaptation of 'concern for self' and 'concern for others' (Sorenson, Morse & Savage, 1999). Figure 1 depicts the approach adopted by Thomas (1976, 1988, 1992) and Thomas and Kilmann (2002), which includes five conflict styles:

- Competing (low co-operativeness, high assertiveness) is the attempt to satisfy the personal concerns of individuals at the other's expense;

- Accommodating (high co-operativeness, low assertiveness) is the inclination of individuals to sacrifice personal concern in favour of the others;
- Avoiding (low co-operation, low assertiveness) neglects the concerns of both parties by circumventing or postponing a conflict issue;
- Collaborating (high co-operativeness, high assertiveness) is an attempt to uncover an integrative solution that fully satisfies the concerns of both people;
- Compromising (intermediate in both co-operativeness and assertiveness) is an attempt to unearth a settlement that only partially satisfies the concerns of each party (Thomas & Thomas, 2008).

Figure 1: Dual Concern Model



Source: Thomas, K. W., & Thomas, G. F., (2008) Conflict styles of men and women at six organization levels. *International Journal of Conflict Management, 19.* p.150.

Until the 1990s, the literature on interpersonal conflict in organisations implied that, within a single conflict, each party uses only one mode of conflict behaviour that is more or less effective. However, subsequent research indicates that the use of multiple modes of conflict behaviour is, in fact, more common (Euwema, Van de Vliert & Bakker, 2003). This broader approach was developed by Van de Vliert, Euwema and Huismans (1995) and Van de Vliert (1997), and is referred to as conglomerated conflict behaviour. This approach towards conflict management behaviour involves individuals adopting configurations of styles rather than using each style in isolation (Munduate, Ganaza, Peiro & Euwema 1999).

The theory of conglomerate conflict expands the analysis of behaviour from five to seven components. The two additional behaviours are process controlling and confronting. Process controlling is directed at dominating procedures, including setting the agenda and the rules of the game. Confronting refers to straightforward actions of demanding attention to personal discontent by launching the conflict issue (Van de Vliert & Euwema, 1994; Van de Vliert, 1997).

A study by Euwema et al. (2003) provides support for the proposition that process controlling and problem solving – referred to as collaborating in Figure 1 – are most important for effective outcomes. They conducted a series of simulated exercises with 103 senior nurses from Dutch hospitals with the objective of testing the theory of conglomerated conflict behaviour and examining the effectiveness of conflict behaviour with respect to substantive and relational outcomes. Euwema et al. (2003) concludes that, whereas process controlling was related to substantive outcomes, problem solving was associated with relational outcomes. Problem solving was considered to be more oriented towards the concerns of other and of self, whereas process controlling was less oriented towards the concerns of the other party, and more on achieving outcomes.

Thomas and Thomas (2008) undertook a study designed to assess the effects of organisational level on the conflict management styles of 2400 males and females, from entry level to top executives, utilising the five behaviours referred to in Figure 1. They

note that executives and top executives scored higher than other groups in the two most assertive styles – collaborating and competing – consistent with the research by Euwema et al. (2003). At the other end of the spectrum, however, entry-level and non-supervisory employees scored higher on the unassertive styles – avoiding and accommodating.

The distinction in conflict management styles between executives and non-supervisory employees raises some important questions concerning manager-subordinate relationships and the way in which power may influence the choice of conflict management. This is a matter that is examined in Chapter 4.

A distinction in conflict management styles was also considered in a study by Aquino (2000) in which he examines the characteristics of employees who perceive themselves as targets of co-workers' aggression. The study explores the effects of conflict management styles and hierarchical status of the employees. He shows that employees' perceptions of victimisation are related to certain types of conflict styles and concludes that passive behaviours – obliging and avoiding – tend to invite victimisation in organisations rather than those that are dominating or aggressive.

Conflict Culture

Given the perception that conflict should be avoided, resolved or at best managed (Schultz-Hardt et al. 2008), organisational culture, and consequently conflict culture, appear to be important aspects of the way in which conflict is perceived and dispute resolution processes are utilised. Critical to many theories of organisational culture is the belief that culture acts as a dominant social control function, which limits the range of acceptable behaviour and restricts individual differences in organisations (O'Reilly & Chatman, 1996). In this context, conflict cultures guide the attitudes and behaviours of workplace parties and limit the variations in the strategies that may be used to deal with conflict (Gelfand et al., 2008)

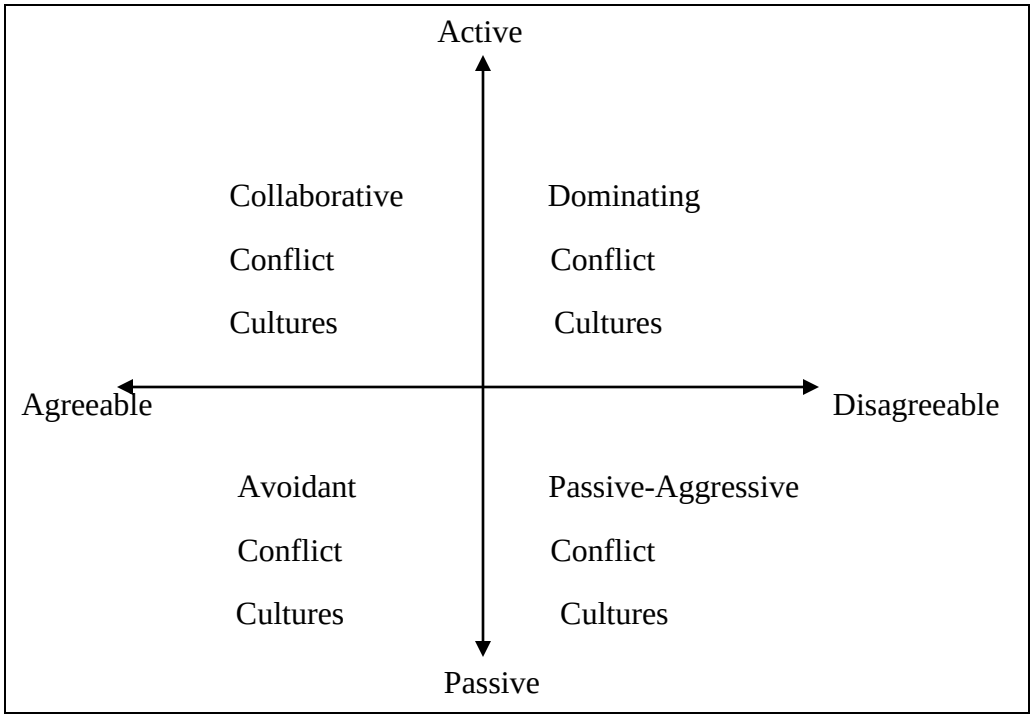
The association between organisational culture and workplace conflict has not been studied extensively. Kolb (2008) argues there has been a tendency in the research to isolate conflict from its organisational roots and, consequently, she argues there is a need to "close the loop" (Kolb, 2008, p. 430). Research also indicates that organisations tend

to individualise disputes and, in so doing, focus on individuals and dyads (Smith, 1989): consequently, existing systems and power are more likely to remain intact (Donnelon & Kolb, 1994). Further, Bendersky (1998) maintains that organisational culture affects both the implementation of organisational dispute resolution systems (ODR), and the extent to which employees actually utilise them. In the same vein, Olson-Buchanan and Boswell (2008b) argue that organisational culture influences the effectiveness of ODR systems and have called for more research on the relationship between organisational culture and conflict. Similarly, De Dreu, van Dierendonck and Dijkstra (2004, p.9) suggest that more research should be conducted on cultures of conflict. They speculate that "units within organizations, or even entire organizations, develop over time a relatively stable set of orientations toward, and strategies to manage conflict". In support of the need to focus more research on conflict cultures, Gelfand et al. (2008) argue that a conflict culture perspective complements conflict management research that has focused on ODR systems and formal conflict resolution mechanisms such as grievance systems, collective bargaining and arbitration (See also Friedman, Hunter & Chen, 2008; Goldman, Cropanzano, Stein & Benson, 2008; Ury, Brett & Goldberg, 1988).

Gelfand et al. (2008, pp.141-142) propose that conflict cultures can be defined by two dimensions: The first dimension is whether conflict is managed in an "agreeable or cooperative manner" versus a "disagreeable or competitive manner". Agreeable norms prescribe behaviour that promote group and organisational interests and reflect a collective attempt to accommodate some of the interests of others when managing conflicts. Disagreeable norms prescribe behaviour that promote self-interest and reflect collective attempts to stifle the needs and interests of others when managing conflicts. The second dimension is based on the notion that organisations develop norms for whether conflict is managed "actively or passively". Active norms are characterised by open engagement, high agency, and low-situational constraint when managing conflicts, where passive norms are characterised by limited engagement, low agency and high-situational constraint when managing conflicts. The relationship of these characteristics is shown in the typology of conflict cultures in Figure 2.

In the development of the typology, Gelfand et al. (2008) expand on a range of conflict management theories that concern whether conflict is managed in an agreeable or cooperative versus a disagreeable or competitive manner (Axelrod, 1984; Deutsch, 1973; Tjosvold, 1998). Other scholars have introduced similar distinctions including moving toward, moving against (Horney, 1945); concern for people versus concern for results (Blake & Mouton, 1964, 1970); concern for self versus concern for others (Pruitt & Rubin, 1986; Rahim, 1983), integration versus distribution (Thomas, 1976; Walton & McKersie, 1965) and mitigation versus intensification (Sternberg & Dobson, 1987; Sternberg & Soriano, 1984).

Figure 2: Typology of conflict cultures



Source: M. Gelfand, L. Leslie, & K. Keller, (2008). On the etiology of conflict cultures. *Research in Organizational Behavior, 28,* p.137.

Other researchers have argued that another dimension of conflict management is whether conflict is managed actively or passively (De Church & Marks, 2001; Simons, Pelled & Smith, 1999; Sternberg & Soriano, 1984, Van de Vliert & Euwema, 1994). Gelfand et al. (2008) expand on this literature and focus on the dimensions of

agreeableness and activeness in combination to produce theoretically distinct conflict cultures at the organisational or unit level of analysis. These two dimensions generate four conflict cultures which are defined by Gelfand et al. (2008) in the following terms:

Dominating conflict cultures

A dominating conflict culture is characterised by conflict management norms that are both active and disagreeable. The core assumptions and values underlying this conflict culture are that employees experience a sense of agency and are empowered to actively manage conflicts, that disagreeable behaviour is acceptable, and conflict behaviour is not constrained. In dominating conflict cultures, normative behaviours for handling conflicts may include direct confrontations and heated arguments in which individuals are reluctant to relinquish, yelling and shouting matches, or threats and warnings.

Collaborative conflict cultures

A collaborative conflict culture is characterised by conflict management norms that are both agreeable and active. The core assumptions and values underlying this conflict culture are that employees are empowered to actively manage conflicts; co-operative behaviour and resolving conflicts to serve the interests of the group is rewarded, and there are few organisational constraints on behaviour. In collaborative conflict cultures, normative behaviours for handling conflict include active listening to the opinions of others, mediation of different perspectives, open discussion of the conflict, and demonstrations of mutual respect. When resolving conflicts, the standard response is to seek the best solution possible for all of the parties involved.

Conflict avoidant conflict cultures

A conflict avoidant culture is characterised by norms that are both agreeable and passive. The core assumptions and values in conflict avoidant cultures include order and control which are important, and that interpersonal relationships and harmony within the organisation should be maintained. In conflict avoidant cultures, normative behaviours for handling conflict include accommodating or acquiescing to the perspective of others, changing the subject, smoothing over or otherwise evading open discussion of the conflict, and working around the sources of the conflict to maintain harmony and order.

Passive – aggressive conflict cultures

A passive-aggressive conflict culture is characterised by norms for conflict management that are both disagreeable and passive. The core assumptions and values underlying this conflict culture are that employees are not empowered and are cynical about their ability to actively manage conflicts, that competition and antisocial behaviour is acceptable, and that there are constraints on behaviour. In passive-aggressive conflict cultures, normative behaviours for handling conflict include refusing to participate in discussions related to the conflict, deliberately and overtly neglecting colleagues, failing to disseminate relevant information, intentionally retarding progress to harm others, or withdrawing from work and interactions with others.

Gelfand et al. (2008) argue that conflict management processes are a socially learned and socially reinforced phenomenon. Through both top-down and bottom-up processes in organisations, distinct conflict cultures develop, which reduce the range of individual variation in conflict management strategies and ultimately affect organisational outcomes.

Conclusion

This chapter has identified four inter-related issues that could significantly influence an employee's choice of conflict resolution procedures. First, the popular conception of workplace conflict implies that a normal harmonious state is disturbed and that such harmony needs to be reinstated (Schulz-Hardt et al., 2006). A significant influence in the evolution of such a negative view appears to have arisen from a conventionally narrow definition of conflict, one that Tjosvold (2006, p.88) argues is likely to lead to destructive controversy and the belief that "conflict escalation just happens without human choice". Given the competitive nature of the way in which workplace conflict seems to be perceived, it appears that the dispute resolution choices available to employees are likely to be limited.

The second issue is a related definitional matter and concerns conflict types. Although the literature often distinguishes three conflict types – task, relationship and process – Tjosvold (2008b, p.449) argues that the categorisation of conflict types creates harmful

stereotypes likely to elicit the perception that such destructive conflict "just happens". His argument concerning the definition of conflict and conflict types is that the prevailing assumption is that conflict is both competitive and inevitable. Tjosvold (2006) argues that conflict is essentially a matter for the individuals involved; consistent with Deutsch's (1973) theory of co-operation and competition, they will either escalate conflict or lead to constructive outcomes. In order to do so Tjosvold (2006) argues the parties should not be constrained by narrow or confusing definitions, arbitrary labels or flawed assumptions. The observation that such characteristics prevail implies that employee choice of conflict resolution procedure will be more likely than not limited to competitive processes.

The third issue identified in the chapter concerns conflict management style and identifies the five conventional styles based on the dual-concern model, as developed by Thomas (1976, 1988, 1992) and Thomas and Kilmann (2002), and the broader approach developed by Van de Vliert et al., (1995) and Van de Vliert (1997), referred to as conglomerated conflict behaviour. Research concerning these two approaches indicates that the two most assertive styles – collaborating and competing – are utilised by senior executives. In contrast, entry-level and non-supervisory employees utilise the unassertive styles of avoiding and accommodating. The application of these distinct conflict management styles implies a significant influence in the use of power in the way in which conflict between managers and subordinates is managed. The issue of power as it relates to manager-subordinate conflict is addressed in more detail in chapter 4. The evidence suggests that in terms of employee choice of conflict resolution procedure the choice will be affected by the employee's status in the organisation.

The final issue identified in the chapter concerns conflict culture. The work of Gelfand et al. (2008) in developing a theory of conflict cultures is an important initiative in developing a more detailed understanding of the various organisational approaches to conflict resolution in workplaces. The theory provides a counterpoint to the tendency of organisations to individualise conflicts (Smith, 1989) and identify the organisational norms and beliefs that form the basis of the way conflict is defined and managed. In

identifying factors that may influence conflict cultures, Gelfand et al. (2008, p. 147) refer to "factors such as industry, community and national culture". In this context, Chapters 7 and 8 provide evidence of the extent to which Australia's historical commitment to multi-step dispute resolution procedures appears to have established a conflict culture which has been embraced by Australian workplaces. The commitment to and adoption of multi-step procedures has provided the framework within which political, industry and trade union leaders appear to have developed perceptions of how conflict is defined, and the particular ways in which it should be resolved. In this respect it seems that our national culture, as it relates to workplace conflict, emerged from the history and development of dispute resolution procedures during the period 1904 to the present time. It is arguable that the conflict culture that has emerged is based on a negative perception of workplace conflict. This matter is canvassed in more detail in subsequent chapters.

The question of the way in which workplace conflict is defined, either implicitly or explicitly, appears to be a key factor that influences both the conflict culture within a workplace, and the conflict resolution choices available to both managers and employees. Thus, the research question that arises from the literature reviewed in this chapter is:

> **In what way do employee perceptions of workplace conflict, as a positive or negative influence, affect an employee's choice of conflict resolution process?**

Summary

This chapter shows how some of the practices, policies and procedures of organisations can affect perceptions of both managers and employees concerning conflict, ultimately impinging on the conflict culture and governing the choice of conflict resolution procedures. Chapter 3 extends the discussion on conflict by examining the extent to which employee perceptions of conflict are influenced by workplace justice.

CHAPTER 3

WORKPLACE JUSTICE: PERCEPTIONS OF FAIRNESS IN THE WORKPLACE

Introduction

The purpose of this chapter is to examine the relationship between conflict resolution and employee perceptions of workplace justice. Greenberg (1990, p.400) describes workplace justice as a literature "grown around attempts to describe and explain the role of fairness as a consideration in the workplace". For over forty years, psychologists have been interested in people's perceptions of fairness and justice (Adams, 1963; Thibault & Walker, 1975) and in how these perceptions affect attitudes and behaviours. This aspect of the workplace justice literature is the primary focus of this chapter. In seeking to develop an understanding of the perceptions of workplace participants concerning conflict resolution procedures, the chapter explores the concept of workplace justice and the way in which justice evaluations are formed. The chapter also explores the central role of *voice* in conflict resolution procedures and examines the distribution of control between disputants and independent third parties. Both of these matters are central to the way in which individuals perceive the fairness of conflict resolution and may consequently influence both conflict culture and choice of procedures.

Why justice matters

In considering the issue of workplace justice, the inevitable question to be asked is: 'Why does justice matter?' Research on social justice indicates that seeking justice is a fundamental human impulse (Tyler, 1991), possibly rooted in a basic social motivation to be accepted (Baumeister & Leary, 1995).

Rawls (1971, p.3) identifies justice as the "first virtue of social organizations" and Barnard (1938) identifies fairness as one of the fundamental bases of co-operative action in organisations. Similarly, Konovsky (2000) notes that managers, employees and

organisational stakeholders perceive fairness as a unifying value providing fundamental principles that can bind together conflicting parties and create stable social structures. Fairness judgements are subjective and not the same as objective, normative descriptions of fairness and justice as would be considered by philosophers or economists (e.g., Cohen, 1986; Van den Bos & Lind, 2002). Not only could fairness judgements vary from person to person, but an individual may well evaluate the fairness of one event differently from another depending on the characteristics of the event (Miedema, van den Bos, & Vermunt, 2006).

Organisational justice researchers have identified three responses to the question of why justice matters to employees. First, the instrumental model is based on the desire of individuals to seek control and maximise the likelihood of beneficial outcomes. Second, justice affirms the identity of individuals within valued groups, which is referred to as the relational model. Third, justice reflects a basic respect for human dignity and worth, which is referred to as the moral virtues model (Cropanzano, Byrne, Bobocel & Rupp, 2001). These three models will now be discussed.

The instrumental model

The origins of the instrumental model of justice evolved from the dispute resolution work of Thibault and Walker (1975). Their research is predicated on the notion that conflict resolution progresses through two stages: the ‘process stage’ and the ‘decision stage’. The process stage relates to the presentation of information concerning the conflict, and control over the delivery of information can be undertaken by either of the two disputants or by an independent third party. The decision stage centres on a final judgement concerning the conflict. Either the disputants or the independent third party reach the final decision (Cropanzano et al., 2001).

Thibault and Walker’s research suggests that the distribution of control between disputants and a third-party decision-maker is the key procedural characteristic shaping perceptions about the fairness and desirability of procedures. The instrumental model of justice proposes that individuals are motivated to seek a sense of control; such control can assist in maximising the favourability of outcomes (Cropanzano et al., 2001).

Relational model

The relational - or group value - model was proposed by Lind and Tyler (1988) and links concerns about justice to concerns about the social bonds that exist between people and groups. The assumption underpinning the relational model is that people are predisposed to belong to social groups and are attentive to signs and symbols that communicate information about their position within groups: people want to understand, establish and maintain social bonds (Tyler, 1994). In general terms, the relational model proposes that a procedure is perceived as fair if it indicates a full-status relationship with an authority figure such as a manager, and promotes within-group relationships. Conversely, if a procedure indicates that the relationship is either negative or the individual is low in status, the procedure will be perceived as unfair (Cropanzano et al., 2001).

In examining the implications of conflict within workplace relationships Fiske's (1992) theory of social relations is constructive. Two elementary social models appear to be particularly relevant for this thesis: communal sharing and authority ranking.

In a communal sharing relationship, individuals feel they are united by a common identity and want to be liked by others who are similar to them. Consequently, interpersonal conflict with co-workers is likely to undermine their sense of self and similarity with others and thus adversely affect an individual's self-evaluation and psychological health (Frone, 2000).

In an authority ranking relationship, individuals relate to each other on the basis of a linear hierarchical ordering. This type of relationship is exemplified between a manager and subordinate. Therefore, interpersonal conflict with a manager is likely to adversely affect an individual's feelings and cognitions regarding their job and employer (Frone, 2000).

Moral virtues model

Folger (1998) argues that the instrumental and relational models are both driven by self-interest, with the only difference being the emphasis on different types of outcomes. According to Folger, many individuals are concerned about justice because they espouse a basic respect for human dignity and worth. He reviews evidence indicating that people

care about justice even when doing so offers no apparent economic benefit and involves strangers. Consequently, he notes that there are times when "virtue [serves] as its own reward" (Folger, 1998, p.32).

Folger's notion of moral motives for behaving fairly has been subject to the same self-interest argument that he has directed at the instrumental and relational models of justice. Greenberg (1990) argues that people are motivated to behave fairly to enhance their self-images as fair people. In so doing, he argues that such apparent virtuous behaviour may be more self-serving than it appears. Consequently, he posits that all justice-related behaviour, under any guise, may be inspired by self-serving motives (Greenberg, 2001).

A three-factor model of justice

The motivations to seek justice and hence the implications of injustice might depend on which principles of fairness have been violated. Initially a three-fold model of justice - distributive, procedural and interactional - evolved in the psychological literature.

Distributive justice

Distributive justice is concerned with the fairness of the outcomes or ends achieved. Distributive justice emerged from the work of Adams (1963) concerning equity. The essential idea of equity theory is that, when individuals work for an organisation, they present certain inputs such as ability or job performance. Based on what they contribute, people expect some form of return.

The main propositions of equity theory are that, first; individuals tend to compare their own allocated outcome with a referent other. Second, when individuals perceive their input-outcome ratio to be smaller than that of the referent other, they feel unrewarded. Third, the perceived inequity creates tension, with the amount of tension being proportional to the level of perceived inequity. The tension is sufficient to motivate the person to take action to reduce the inequity, to achieve a level of equilibrium. Fourth, in taking action, individuals may adopt different approaches. They may change their input, change their outcome, act on the referent other to make changes, rationalise or

reinterpret their own input-outcome ratio, choose another referent for comparison, or escape the inequity by leaving the organisation (Singer, 2007).

Research on distributive justice has shown that an individual's perceptions of the fairness of outcomes affect their work attitudes and behaviours, including job satisfaction, organisational commitment, performance and intention to remain with the organisation (Ambrose, 2002). Following the insights into organisational processes that emerged from various approaches to distributive justice during the early 1980s, the focus shifted to procedural justice - that is, the perceived fairness of the policies and procedures used to make decisions.

Procedural justice

The pioneering studies of Thibaut and Walker (1975) concerning dispute resolution were the precursors of their theory of procedural justice. The studies compare people's reactions to simulated dispute resolution procedures that differ on levels of process control and decision control. They compare highly autocratic procedures in which disputants are given no control over the collection and presentation of evidence bearing on their case (low process control), and legal procedures that typically provide high degrees of input into the process (high process control).

Thibaut and Walker's work indicates that disputants are willing to cede control over decisions to a third party if they can exert control or influence over the process. Consequently, disputant process control, sometimes called *voice*, is regarded as central to creating high levels of procedural justice (Nowakowski & Conlon, 2005).

Research using simulated legal decisions has consistently found that verdicts resulting from procedures offering disputants process control were perceived as fairer and were better accepted than identical decisions resulting from procedures that denied process control (Greenberg, 1990). Whereas Thibaut and Walker emphasise the importance of process control, Leventhal (1980) focuses on a multidimensional approach to procedural justice. He argues that procedures are fair to the extent that they meet six criteria: consistency, suppression of self-interest, accuracy, ethicalness, correctability and representativeness. Consistency indicates that the procedures are not based on self-

interest (e.g. there is no bias), and are also based on accurate information which further mitigates the possibility of bias. In addition, any decisions are based on moral and ethical standards whilst providing the opportunity for reversing decisions if an error is made (i.e. correctability). Finally, representativeness is intended to provide 'voice' in the process - to enable participants' opportunities to tell their respective stories (Kidder, 2006).

Interactional justice

By the 1990s, research on justice was shifting away from a focus on legal procedures towards organisational procedures. Nowakowski and Conlon (2005) suggest two possible reasons for this shift: first, organisations were more inclined to implement a variety of procedures, including performance appraisal, conflict resolution, and disciplinary processes. Second, many scholars who were originally trained in social psychology moved to business schools, significantly influencing the application of justice theory to organisations. Thus, social and personality factors were now embedded in the discussions of justice. For example, within the same company, a performance appraisal procedure could evoke different employee reactions depending on the personality and behaviour of managers (Nowakowski & Conlon, 2005). Initially, this line of research was referred to as interactional justice by Bies and Moag (1986) who argue that the research undertaken by both Thibaut and Walker (1975) and Leventhal (1980) fails to distinguish the procedure from its enactment. In other words, the interaction concerning the procedure was also subject to fairness considerations.

During the enactment of procedures, people are particularly sensitive to the processes of interpersonal communication and decision-making. Consequently, fairness concerns raised about a decision-maker's behaviour during the enactment of procedures are indicative of a desire for interactional justice. For example, people form normative expectations for truthfulness and respect in communication as well as expecting that a decision-maker will properly enact the rules of the procedure (Bies & Shapiro, 1987).

The introduction of interactional justice provided opportunities to more easily identify aspects of organisational procedures that may be deficient and, therefore, enable changes

to be introduced to the processes or to the behaviour of the individuals involved (Nowakowski & Conlon, 2005).

A four-factor model of justice

Interactional justice has been identified as two separate categories: interpersonal justice and informational justice (Greenberg, 1993). Consequently, a four-fold model of justice has emerged consisting of distributive justice, procedural justice, interpersonal justice and informational justice.

Interpersonal justice focuses on the interpersonal sensitivity, politeness and respect people are shown by authority figures during procedures. Informational justice focuses on the explanations or information provided by decision makers as to why certain procedures were used or why outcomes were distributed in a particular way, including whether the information was thorough, reasonable, truthful, candid and timely (Nowakowski & Conlon, 2005).

In seeking to explain why perceptions of interpersonal treatment are related to justice judgements, Bies (2001) refers to Cahn's (1949) seminal text titled *The Sense of Injustice*. Bies (2001, p.19) states:

> Embedded in Cahn's analysis is the assumption that people view the self as sacred. In particular, this sense of sacredness assumes an 'inviolate personality ... (and) the individual's independence, dignity and integrity' (Bloustein, 1964, p.971).
>
> Following Cahn, to define the boundaries of the sacred self, we must examine the profanities that violate it.

According to Bies (2001), the profanities include communications or actions that include being disrespectful, derogatory, deceptive, and invasive of others' privacy. In an earlier study undertaken by Bies (1986), various expressions of interpersonal treatment - honesty, courtesy, timely feedback and respect for rights - are identified along with more formal procedural justice considerations, such as the opportunity to express personal opinions. In a subsequent study, the same four elements of interpersonal treatment are again reported. Significantly, the findings indicate that interpersonal treatment is

considered an important aspect of treatment independent of the outcomes resulting from the treatment (Greenberg, 1990).

Similar conclusions have been derived from the work of Tyler (1988), who found that perceptions of honesty and ethical behaviour, such as politeness and respect for rights, are perceived as being among the most important determinants of the fairness received. Ethical treatment has been shown to be a key determinant of fairness across a wide range of settings - the quality of the interpersonal treatment received is a major determinant of people's assessment of fair treatment (Greenberg, 1990).

Research by Bies (1987) also confirms the importance of informational justice - the practice of explaining procedures enhances the fairness of the procedures and the outcomes resulting from these processes. For example, Bies and Shapiro (1987) conducted a series of laboratory and field studies revealing that people who received negative outcomes, such as rejections of job applications, are more likely to accept the procedures as fair when an explanation is offered than when no such explanation is provided. Greenberg (1988) found analogous results in which employees perceive their performance appraisals as being fairer when monetary ratings are accompanied by written explanations of the ratings than when no explanations are offered. These findings strongly indicate that it is not only the procedures used to determine outcomes, but explanations for those procedures that influence perceptions of procedural justice. Nevertheless, Bies, Shapiro and Cummings (1988) found that perceptions of procedural justice are enhanced only when explanations were believed to be adequately reasoned and sincerely communicated.

How justice evaluations are formed

Given the preceding discussion of the various theories and models of justice, the question that emerges is: how are justice evaluations formed? As discussed, early organisational justice theories assumed that distributive, procedural and interactional justice information is processed as events are encountered, and that such judgements are continuously integrated into general impressions of fairness. Two additional theories have been developed concerning the way in which individuals incorporate justice

considerations into their overall perceptions of fairness: the fairness heuristic theory and fairness theory, previously referred to as referent cognitions theory.

Fairness Heuristic Theory

Fairness heuristic theory begins with the notion that people experience a fundamental need to reduce uncertainty about the future (MacCoun, 2005). The theory proposes that individuals care about fairness because it helps them deal with uncertainty about whether they can trust organisational authorities. However, constantly determining whether to trust people would consume limited cognitive resources. Thus, individuals use information about fairness as cognitive shortcuts, or fairness heuristics, to resolve uncertainty about whether to trust organisational authorities (Jones & Martens, 2009).

If people use fairness judgements as decision heuristics, their judgements will be generated quickly in new relationships and then simply be accessed, rather than revised, unless some clear and substantial indication of change in the relationship emerges (Lind, Greenberg, Scott & Welchans, 2000). This is referred to as the *judgemental phase* in which justice-relevant information is weighted most heavily (Van den Bos, Vermunt & Wilke, 1997). Once perceptions of overall fairness are formed, they tend to remain stable as individuals enter a *use phase* in which they use their overall fairness perceptions to determine whether to trust and cooperate with organisational authorities (Lind, 2001). Individuals can, however, be prompted to shift from the use phase back to the judgemental phase by events that signal a change in their relationship with authorities, such as when a new policy is implemented or a manager behaves in a way that violates existing expectations (Jones & Martens, 2009).

A practical example of the fairness heuristic theory is the dilemma facing an employee who is ordered by a supervisor to undertake some of the responsibilities of a co-worker. Is the order a reasonable organisational directive, or is this directive motivated by some hidden agenda on the part of the supervisor? Employees cannot readily determine whether the supervisor's request is legitimate simply by considering the substance of the order (Lind, Kulic, Ambrose & de Vera Park, 1993). Lind and Tyler (1988) argue that people conceptualise the apparent fairness of the authority as an indicator of whether

these orders are likely to be legitimate. If the supervisor appears to be acting fairly, the employee will accept the direction and obey the imperative; if the supervisor appears to be acting unfairly, the employee may disobey. Therefore, fairness serves as a decision heuristic, a decision-making device that replaces a full exploration of the implications and possible motives of each directive from an authority (Lind et al., 1993).

Lind and Tyler (1988) argue that the fairness heuristic is a basic psychological process that is observed in many different decision contexts. Whether the individuals in question are employees receiving directions to undertake some responsibilities of a colleague, or being ordered to accept a supervisor's particular resolution of a dispute in their work group, or a manager deciding whether to accept the recommendations of an independent investigator arising from a workplace dispute, perceptions of fairness will be used as a shortcut to deciding whether to accept or reject the authority's decision.

Fairness heuristic theory indicates that individuals will form important initial fairness judgements that may affect the manner in which they are prepared to participate in, or commit to dispute resolution procedures; these judgements will be affected by the information available to them through the organisation. The information may include organisational policies, the attitude and behaviour of supervisors and managers, and knowledge and attitudes concerning dispute resolution procedures gleaned from other employees. Lind and Tyler (1988) explain that, because impressions of the procedures used by authorities are typically available to the perceiver prior to impressions of the outcome they generate, judgements of the fairness of the process and procedure form the heart of the fairness heuristic.

Fairness heuristic theory assists in explaining that fairness judgements are formed through the information that is readily available. Consequently, the immediate fairness judgements that are made are used as a guide to regulate behaviours in various social settings in order to match the level of justice perceived (Lind, 2001).

Referent Cognitions and Fairness Theories

Another explanation for the way in which fairness judgements may be formed is Folger's (1986) referent cognitions theory (RCT). RCT proposes that people will exhibit

hostile reactions, such as resentment and moral outrage, to an unfavourable decision outcome if they believe the parties responsible for the decision fail to meet certain moral obligations for proper conduct. Because of the natural causal link between procedures and outcomes, people who receive unfavourable outcomes are likely to conduct mental simulations to determine whether their outcomes would have been better if different procedures had been used. If the procedures are fair, they will be unable to imagine better alternative outcomes, and will judge the decision-maker's conduct as proper.

Underlying this aspect of RCT is the notion that people desire fair decision-making procedures because such procedures lead to more favourable outcomes and greater material gains (Rahim, Magner & Shapiro, 2000). For example, employees whose positions are terminated may experience resentment if they believe that the termination would not have occurred had the organisation used the performance appraisal procedures that are applied in other similar types of organisations. Accountability for injustice is determined on the basis of thoughts of events that might have unfolded, referred to as *counterfactuals*. If an employee is easily able to consider another referent outcome, a so-called *would* counterfactual, negative emotions emerge directly proportional to the magnitude of the imagined alternative (Goldman, 2003).

A second aspect of RCT relates to the nature of interpersonal conduct in which decision makers engage. When decision makers are polite, kind, show respect, and engage in other socially sensitive behaviour encompassed by interactional justice, they convey a message that the people affected by the decisions are significant and worthy of their respect. People are unlikely to express resentment and similar hostile reactions toward decision-makers who treat them in this way, even when they receive unfavourable outcomes. Like group value theory, this aspect of RCT is based on the proposition that people are concerned not only with decision outcomes and material gains they receive, but also with how they are treated during decision-making (Rahim et al., 2000)

Fairness Theory

Following consideration of RCT, a modified fairness theory was developed predicated on the notion that social injustice occurs when individuals are able to hold another

person accountable for a situation in which their material or psychological well-being has been threatened (Folger & Cropanzano, 2001). According to fairness theory, three processes must all occur before a situation can be interpreted as being socially unjust. First, the individual concerned must identify some form of adversity: this aspect of the process is referred to as the *would* component. That is, the individual assesses how another situation would have felt, with the extent of the discrepancy between the actual and perceived alternatives determining the strength of the response to the situation. Second, the individual assesses whether the person or the entity responsible for the situation could have acted differently. This evaluation is referred to as the *could* component of fairness theory. Third, a situation is not perceived as unjust unless the harmful actions violate some ethical principle of interpersonal treatment. This component is referred to as the *should* component and relates to how people should treat and react with one another (Folger & Cropanzano, 2001).

Fairness theory implies that three distinct judgements are formed in any given situation. The judgements contrast the negativity of the situation, the actions of the individual or entity responsible for the situation, and the moral conduct employed with counterfactual scenarios of what would, could and should have taken place (Cropanzano et al., 2001).

Uncertainty management model

An additional area of research that has addressed the importance of fairness for individuals is the uncertainty management model (Van den Bos & Lind, 2002; Van den Bos, Poortvliet, Maas, Miedema & Ham, 2005). This model is based on the view that the world is an uncertain place and uncertainty can be threatening: consequently, people feel a need to either eliminate the uncertainty or find some way to make it tolerable. One way in which people can do this is by maintaining their cultural norms and values (Van den Bos et al., 2005). Uncertainty management theories hypothesise that individuals who are uncertain about themselves, or who have been reminded of their personal uncertainties, will react very positively toward world-view supportive experiences such as fair treatment (Van den Bos, 2001). Conversely, experiences that threaten or encroach on people's world-views do not help in coping with personal uncertainty; consequently, people will respond negatively to world-view threatening experiences such as an unfair

event (Van den Bos et al., 2005). Thus, it is well established in the justice literature that personal uncertainty and other self-threatening conditions (Miedema et al., 2006) may lead to more extreme judgements about procedural and outcome justice (Van den Bos, Ham, Lind, Simonis, Van Essen & Rijpkema, 2008).

Decision and process control: key factors in dispute resolution procedures

As indicated earlier, Thibaut and Walker's research (1975, 1978) suggests that disputants are willing to cede control over decisions to a third party if they can exert control or influence over the process. Thus, the distribution of control among disputants and a third-party decision-maker is the key procedural characteristic shaping people's perceptions of the fairness and desirability of procedures.

Control is a feeling, cognition, or sensation that an individual can affect events in predictable ways (Langer, 1975; Thibaut & Walker, 1975; Thompson, Armstrong & Thomas, 1998). When control is scarce individuals experience a greater interest in, and arguably a greater need for, fairness. Fairness defines a limited number of rules and the consequences of an individual's actions and thus offers a way to establish certainty and predictability (Elovainio, van den Bos, Linna, Kivimaki, Ala-Mursula, Pennti & Vahtera, 2005).

Introducing a third control variable

Despite the substantial body of research that has been based on decision and process control few studies have explored preferences toward process and decision control during dispute resolution procedures. As one exception, Shestowsky (2004) conducted a study exploring the distribution of control between disputants and independent third parties concerning the outcomes, processes and rules during dispute resolution procedures. She identifies rule control as the extent to which disputants may choose to exercise control over the rules, which will govern a dispute resolution procedure.

Participants in Shestowsky's research received a series of questions concerning a dispute scenario, which assessed the extent to which they would like control over the outcomes, processes and rules. For example, the participants were asked to specify whether they

would grant an independent third party the right to decide how a dispute should be resolved – and to indicate the extent to which they perceived their option as appealing. In a series of three studies, Shestowsky (2004) shows that individuals invariably prefer control over outcomes and processes. They prefer to present their own information, without the assistance of a representative, and determine the outcome of the dispute. Participants also did not want the independent third party to determine the rules that govern the dispute resolution process; they felt they should determine the rules, or they should be deferred to the legal system. Respondents were even more likely than complainants to prefer control over the decision – but only when the evidence favoured the other party.

Beyond Shestowsky (2004), there does not appear to be any indication of further research interest in examining rule control. Her research, however, confirms the centrality of voice as it relates to exercise of disputants' control or influence over the dispute resolution process.

Voice

In advancing their arguments concerning the distribution of control, Thibault and Walker (1975) assert that people prefer procedures that allow them "control over the development and selection of information that will constitute the basis for resolving the dispute" (Thibaut & Walker, 1978, p. 546). Thibault and Walker (1978) refer to this preference as process control and Folger (1977) refers to it as the voice effect.

Two processes have been identified as underlying the voice effect: an instrumental process and a non-instrumental process. Brett (1986) suggests that granting disputants the opportunity to voice an opinion may heighten their feelings of indirect outcome control – that is, instrumental influence over the outcome of the dispute. The non-instrumental process proposes that voice evokes positive feelings and a sense of group status. These positive feelings are called *value-expressive* (Tyler, 1987) and *group-value* (Early & Lind, 1987) aspects of voice.

Notwithstanding these positive effects of voice, MacCoun (2005) identifies the potential risks to employees by noting that "... our poignant desire for voice and dignity ... (leaves

us) ... potentially vulnerable to manipulation and exploitation...” (24). MacCoun’s warning is based on a study undertaken by Lind, Kanfer and Early (1990) in which they enrolled students in a work simulation task where the experimenter determined the participant’s workload and randomly assigned them to one of three voice conditions: control, pre-decision, and post-decision.

In a control (no-voice) condition, the participants were not granted an opportunity to offer the experimenter their opinion about reasonable workloads. In another condition (pre-decision voice), the experimenter described a tentative demanding work schedule but encouraged the participants to express their opinions. After hearing the views, the experimenter announced a final decision in line with the participants’ opinions. In the third condition (post-decision voice), the experimenter announced a decision as final and not open to change; however, participants were welcome to offer comments. On hearing the comments, the experimenter restated the final decision (MacCoun, 2005). Lind et al. (1990) found that although pre-decision voice produced higher fairness ratings than post-decision voice, both conditions resulted in significant increases in perceived fairness and perceived control over the no-voice condition.

Lind et al. (1990) concluded that fairness judgements are enhanced by the opportunity to voice opinions, even when they cannot influence decisions. Thus, individuals could believe that decision making procedures were fair even though, by objective criteria, they were unfair. The finding that perceived procedural fairness positively affects people’s subsequent reactions is referred to as the ‘fair process effect’ (Folger, Rosenfield, Grove & Corkran, 1979; Greenberg & Folger, 1983; van den Bos, Lind, Vermunt & Wilke, 1997; van den Bos, Wilke, Lind & Vermunt, 1998). Given the potential for the abuse of this aspect of the voice process, MacCoun (2005, p.24) refers to this possibility as “the dark side of procedural justice”.

Exit, voice and loyalty

The notion of voice was popularised by Hirschman’s (1970) exit, voice and loyalty model which sought to explain why some consumers who were dissatisfied with a firm’s product would stay and challenge the organisation rather than switch to the product of

another firm. From his conceptual formulation of the relationship between consumer and the producer, it is the more loyal consumers who are more likely to exercise voice or to protest against the producer (Lewin & Mitchell, 1992).

Voice provides a means of active resistance to mistreatment from employees who wish to preserve their status within an organisation: in that sense, voice is considered a constructive act (Farrell, 1983; Rusbult, Farrell, Rogers & Mainous, 1988). Consequently, the exit-voice model was considered to provide the basis upon which employee complaints may be expressed through a dispute resolution procedure, leading to improvements in working conditions, increases in productivity and reduction in turnover (Olson-Buchanan, 1996). Voice may take different forms, as noted by Hirschman (1970, p. 161) that it "can be graduated, all the way from faint grumbling to violent protest; it implies articulation of one's critical opinions".

In addition to these claimed positive advantages of the exit-voice model, dispute resolution procedures were assumed to protect employees who lodge formal disputes from any form of retribution within the organisation (Olson-Buchanan, 1996). Various studies have raised doubts as to the validity of these matters and this controversy will now be discussed.

Lewin (1987) used the exit-voice model and the organisational punishment model to examine the grievance systems in three large USA non-union companies over a three year period. The organisational punishment model assumes that individuals who are involved in grievances may be punished for violating the informal rules of the organisation. Lewin's results supported the organisational punishment model: grievance filers had lower promotion rates, lower performance ratings, and higher turnover rates than non-filers. This punishment effect was most pronounced for employees who appealed to higher steps within the grievance process or who won their disputes (Olson-Buchanan, 1996).

Other studies have reported similar results. For example, in a study of post-grievance settlement outcomes in four large unionised organisations, Lewin and Peterson (1999) note that employees and supervisors who had been directly involved in grievance

activity experienced deterioration in their employment relationships and retribution by their employers. Similarly, Klaas and De Nisi (1989) found that the supervisor's reactions to employees involved in grievance activity may influence performance ratings. Specifically, they found that supervisors seem to react negatively to employees who file grievances against the supervisors, and especially if the decision favours the employee.

Notwithstanding these studies, Olson-Buchanan's research (1996) did not support the organisational punishment theory and suggested that the extent to which managers punish grievance filers may have been overstated in previous research. Olson-Buchanan concludes that the apparent punishment effects referred to in previous research may be ascribed to an actual decrease in the grievant's objective job performance (Olson-Buchanan, 1996). This approach seems not to have gained much credence, as is evident from the observations of Boswell and Olson-Buchanan (2004, p.129) concerning grievance systems in USA workplaces. They note that "in spite of their original, historical purpose, a wealth of studies have reported largely adverse outcomes of filing grievances". They indicate that employees who initiated grievance procedures were subsequently punished by their organisations. Employee concerns relating to the lodging a grievance are evident in a 2006 public sector employee survey in Victoria which concludes that almost 40% of employees are concerned about the negative consequences of lodging a grievance (State Services Authority, Victoria, 2006)

The implication of grievance filers suffering some form of retribution or punishment is that the value of 'voice' through dispute resolution procedures is likely to be limited. Consequently, an original grievance may be exacerbated and employees may consider other forms of behaviour to express their discontent including resignation, absenteeism and sabotage (Klaas & De Nisi, 1989). Rather than express these behaviours, a more passive form of loyalty might transpire. Boroff and Lewin (1997) conducted a field study in which employees indicated whether they felt they had been treated unfairly by their employer. The research showed that less loyal employees are more likely to file a grievance and have higher turnover intent than loyal employees. Consequently, the

authors "strongly conclude that loyal employees 'suffer in silence' rather than exercise voice" (Boroff & Lewin, 1997, p.60). This outcome contradicts Hirschman's model and implies that loyalty is not positively associated with voice.

In exploring the relationship between voice and loyalty, Olson-Buchanan and Boswell (2002) examined some of the issues raised by Boroff and Lewin (1997), with a specific focus on the ways employees may choose to voice a dispute. The study concludes that more loyal employees indicate they would be less likely to use formal voice methods to address mistreatment. Similarly, more loyal employees actually chose less formal methods to voice their discontent. In particular, loyal employees were more likely to talk directly with the person who committed the unfair treatment, whereas less loyal employees were more likely to file a grievance or seek redress outside the organisation (Olson-Buchanan & Boswell, 2002).

A 'climate of silence'

In terms of the possibility of employees choosing to "suffer in silence" (Boroff & Lewin, 1997, p. 60), or for more loyal employees to choose less formal methods of addressing grievances, there has been growing academic interest concerning the extent to which employees feel compelled to remain silent in the face of concerns or problems (See Morrison & Milliken, 2000; Morrison & Milliken, 2003; Pinder & Harlos, 2001; Milliken, Morrison & Hewlin, 2003; Landau, 2009; Kish-Gephart, Detert, Trevino, & Edmonson, 2009). Morrison and Milliken (2000, p.707) argue that the dominant response of employees within many organisations is for them to remain silent "en masse". They have termed this phenomenon organisational silence and assert that it owes its origins to the fear that managers have of negative employee feedback, and a set of implicit beliefs often held by managers that result in a "climate of silence" (Morrison & Milliken, 2000, p.708). A climate of silence is a widely shared perception amongst employees that expressing voice is futile and potentially dangerous culminating in a climate of silence rather than voice. A subsequent study of employee silence by Milliken, Morrison and Hewlin (2003) suggests that employee motivation for silence can be attributed to fear of being labelled negatively, damaging important relationships, not being listened to and being punished.

In exploring the concept of workplace silence Kish-Gephart et al. (2009) have drawn on research from a range of disciplines including anthropology, sociology, psychology and neuroscience. Their research provides important insights into the relationship between employee silence and fear, and in so doing identifies a number of complex issues associated with the way in which fear influences human perception, cognition and behaviour and consequently, identifies the extent to which fear may influence employee choice of conflict resolution procedures. This is a matter that has relevance to the developments in neurobiology and neuroscience referred to in Chapter 5 which relate to our emerging knowledge and understanding of the implications of the justice-conflict-stress nexus.

Exit, Voice, Loyalty, Neglect (EVLN) Model

An additional matter of interest in exploring employee responses to workplace injustice is found in the work of Rusbult, Farrell, Rogers and Mainous (1988), who conceived of the EVLN model. Their model is based on the proposition that neglect is a logical extension of Hirschman's original model for dissatisfied employees. The typology used by Rusbult et al. (1988, p. 601) includes four categories:

> (a) exit, which refers to leaving an organization by quitting , transferring, searching for a different job, or thinking about quitting; (b) voice, which describes actively and constructively trying to improve conditions through discussing problems with a supervisor or co-workers, taking action to solve problems, suggesting solutions, seeking help from an outside agency such as a union, or whistle-blowing; (c) loyalty, which refers to passively but optimistically waiting for conditions to improve – offering public and private support to the organization, waiting and hoping for improvement, or practising good citizenship; (d) neglect, which refers to passively allowing conditions to deteriorate through reduced interest or effort, chronic lateness or absences, using company time for personal business, or increased error rate.

The EVLN model has been further extended by Naus, van Iterson and Roe (2007), who introduced the concept of organisational cynicism. They argue that organisational cynicism is a response to adverse organisational circumstances which is defined as:

> (A) negative attitude towards one's employing organization comprising three dimensions: (a) a *belief* that the organization does not demonstrate integrity; (b) negative *affect* towards the organization; (c) tendencies to disparaging and critical *behaviour* toward the organization that are consistent with these beliefs and affect (Naus et al., 2007, p. 689).

The literature is replete with examples of organisational practices and events that may be perceived as meeting the three dimensions that form the basis of organisational cynicism, including the feeling of being disregarded by the organisation and not being treated with respect and dignity (Fleming & Spicer, 2003); the absence of meaning in work (Cartwright & Holmes, 2006); a lack of sincere participation in decision-making processes and the absence of genuine support by management (Fleming & Spicer, 2003); a history of failed change attempts (Reichers, Wanous & Austin, 1997); managerial incompetence (Stanley, Meyer & Topolnytsky, 2005); and institutionalised organisational hypocrisy (Feldman, 2000). In addition to these examples, other everyday events proliferate, such as restructuring, downsizing and termination of employment as well as unmet or broken promises leading to perceived breaches of the psychological contract (Naus et al., 2007).

The term *psychological contract* refers to an individual's beliefs regarding the terms and conditions of a reciprocal exchange agreement between an employer and the employee's organisation (Rousseau, 1989). When individuals perceive that contributions they make obligates the organisation to reciprocate, or vice versa, a psychological contract emerges. Belief that reciprocity will occur can be a precursor to the development of a psychological contract; however, it is the individual's belief in an obligation of reciprocity that constitutes the contract (Rousseau, 1989).

Importantly, individuals, not organisations, form psychological contracts. The organisation provides the context for the creation of the psychological contract but

cannot, itself, have a psychological contract with its members. The construct of a psychological contract evolves from the value people commonly place on reciprocity. The contract is an individual's belief that a promise of future returns has been made, a consideration or contribution has been offered, and accepted, and an obligation to provide future benefits exists (Rousseau, 1989). Schein (1980) states that, although unwritten, the psychological contract is a powerful determinant of behaviour within organisations.

Violation of the psychological contract is related to distributive, procedural and interactional injustice. For example, where unfulfilled promises deprive employees of desired outcomes, an issue of distributive injustice occurs. The quality of treatment employees experience in terms of such matters as consistency and honesty, involves issues of procedural justice, and deceit and respect involves interactional justice. Consequently, failure to honour a contract creates a sense of wrongdoing, deception and betrayal with pervasive implications for the employment relationship (Robinson & Rousseau, 1994).

Robinson and Rousseau (1994) found that psychological contract violations are negatively associated with satisfaction, trust and an employee's intentions to remain with their employer. The strong relationship between violations and trust is particularly significant given that trust has a spiral reinforcement quality that sees an initial decline in trust lead to a further decline (For further discussion concerning trust see Lewis & Weigart, 1985; Blau, 1964; Lewicki & Bunker, 1996; Simons & Peterson, 2000). Consequently, the capacity to deal effectively with conflicts arising from psychological contract violations is potentially impeded because distrust may also impede effective communication (O'Reilly & Roberts, 1976), co-operation and problem-solving (Deutsch, 1973).

Conclusion

In reviewing the literature relating to workplace justice theories, this chapter highlights the importance of distributive, procedural and interactional justice as core concepts in understanding the responses of individuals to workplace injustice. In addressing the

inter-relationship between the three justice constructs, the chapter identifies the extent to which perceptions of fairness may profoundly affect a diversity of workplace attitudes and behaviours. The fairness heuristic theory as well as the referent cognitions and fairness theories, for example, are identified as important considerations in the manner in which individuals both anticipate and respond to the way in which they are treated by organisations.

In examining justice theories, the chapter acknowledges the central role of voice in the provision of conflict resolution procedures. Despite the proclaimed virtues of voice, the chapter draws attention to the fair process effect and notes the potential for its abuse. Similarly, the chapter notes the significant body of opinion that has identified that organisational punishment may be directed at individuals who utilise conflict resolution procedures, impeding the expression of opinion within an organisation. Given the centrally important role of voice in conflict resolution procedures, and the confirmation in Chapters 7 and 8 that multi-step dispute resolution procedures continue to be prominent in Australian workplaces, the research question that arises from this chapter is:

Is the capacity of employees to voice their concerns affected by multi-step dispute resolution procedures?

Given the evidence in this chapter that there are numerous ways in which employers may influence employees in relation to conflict resolution procedures, Chapter 4 examines the extent to which the influence may occur as a result of the power relationship between managers and subordinates.

CHAPTER 4

POWER AND THE MANAGER-SUBORDINATE RELATIONSHIP

Introduction

In investigating the influences that may affect an individual's choice of conflict resolution procedure, as previous chapters in this thesis show, managers may influence the way in which conflict resolution procedures are structured and operate. In this context workplaces are suffused with power relationships; therefore, the question of the influence of power in the manager-subordinate relationship emerges as a potentially significant determinant of both the choices of dispute resolution procedures that may be available to disputants, and their perceptions of justice associated with the procedures. There is an integral relationship between power and justice, the nature of which has been referred to by Aquino, Bies and Tripp (2006, p. 666) in the following terms, "... one cannot really understand justice dynamics without understanding power dynamics and vice versa, because the concern for justice acts as a check on the use of power". Consequently, the purpose of this chapter is to explore the implications of power within the manager-subordinate relationship.

The work of French and Raven (1959) provides the basis of the chapter by identifying five types of power. The chapter then explores the research relating to the influence of individuals possessing power towards those with less power. Kipnis's (1972) thesis that power corrupts establishes a benchmark against which subsequent research shows that power affects a wide range of social behaviours. Despite the compelling case for the corrosive nature of power, the chapter explores the evidence concerning a more benevolent use of power. Nevertheless, the circumstances in which power elicits positive outcomes appear to be limited (e.g. Tjosvold, 1985; Tjosvold, Johnson & Johnson, 1984; Howard, Gardner & Thompson, 2007). The chapter then specifically considers the

manager-subordinate power relationship and confirms the extent to which managers can utilize a variety of means to influence the outcomes of dispute resolution procedures (Fortin & Fellenz, 2008).

Finally, in seeking to explain the manifestations of power that have been identified, the chapter explores the approach-inhibition theory of power (Keltner, Gruenfeld & Anderson, 2003) and regulatory focus theory (Higgins, 1997, 1998).

Power and its consequences

Organisational power reflects the actions of individuals or organisational systems that control the behaviour or beliefs of organisational members (Lawrence & Robinson, 2007). It is organisational structures that provide the basis of legitimate authority (Pfeffer, 1981); whereas cultures and systems control members through rewards and sanctions, and an understanding of what is normal and desirable (Clegg, 1989; Townley, 1993). Within these cultures and structures, managers regularly use power in attempts to influence, persuade, or otherwise motivate employees to act in particular ways (Yukl & Falbe, 1990). Power can, therefore, be broadly defined as the ability to exert influence on other people (Bacharach & Lawler, 1981; Kelly & Thibaut, 1978).

In their work on bases of power, French and Raven (1959) propose five types of power: reward, coercion, legitimacy, reference, and expertise. *Coercive power* is based on the ability to administer or withdraw punishment for undesired behaviour. Conversely, *reward power* derives from the ability to reward people for desired behaviour. *Legitimate power* is based on subordinates' beliefs that a superior has the right to prescribe and control their behaviour, for instance based on seniority or position in the organisation. *Expert power* may be derived from experience, knowledge, or expertise in a given area. Finally, *referent power* is based on subordinates' interpersonal attraction to, admiration of, and identification with, a superior (French & Raven, 1959; Podsakoff & Schriescheim, 1985).

Early research on the influence of power on attitudes toward other individuals concluded that power is "…disruptive of harmonious social relations and drastically limits the possibilities that the power holder can maintain close and friendly relations with the less

powerful" (Kipnis, 1972, p. 39). Kipnis's thesis that power corrupts provides the groundwork for a *metamorphic* model of power (Kipnis, 1976). This theory of corruption by power is based on the idea that powerholders form the belief that they are personally responsible for any positive actions of their subordinates. The basic premise of the theory is as follows: Powerholders are able to exert influence over other individuals. As this influence is exercised, powerholders believe they control not only the outcomes but also the behaviours of their subordinates. In turn, this capacity devalues their subordinates because the powerholders feel responsible for the successes of the subordinates (Georgesen & Harris, 2000).

Research has shown that power affects a wide range of social behaviours. People with high power have been shown to express their emotions more often (Hecht & LaFrance, 1998), to engage in behaviours that violate social norms (Ward & Keltner, 2001) and to devote less attention to other individuals as well as to apply stereotypes more frequently (Fiske, 1992; Keltner et al., 2003; Keltner & Robinson, 1996, 1997). The power-as-control (PAC) model (e.g. Fiske, 1992; Goodwin, Gubin, Fiske, Yzerbyt, 2000) postulates that powerful people tend to stereotype those below them. In contrast, people without power are generally expected to seek information about those in power; that is, they strive to understand and predict the behaviour of powerful individuals (Depret & Fiske, 1999; Stevens & Fiske, 2000).

Consistent with this earlier research, a recent study by Lammers, Stapel and Galinsky (2010) concerning the relationship between power and moral standards found strong evidence that powerful individuals are more likely to engage in moral hypocrisy than are people who lack power. The study also found that low power individuals were "overly critical" (p.742) in judging their own moral transgressions than they were in judging those of other people.

Complementing these insights are additional studies that have documented the effects of power on negotiation behaviours and outcomes (Van Kleef, De Dreu, Pietroni, Manstead, 2006). For example, relative to their less powerful counterparts, powerful parties tend to demand more compensation and are less inclined to resile from their offer

(De Dreu, 1995), be more likely to bluff and use threats to fulfil their needs (Lawler, 1992) and seek loftier aspirations (Pinkley, 1995). As a consequence of these behaviours, powerful negotiators tend to attract inequitable returns (Giebels, De Dreu & Van de Vliert, 2000).

They are also more likely to threaten the other party and embellish their position (Lawler, 1992). Furthermore, Overbeck, Neale and Govan (2010, p. 136) found that powerful negotiators seem to benefit from anger in negotiation: they become "more cognitively focused and behaviorally tough", whereas low power negotiators became less cognitively focused and less successful in their negotiations.

The idea is that high-power individuals acquire many resources and can often act at will without serious consequences. Low-power individuals, however, have to be more careful because they are more dependent on other people for their outcomes (Van Kleef et al., 2006). Consequently, low-power individuals are more likely to obey powerful authority figures (Milgram, 1963) and accept the persuasive attempts of powerful figures (Petty and Cacioppo, 1986).

Given that the literature substantiates the corrosive nature of power, to what extent is there evidence of a more benevolent use of power? Deutsch's (1973) theory of co-operation and competition demonstrates that the behaviour of supervisors differs in co-operative and competitive contexts (e.g. Tjosvold, 1985; Tjosvold, Johnson & Johnson, 1984). Subsequent research found that differences in goal interdependence affect the likelihood of the constructive use of power. Supervisors in co-operative environments support their employees; indeed, the supervisors with greater power are especially likely to utilise their resources to support their employees. In contrast, supervisors in competitive contexts apply coercive tactics of persuasion to influence subordinates, disrupting the supervisor-employee relationships (Tjosvold, Hui & Law, 1998). Co-operative goals, when compared to competitive goals, are found to induce "higher expectations of assistance, greater support and more trusting and friendly attitudes between superior and subordinates" (Tjosvold, 1997, p.297).

Therefore, the influence exercised by the supervisor through position use will not be perceived as negatively in a context of co-operative goals as in a context of competitive goals. Position power will, therefore, compromise subordinate relations to a greater extent and will increase the level of conflict in a competitive context more than in a co-operative context (Medina, Munduate & Guerra, 2008). Similarly, Mannix (1994) demonstrates that more co-operative norms, as well as an interest in a continued relationship with a less powerful party, significantly reduces the exploitative behaviour of high-powered individuals.

In exploring the question of whether some people are inclined to abuse power, research has focused on differences in experience or personality that affect individuals' motives and, consequently, their behaviour. An example is research on the power motive in which researchers have found that individuals with a high need for power often behave exploitatively (e.g. Fodor & Farrow, 1979; Winter & Barenbaum, 1985), unless they have acquired considerable experience caring for others, in which case they channel their need for power into positive rather than negative expressions. A study by Chen, Lee-Chai, and Bargh (2001) reveals that the experience of power may prompt some power holders to become more focused on the needs of those with less power. Chen et al. (2001) argue that being other-oriented, and feeling a sense of responsibility towards subordinates, should promote more responsible uses of power.

Howard, Gardner and Thompson (2007) sought to test this proposition and undertook three studies of asymmetric power in a complex dispute resolution negotiation. The studies established that the impact of power on motivation and behaviour is moderated by a person's self-view and the social context. Howard et al. (2007) demonstrate that a position of power does not inevitably evoke abuse: Feelings of connection with others promote more co-operative and generous behaviour by those in positions of power. This finding is qualified, however, by demonstrating a distinction in the behaviour of powerful negotiators working on their own, as opposed to working in a team. Howard et al. (2007) conclude that, in a dyadic context, the high powered negotiator will show concern for the low-power opponent. In inter-group negotiations, however, they found

that, where interdependent negotiators have the option of bonding with teammates, rather than the low-power party, the negotiators "may behave in a particularly exploitive manner" (Howard et al., 2007, p.627).

Although research often assumes that the effects of power may be the same in all contexts, the manager-subordinate relationship is a unique source of potential power which requires examination.

The manager-subordinate power relationship

The power associated with hierarchical level in an organisation – legitimate power – is one of the strongest sources of potential power; this hierarchical structure guides and constrains the behaviours of the organisational parties (Brass and Berkhardt, 1993). Empirical evidence gathered in the conflict literature confirms that the hierarchical structure also guides the conflict handling of organisational members. In these studies, the actions of the subordinates differ from the actions of managers: managers usually dominate and subordinates accommodate (Brass & Burkhardt, 1993; Drory & Ritov, 1997; Euwema, 1992; Morley & Shockley-Zalabak, 1986; Putnam & Poole, 1987; Yukl, Falbe & Youn, 1993). The implications of hierarchical structure as it relates to justice outcomes have been addressed in a study by Schminke, Cropanzano and Rupp (2002), which examines the relationship between organisational structure and justice. In finding that organisational structure does play an important role in fairness perceptions, Schminke et al. (2002) note, however, that justice perceptions are not as strong among higher level employees as lower level employees, suggesting that "upper management may underestimate the effects that structure could have on workers' perceptions of the organizational environment" (Schminke et al., 2002, p. 900).

The relative power of disputants has been identified as influencing the selection of dispute resolution strategies by managers (Kipnis & Schmidt, 1983). Similarly, Karambayya and Brett (1989) observe that, when disputants are subordinates, managers intervene in a different manner to when disputants are peers or superiors. In the context of multi-step dispute resolution procedures, research by Ng and Dalmachian (1989) implies that management representatives at successively higher steps are less likely to

support the claims of employee disputants. Specifically, higher level managers are disinclined to interfere with the approaches adopted by managers in earlier steps; as such intervention may evoke resentment within the management group or affect the confidence of lower-level managers in redressing conflicts.

Yukl and Falbe (1991) and Yukl and Tracey (1992) argue that the difference in power between managers and subordinates affects the strategies used by managers. They show that high power managers use more competitive behaviours to influence subordinates than low power managers. Conflict management studies also found that the use of position power encourages conflict relationships (Coleman & Voronov, 2003). Further, De Dreu, Giebels and van de Vliert (1998) found that superior-subordinate power differences provoke the use of threats and punishment.

Notwithstanding the extant research concerning power in workplace conflict, Medina et al. (2008) argue there is still a large void in understanding how hierarchical relationships affect conflicts at work. Consequently, their study of supervisor personal power, supervisor position power, co-operative environments, and goal interdependence is a notable contribution. Medina et al. (2008) found that the use of personal power (reference, expertise) by supervisors decreases conflict - both task and interpersonal - and that position power (reward, coercion, legitimacy) increases interpersonal conflict.

Fortin and Fellenz (2008) identify three types of mechanisms that managers may use to influence and manage perceptions of fairness without actually addressing the source of an injustice. The first category identified is *responding*. They argue that managers may simply complete the process of ticking the right boxes, which may fulfil an overall perception of fairness but does not necessarily imply an ethically astute organisation. The second category is *preventing* and is based on the notion that the less powerful may be prevented from reacting to their justice concerns. This may occur where employees fear negative reactions from managers or potential costs to their careers if they voice concerns relating to injustice. The third category is *shaping* and relates to the possible exploitation of the less powerful by not recognising grievances, not acknowledging who is responsible for responding or not knowing what strategies are appropriate. This

category is based on the assumption that managers can evoke perceptions of fairness without themselves having to comply with accepted standards of fairness (Fortin & Fellenz, 2008).

Fortin and Fellenz (2008) contend that managers are trained, rewarded and act consistent with organisational goals, and consequently adopt an unquestioning, pro-organisational frame of mind. Thus, unsurprisingly, there is likely to be an approach from managers which has little regard for the moral and ethical issues related to justice. In a similar vein, Sheppard, Lewicki and Minton (1992) have questioned the integrity of dispute resolution procedures. They argue that the purpose of dispute resolution - or voice systems - is to direct employee dissent into acceptable forms and ensure that disagreements do not escalate to challenge the legitimacy of the organisation and its leadership. They argue that dispute resolution procedures are designed "fundamentally to preserve and protect the power of those who currently govern the organization" (Sheppard et al., 1992, p. 154).

Given the extent to which power appears to be a significant influence in the way in which an individual may be influenced in both the choice of a conflict resolution procedure and the capacity to deal with that procedure, there is a need to clarify the different responses and behaviours of managers and subordinates. This is considered in the next section of this chapter.

Approach-Inhibition Theory of Power and Regulatory Focus Theory

Behaviour seems to be driven by two fundamental action tendencies: approach and avoidance (e.g. Carver, 2001; Higgins, 1997; Miller, 1944). The approach system generally responds to rewards and opportunities, and the avoidance system responds to threats and punishments. The two systems exert unique influences on action, motivation and emotion (Smith & Bargh, 2008).

In seeking to explain the manner in which power manifests itself in behaviour, Smith and Bargh (2008) note that power does not necessarily translate to freedom, just as lacking power does not involve being subjected to threats and punishment. They argue that power involves control, which is a core social motive, critical to psychological

functioning (e.g. Fiske, 2003; Skinner, 1996; Winter, 1973). Because power implies control, such power translates to approach oriented behaviour, in which possible rewards are sought, and limited power translates to avoidance, in which potential threats are monitored and averted if possible (Smith & Bargh, 2008). In this context the approach-inhibition theory of power (Keltner, Gruenfeld & Anderson, 2003) and regulatory focus theory (Higgins, 1997, 1998) assist in developing an explanation of manifestations of power

Keltner et al. (2003) indicate that their perspective on the approach-inhibition theory of power was shaped by two theories. The first is Gray's (1982, 1987, 1991, 1994) theory of the neural substrates of approach and inhibition and their relation to emotion and emotional disorders. Gray's theory has guided studies of reward sensitivity in psychopaths (Newman, 1987), the organisation of the autonomic nervous system (Fowles, 1980), the biological underpinnings of personality traits and emotional disorders (e.g. Carver and White, 1994; DePue, 1995; Larsen & Ketalaar, 1991), and the structure of emotion (Davidson, 1992; Sutton & Davidson, 1997).

The second influence is Higgin's (1997, 1998) theory of promotion and prevention self-regulatory focus. Higgins argues that pleasure and pain are not sufficient in accounting for motivational behaviour. What is needed is a more complex and precise theory of the social processes by which people obtain rewards and avoid threats – hence the concepts of promotion and prevention focus. Higgins and his colleagues (Brendl, Higgins & Lemm, 1995; Higgins, Shah & Friedman, 1997; Shah & Higgins, 2001) show that a promotion focus, triggered by nurturance needs and potential gains, activates cheerful (or dejected) affect (Higgins, Shah & Friedman, 1997; Shah & Higgins, 2001), approach-related behaviour, and heightened sensitivity to positive outcomes (Brendl et al., 1995). A prevention focus, triggered by security needs and potential punishment, activates agitation, avoidant behaviour, and the sensitivity to negative outcomes (Brendl et al. 1995)

According to the approach-inhibition theory of power, two systems - the behavioural approach system and the behavioural inhibition system - underpin individual differences

in motivation. The behavioural approach system is assumed to motivate individuals to seek rewards. That is, when activated, this system elicits the motivation to pursue and obtain goals that could generate gains. In the context of regulatory focus theory, this system corresponds to a promotion focus - an inclination to maximize gains and pursue aspirations (Higgins, 1997, 1998).

The behavioural inhibition system, in contrast, essentially represents a warning or threat system. Once activated, this system elicits responses that orient attention towards potential adversities as well as opportunities to evade these threats, manifesting as anxiety and agitation (Anderson & Berdahl, 2002). This system, in the context of regulatory focus theory corresponds to a prevention focus, in which individuals strive to minimize losses and shortfalls rather than maximize gains or pursue aspirations (Higgins, 1997, 1998).

According to the approach-inhibition theory, when employees experience low power, their inhibition system is more likely to be activated, directing attention to prospective shortfalls, and thus increasing their sensitivity to potential threats. One potential threat is conflict, which may undermine their relationship with high power managers. Therefore, to avoid the threat of conflict, employees may inhibit, rather than express, many of their concerns (Anderson and Berdahl, 2002). Conversely, managers with significant power tend to adopt an approach orientation and become sensitive to prospective gains, not potential losses. They recognize the possible benefits of conflict and thus are less inhibited (Anderson & Berdahl, 2002), engage in a broader range of behaviours, express their anger (Galinsky, Gruenfeld & Magee, 2003) and rely more on stereotypes (Galinsky, Magee, Inesi & Gruenfeld, 2006).

The link between power and approach-avoidance can operate without individuals being aware that the concept of power has been activated and that behaviour is being influenced (Bargh, 1994). Power is a psychological concept mentally represented in most, if not all, people, and, like any other concept, linked in memory to a host of cognitive, affective, and behavioural tendencies. When the construct of power is activated, whether by the experience of power or lack of power, or by mere exposure to

cues related to power or powerlessness, the behavioural tendencies should also be activated (Bargh, 1997; Bargh & Raymond, 1995). Galinsky et al. (2003) provide evidence of a non-conscious link between power and approach-inhibition in a study that investigates whether power increases an action orientation in power holders. They show that not only does power promote action but, more precisely, that the possession of power and experience of power leads directly to the taking of action.

In summary, the approach-inhibition theory of power shows that power prompts disinhibited, self-serving behaviour and stereotypic social perceptions; and that powerful individuals exert more influence on others. The very individuals who might keep this pattern of behaviour in check, those with less power, are inhibited in thought, word and action (Keltner et al., 2003).

Conclusion

The literature review in this chapter confirms the broadly corrupting view of power, notwithstanding the more moderate views espoused by some scholars (Tjosvold, 1985; Tjosvold et al., 1984; Chen et al., 2001; Howard et al., 2007)

The focus in this chapter on the manager-subordinate relationship provides an insight into the myriad opportunities that may be available to managers to influence employees' choices of conflict resolution procedure, and the way in which the procedures may be conducted. In seeking to explain the way in which power manifests itself within the manager-subordinate relationship the chapter explores the approach-inhibition theory of power (Keltner, et al., 2003) and regulatory focus theory (Higgins, 1997, 1998). These two theories show that managers have the potential to exert significant influence on subordinates, whilst subordinates experience inhibited behaviour in the face of more powerful managers. Thus, the research question that arises from the literature reviewed in this chapter is:

> **In what way does the power relationship between managers and subordinates influence employee choice of conflict resolution procedure?**

Given the potential for strong human reactions to perceptions of injustice, including the use of power by managers, there are likely to be significant health and well-being issues for employees, which have been shown to be associated with increased risk of mental distress, sickness absence, psychiatric disorders and poor rated self-health (Boer, Bakker, Syroit & Schaufeli, 2002; Elovainio, Kivimaki & Vahtera, 2002; Tepper, 2001). Consequently, the relationship between justice, conflict and employee health and well-being appears to be a critical issue that needs to be assessed in relation to the factors that may affect a disputant's choice of conflict resolution procedure. This matter is the focus of Chapter 5.

CHAPTER 5

JUSTICE, CONFLICT, STRESS AND EMPLOYEE HEALTH & WELL-BEING: A CRITICAL CONSTELLATION OF ISSUES

Introduction

In investigating the influences that may affect an employee's choice of conflict resolution, this thesis has explored the definitional debates concerning conflict and conflict types, considered various approaches to managing conflict, examined the literature relating to conflict culture and studied the implications of the power relationship between managers and subordinates. Although each of these factors are important in themselves, they are essentially concerned with organisational processes that are directed at the way in which conflict may be addressed. What they do not acknowledge, however, is that conflicts are not objective events but involve the complex nature of individuals whose perceptions of, and responses to, the circumstances they are confronting may vary significantly. For example, if the procedures to resolve a conflict are perceived as unjust, individuals may feel their status is compromised and their trust diminishes. These effects undermine their capacity to resolve the stress that arises from conflict, resulting in negative emotions which impede the capacity of individuals to resolve problems. Consequently, there is a negative cycle of events which lead to an escalation of conflict. In this context, this chapter explores the relationship between justice, conflict, stress and well-being, and observes the potential responses that may arise as a result of perceptions of unfairness and any subsequent conflict that may arise.

When workplace conflict occurs, an individual's initial fairness judgement may provide the trigger for a range of physiological, psychological and behavioural responses, some of which may impair health and well-being as well as escalate the dispute. Loss of control and threats to self-esteem arising from fairness judgements are likely to affect an

individual's reaction to future matters; consequently, this chapter examines studies of workplace stress and employee health and well-being, including the implications of attachment theory and self-esteem as two core psychological concepts.

This chapter also identifies aspects of the neuroscience literature that assist in understanding the link between brain physiology and both psychological and behavioural responses. In acknowledging the importance of the burgeoning neuroscientific literature that explores the concept of neuro-organisational justice, the chapter notes that this area of inquiry has the potential to assist in developing a deeper appreciation of the nexus between fairness, conflict, stress and employee well-being.

Justice, conflict, stress and employee health and well-being

There appear to be two significant limitations in examining the literature relating to the nexus between justice, conflict and employee well-being. First, the absence of consensus on the definition of conflict has limited the capacity of researchers to generalise from one study to another (Spector & Bruk-Lee, 2008). The definition of conflict is a matter that was addressed in Chapter 2 of this thesis. Second, although the conflict literature has traditionally differentiated task and interpersonal conflict, research on conflict and well-being has largely neglected this distinction. Spector and Bruk-Lee (2008, p. 270) have noted that "this may be due to the lack of integration of the business and occupational stress literatures on this topic". Nevertheless, a rich literature on the topic has emerged.

A growing body of evidence indicates that experiencing workplace injustice affects the health and well-being of employees (Elovainio, Kivimaki & Vahtera, 2002). Evidence of this proposition is demonstrated in a study of Finnish hospital employees in which low procedural justice was associated with an increased risk of psychological disorders, sickness absence and poor self-rated health status (Elovainio et al., 2002; Kivimaki, Elovainio, Vahtera, Virtanen & Stanfield, 2003). Similarly, in a study which combined justice and stress research, Tepper (2001, p.210) found that employees' justice perceptions are related to their psychological health. He notes that "organizational justice has implications for serious manifestations of psychological strain". According to

Elovainio, Kivimaki and Helkama (2001), both procedural and interactional justice evaluations are associated with stress reactions. Further confirmation of the relationship between justice and well-being was demonstrated by Elovainio, van den Bos, Linna, Kivimaki, Mursula, Pennti and Vahtera (2005). In this study, over thirty thousand full-time Finnish municipal employees responded to a questionnaire designed to assess organisational justice, workload and other variables. The study indicated that health effects associated with fair or unfair treatment were stronger when individuals are confronted with unpredictable and uncontrollable situations. Elovainio et al. (2005) conclude that, when control is limited, individuals show a greater interest in, and need for, fairness. They argue that organisational justice is important and may have strong effects on employee health, particularly in times of turmoil.

Examining the justice-conflict-stress nexus

Stress is a common feature of organisational life across all industries and occupations (Cooper, 1998; Hancock & Desmond, 2001). Stress refers to the inadequate adaptation of individuals to their environment, and consequent feelings of distress, which may elicit various physiological, psychological and behavioural responses (Quick, Quick, Nelson & Hurrell, 1997). Given that the focus of this chapter is the relationship between justice, workplace conflict and stress, two complementary processes may explain the relationship. First, the feeling of being obstructed in pursuit of goal-directed actions may trigger feelings of reduced control and increased uncertainty (Giebels & Jannsen, 2005). In the area of work and organisational psychology, evidence has been found to indicate that a high level of work control positively influences well-being (Karasek, Theorell, Schwarz, Schnall, Pieper & Michele, 1988; Perrewe & Ganster, 1989). Consequently, limited control, or even the threat of losing this control is generally believed to induce feelings of distress. In circumstances where a situation is perceived as uncontrollable, as may be the case, for example, in a conflict between a manager and employee, the employee may experience physical or psychological withdrawal (Giebels & Jannsen, 2005).

A study by Dijkstra, Van Dierendonck and Evers (2005) considers the extent to which control is central to the way in which individuals respond to conflict. The study

examines the mediating influence of conflict responses on the relation between conflict and well-being. The study confirms conflict as a major workplace stressor and shows that when individuals are faced with a loss of control, they respond with feelings of helplessness and flight behaviour, compromising well-being. The study notes that, by focusing on conflict as a stressor, the concept of control helps to explain how actual or perceived loss of control may influence choice for particular ways of responding to conflict.

Second, conflict, especially with another group member, may threaten an individual's self-esteem. Group membership fulfils a generic need to establish positive and enduring relationships with other people (Baumeister & Leary, 1995), and employees want to be liked by their colleagues to maintain a positive social identity (Fiske, 1992). A growing body of research indicates that threats to the social self, or one's social esteem, may damage mental and physical health (Dickerson, Gruenwald & Kemeny, 2009; Dickerson, Gruenwald & Kemeny, 2004; Gruenwald, Kemeny, Aziz & Fahey, 2004). Both reduced control and threats to self-esteem are considered important pre-requisites of a stress response (Quick et al., 1997).

The research provides numerous examples of the nexus between conflict and stress. For example, depression is a psychological strain that has been widely reported in studies of interpersonal conflict (Dormann & Zapf, 1999; Bolger, DeLongis, Kessler & Schilling, 1989; Frone, 2000); there is a link between the experience and expression of anger and cardiovascular disease (Greenglass, 1996; Julkunen, 1996); and interpersonal conflicts have been associated with increased somatic complaints, which are self-reports of physical symptoms that may include headaches, gastrointestinal problems and faintness among others (Hahn, 2000; Spector & Jex, 1998; Frone, 2000). Other research has confirmed positive and moderate correlations between conflict at work and anxiety and frustration, as well as between conflict at work and physical complaints, and between conflict at work and burnout (De Dreu, Van Dierendonck & Dijkstra, 2004; Spector & Bruk-Lee, 2007).

Although researchers generally acknowledge that stress-related complaints and deteriorated health evolve from prolonged and intense conflict, even small scale conflict that lasts a few hours can be associated with negative states (Kamarck, Shifman, Smithline, Goodle, Paty & Gnys, 1998; Steigleder, Weiss, Balling, Wenninger & Lombardo, 1980), and can undermine task-focus, and elicit narrow, categorical thinking (Carnevale & Probst, 1998; Fodor, 1985).

Responses to injustice and conflict

As is evident from the previous discussion, the consequences of conflict largely depend on the way employees respond to a conflict situation. What is it then that determines the nature of employee responses? Why is it that one individual may accept a circumstance with equanimity, whereas another individual will perceive the same circumstance as an injustice resulting in a conflict and consequent stress? To assist in exploring these questions two core psychological concepts - attachment theory and self-esteem - have been identified to assist in understanding the likely responses of individuals to workplace injustice and conflict. According to fairness heuristic theory (MacCoun, 2005), injustice represents a cue that signals distrust. That is, individuals become less inclined to trust the integrity of managers or the organisation. Attachment theory represents a framework to explain the effects of this distrust on emotions and behaviour. In addition, injustice also represents the extent to which individuals feel their status is low, which in turn impinges on self-esteem. Hence, an understanding of the effect of self-esteem is crucial to appreciating the impact of injustice on emotions and behaviour.

Attachment theory

Bowlby (1969, 1973, 1980, 1988) argues that humans are born with an attachment system that motivates individuals to seek support, comfort and assistance initially from primary care-givers, and later, other significant figures, especially when a threat or adversity is imminent. Adult attachment theory begins with the assumption that individuals across all ages possess an attachment behavioural system that is activated in response to distressing events and functions to promote security and survival (Bowlby, 1969; Bretherton, 1985).

On the basis of experiences with attachment figures, individuals develop generalised representations about whether significant others will be responsive and supportive in times of need and whether the self is worthy of support and care (Collins & Feeney, 2004). Attachment theory has been extended into management literature to reflect three basic attachment styles: one is the secure style and the other two represent varieties of insecure attachment (Nelson, Quick & Joplin, 1991).

The secure style is characterised by confidence in the availability of significant others, comfort with intimacy, trust and interdependency. The two insecure styles are anxious/ambivalent and avoidant. Anxious/ambivalent individuals are characterised by conflicts between their need for intimate relationships on the one hand and insecurity about the responsiveness of others to their needs and fear of rejection on the other hand. Avoidant style is characterised by insecurity in the intentions of others and a preference for emotional distance (Ainsworth, Blehar, Waters & Wall, 1978).

Hazan and Shavers (1990) argue that secure attachment enables employees to explore work environments, obtain opportunities that are offered to them and are more satisfied with their work. Anxious/ambivalent employees, however, prefer a stable work environment but at the same time are concerned with how others value them. For avoidant employees, involvement in work is a mode of evading emotional interpersonal relationships. Other subsequent research has confirmed the relevance of attachment style to the work environment (e.g. Joplin, Nelson & Quick, 1999; Krausz, Bizman & Braslavsky, 2001). For example, insecure attachment tends to coincide with work stress (Schirmer & Lopez, 2001) and burnout (Pines, 2004).

Attachment style also impinges on individual's responses to stress. When stressed or threatened, the attachment style is activated: individuals who report a secure attachment style experience an enduring sense of security. Consequently, their stress tends to diminish rapidly and hence they tend to engage in selfless and prosocial behaviour. In contrast, because individuals with an anxious/ambivalent attachment style feel vulnerable, they focus on their own distress, which compromises their capacity to experience empathy towards other people (Mikulincer & Shaver, 2003, 2007).

Furthermore, because individuals with an avoidant attachment style shun intimacy, they separate themselves from the emotions of other people, which also curbs their capacity to experience empathy, ultimately impeding prosocial behaviour (Batson, 1991).

What then, are the implications of attachment theory for the premise of this chapter that a perception of unfairness may trigger a conflict with ensuing stress responses and diminished health and well-being? The implications may be considered in the context of a practical workplace situation in which the performance of an employee is appraised by a manager. The manager identifies several deficiencies in the employee's work and provides what she considers is appropriate feedback in redressing the identified deficiencies. Will the appropriate feedback from the manager assist the employee to cope with the criticism? This question may be answered by considering a study by Collins and Feeney (2004), which examines the relationship between attachment style and social support. The purpose of the study is to test whether perceptions of couples concerning the provision of social support are affected by working models of attachment.

The study shows that, relative to secure adults, insecure adults appear to be predisposed to perceive their partner's messages as less supportive. Importantly, the study shows that this effect occurs only when the supportive message is ambiguous and open to interpretation. Therefore, insecure attachment styles can bias evaluations of ambiguous behaviours, provoking distress (Collins & Feeney, 2004).

In the context of the performance appraisal, the key issue that arises from the study is that negative or ambiguous messages are likely to activate doubts and vulnerabilities in an employee with an insecure attachment style. The relevance of this finding arises from earlier studies by Collins and Feeney (2000) and Feeney and Collins (2001, 2003), which indicate that providers of support have seldom developed the skills, resources and motivation to provide clear and effective messages. Consequently, if the manager's feedback to the employee is perceived as negative or ambiguous, employees with an insecure attachment style are likely to respond negatively (Collins & Feeney, 2004).

If an attachment style is secure, individuals might conceptualise conflict as an opportunity to exchange ideas and act co-operatively. In contrast, if attachment is insecure, offers made during conflict resolution procedures might be perceived as competitive and manipulative rather than conciliatory (See for instance, Deutsch's (1973) theory of co-operation and competition and Tjosvold's (1998) concept of constructive controversy and destructive controversy).

Self-esteem

Self-esteem has been described as an attitude of individuals towards themselves (Coppersmith, 1967; Rosenberg, 1965). As with all attitudes, self-esteem entails both cognitive and affective components. A distinction can be drawn between self-concept - beliefs about the self - and self-esteem - evaluation of the self in light of these beliefs (Leary, Tambor, Terdahl & Downs, 1995).

The literature identifies at least three explanations of the self-esteem motive - that is the motive to enhance self-esteem (Leary et al., 1995). The most widely acknowledged explanation is that individuals strive to enhance self-esteem to promote positive affect; stress and other negative emotions diminish, increasing the likelihood that individuals believe they can circumvent or resolve problems. Low self-esteem, in contrast, is associated with depression, anxiety and maladjustment. Research indicates that individuals with low self-esteem experience negative emotions more commonly than individuals with high self-esteem (Cutrona, 1982; Goswick & Jones, 1981). A second set of explanations emphasises the role of a high self-esteem in promoting goal achievement (Leary, et al., 1995). The motive to increase self-esteem appears to have arisen because high self-esteem enhances the willingness of individuals to strive for desired goals and persist in the face of obstacles and setbacks (Bandura, 1977; Greenwald, 1980; Kernis, 1995). Tedeschi and Norman (1985) suggest that self-esteem is associated with feelings of control over the environment. A third explanation of the self-esteem motive involves the likelihood that individuals seek self-esteem for its own sake (Leary & Downs, 1995). Such an explanation is based on the assumption of the existence of a self-system that maintains a sense of integrity or adequacy (Epstein, 1973; Steele, 1988).

In terms of the focus of this thesis, the implications of self-esteem as an important issue in consideration of workplace justice can be observed in a study by Smith, Tyler, Huo, Ortiz and Lind (1998). The study shows that, when people are treated fairly by an authority, they demonstrate higher levels of self-esteem. Further, Smith et al. (1998) found that this effect is enhanced when the authority is important to them – that is, when the authority belongs to their in-group.

To explain these observations, Koper, Knippenberg, Bouhuijs, Vermunt and Wilke (1993) show that people report lower levels of state self-esteem after an unfair procedure than a fair procedure. Koper et al. (1993) explain that evaluations of fairness are influenced by self-reflective evaluations: People evaluate themselves in accordance with how they think others evaluate them. The extent to which justice affects these self evaluations depends on the self-esteem of individuals. Vermunt, Knippenberg, Knippenberg and Blaauw (2001) found that people with low self-esteem are more influenced by variations in procedural justice than people with high self-esteem. Thus, fairness can profoundly influence how people think and feel about themselves, and self-esteem can have considerable effects on how fairness judgements are formed (Miedema, van den Bos & Vermunt, 2006).

The implications of self-esteem for workplace relationships are demonstrated in a study by Rafferty, Restubog and Jimmieson (2010) which examines the consequences of abusive supervision. They found that subordinate self-esteem moderates the relationship between abusive supervision and subordinate distress: the effect being more marked for subordinates who reported high levels of self-esteem. In seeking to explain this outcome, Rafferty et al. (2010) note that Brockner (1983) suggests that high self-esteem employees are predisposed to think about themselves in positive ways, whereas people with low self-esteem are not. Thus, when external cues threaten a positive self-image, such as when an individual experiences abusive supervision from their direct work unit leader, this experience may actually have a greater impact on individuals whose self-esteem is high rather than low. Several empirical studies (e.g. Jex & Elacqua, 1999; Nielson, Matthieson & Einarsen, 2008) found that people with a more positive view of

themselves are more negatively influenced by events such as abusive supervision and bullying.

This finding is consistent with self verification theory (Swann, 1983; Rehman, Ebel-Lam, Mortimer & Mark, 2009). Individuals seek feedback that aligns to their perceptions of themselves. Individuals with a low self-esteem form negative attitudes towards themselves. Strident criticism and harsh comments from a manager or supervisor coincide with these negative attitudes, instilling a sense of coherence.

The 'human alarm system'

In seeking to provide an explanation of the self-esteem motive, Leary et al. (1995) undertook a study that examines the proposition that self-esteem is a sociometer that is involved in the maintenance of interpersonal relations. In summary, the study illustrates that the self-esteem system appears to enable an individual to detect real or potential negative evaluations by other people, and evoke emotional and motivational processes in response to perceived threats to the individual's connections with other people (Leary et al., 1995).

Some individuals show limited variation in self-esteem across situations and time, whereas other individuals show considerable variation. Individuals with an unstable self-esteem, whether high or low, show more extreme emotional and behavioural reactions to events involving negative evaluations by other people and other threats to self-esteem (Kernis, 1993). Leary et al. (1995) argue that individuals with unstable self-esteem have an unstable sociometer that over-reacts to cues that signify acceptance and rejection. For such individuals, minor changes in inclusion or exclusion elicit large changes in the sociometer and consequently self-esteem.

In essence the sociometer hypothesis represents a psychological warning or alarm system that enables individuals to detect and redress potential exclusion. The concept of a warning or alarm system in response to negative evaluations by other people has also been advanced in a recent psychological hypothesis referred to as the *human alarm system* (Eisenberger & Lieberman, 2004; Eisenberger, Lieberman & Williams, 2003; Murray, Holmes & Collins, 2005). Van den Bos, Ham, Lind, Simonis, van Essen, and

Rijpkema (2008) maintain that personal uncertainty and self-threats activate a human alarm system - a psychological system that individuals use to detect and redress alarming situations, prompting a vigilant and comprehensive analysis of the environment. For example, Murray et al. (2005) suggest that personal uncertainty and insecurity in close relationships activate the human alarm system, encouraging individuals to reflect upon the relationship more systematically. Similarly, Eisenberger et al. (2003) argue that being ostracised or experiencing other self-threatening events activates parts of the human brain they have labelled the human alarm system. Eisenberger et al. (2003) argue that experiencing social isolation or other self-threatening events may represent an experience of social pain. As with physical pain, the experience of social pain may incite the human alarm system "alerting us when we have sustained injury to our social connections" (Eisenberger et al., 2003, p.292.)

Eisenberg and Lieberman (2004) posit that activation of the human alarm system is likely to enhance sensitivity to justice judgement processes and subsequent justice outcomes. Similarly, van den Bos et al. (2008) argue that personal uncertainty and self-threatening circumstances evoke more extreme judgements about procedural and outcome justice.

Given the experience of social pain, which may have arisen as a result of a perceived injustice and ensuing workplace conflict, consideration of the neurobiological underpinnings of this system may assist in our understanding of the stress responses that may unfold.

The stress response

In the context of the nexus between perceptions of justice, resultant conflict and stress responses, threats to self-esteem, a perceived loss of control, and increased uncertainty, the literature suggests that such circumstances may evoke feelings of distress and psychological withdrawal. They are also likely to hinder the capacity of individuals to process and exchange information (Giebels & Jannsen, 2005) and elicit narrow uncompromising thinking (Carnevale & Probst, 1998).

In seeking to understand why individuals may be affected in this way, one of the key findings in the stress literature is that, as stress or arousal continues, an individual's breadth of attention narrows as a result of cognitive overload (Combs & Taylor, 1952). In relation to the narrowing of attention, Cohen (1980) notes that there may be a restriction of social cues, promoting a neglect of social or interpersonal signals and sensitivity to others. An additional consequence of the narrowing of attention is that the stress response may interfere with effective behavioural control, which may harm physical or interpersonal work-related activities (Driskell & Salas, 1991).

Stress is a key driver of normal mental life that involves neurochemical and neuroanatomical components (For a detailed discussion see; McEwan, 2009, 2004, 1998; McEwan & Sapolsky, 1995). Moderate levels of stress foster our sense of well-being and our ability to perform well cognitively and socially. Moderate stress actually stimulates neural growth hormones and the production of new cells. We need a moderate level of arousal to remember and think effectively. If stress is mild, memories are enhanced and our attention is stimulated and focused so that we can learn from experience. However, if we experience severe and prolonged stress, our biological systems falter. In response to stress, an increased blood flow is stimulated for fight or flight behaviour by raising heart rate and respiration, and dilating blood vessels. Many neural regions underpin these responses, including two regions referred to as the social brain: they are the limbic region and the middle prefrontal region and include the amygdala, hippocampus, prefrontal cortex and the anterior cingulate cortex (Farmer, 2009). Consequently, when individuals are subjected to severe and prolonged stress, attention and working memory begin to deteriorate, they feel overwhelmed, and their problem solving style is reduced to black and white, fight or flight options (Arden & Linford, 2009). In such circumstances an employee's capacity to form a rational assessment of the available conflict resolution choices is likely to be seriously compromised (For a detailed examination of the physiology and neurobiology of stress see Ganzell, Morris & Wethington, 2010; McEwan & Gianaros, 2010; Rodrigues, LeDoux & Sapolsky, 2009; Gunnar & Quevedo, 2007; McEwan, 2007)

Social threats, which may arise in a variety of forms including being bullied or ostracised, or receiving criticism from a superior, evoke this stress response. Such situations are experienced as threats as they jeopardise an individual's social status, image or acceptability and consequently are capable of eliciting psychological, physiological and behavioural responses (Dickerson, Gruenewald & Kemeny, 2004; Gruenewald, Dickerson & Kemeny, 2007; Kemeny, Gruenewald & Dickerson, 2004).

Dickerson, Gruenwald and Kemeny (2009) found that shame and related self-conscious emotions are part of an individual's response to social self threat. These responses are more likely to occur when an audience is evaluating the individual's performance. The responses are initially adaptive, encouraging behaviours that redress the potential implications of the social threats. When the stress becomes chronic or repetitive, individuals may become more sensitive to the threats resulting in a range of negative mental and physical health outcomes, such as depression, diabetes, and cardiovascular disease (McEwan, 2004).

The neurobiological explanations assist in understanding the neural and related physiological processes that compromise an individual's responses to the types of stressful circumstances that may occur within the workplace. In this context, the increasing level of research attention in the relationship between neuroscience and fairness is of particular interest (e.g. Beugre, 2009; Dulebohn, Conlon, Sarinopoulos, Davison & McNamara, 2009).

The neural basis of fairness

Fairness judgements form the basis upon which individuals respond to particular workplace circumstances, such as being directed aggressively by a supervisor to undertake a difficult task, being told to attend a performance management meeting to address alleged poor work performance, or receiving a bonus that is less than that paid to other employees completing similar work. The judgement of fairness arising from such circumstances will be subjective; a feeling of what is fair, or not fair, may vary from person to person (Miedema et al., 2006). Given the subjective nature of the judgements that occur, to what extent is this phenomenon explicable? Recent developments in

neuroscience suggest that it may be possible to explain the causes and effects of fairness. This appears to be particularly important for understanding individuals' sensitivities to fairness, and for management practice in creating fair working environments.

Salancik and Pfeffer (1978) argue that interpretations of events are derived from prior recall and reconstruction. Therefore, employees may compare current events to previous standards of fairness or unfairness and, consequently, determine whether an event can be construed as fair or unfair. Given this context, Beugre (2009) proposes a model of neuro-organisational justice, which explains the role of the brain in how people form fairness judgements and react to fair or unfair situations. Beugre's model implies that the occurrence of a particular event activates specific areas of the brain that underpins what is referred to as the X, or reflexive system. This system represents fairness prototypes which represent mental scripts of fair or unfair situations against which the current situation is compared. Consequently, the X-system can determine whether a given situation is fair or not. In the event that the X-system is unable to process a novel stimulus, another area of the brain, referred to as the C, or reflective system is activated. In particular, the C system is activated if no existing prototype applies to the stimuli or the individual receives additional information that questions the prior judgement of the X-system (Lieberman, Gaunt, Gilbert & Trope, 2002). The C system reflects human ability to learn from experience and thus allows individuals to avoid situations perceived as unfair and the consequences associated with such situations.

The model implies that human beings are endowed to be sensitive to fair treatment and to express a natural antipathy towards unfair treatment (Beugre, 2009). This proposition begs the question: why would humans be sensitive to fairness? As indicated earlier, Baumeister and Leary (1995) suggest that forming secure social bonds is a fundamental human need, ultimately critical to survival and reproduction. Consequently, cues that indicate social acceptance may be highly rewarding. Thus, being treated fairly by others may serve as a strong indication of acceptance and be intrinsically rewarding in itself (Tabibnia & Lieberman, 2007).

According to Beugre (2009), on the basis of acknowledging the importance of fairness as a fundamental human need, managers could develop a fairness theory of mind that could prove useful in the creation of fair working environments. Such a theory could entail three key practical principles: (a) employees care about fairness, (b) fairness in the workplace is rewarding in itself, and (c) employees have a natural disgust for unfairness. Incorporating these principles could help managers to enhance their sensitivity to act fairly and understand the types of thoughts, feelings and emotions their own behaviours could elicit in the minds of their employees (Beugre, 2009).

Beugre's model of neuro-organizational justice contributes to the emerging literature on the relationship between the brain and organisational justice (See also, Dulebohn et al., 2009: Tabibnia, Satpute & Lieberman 2008; Tabibnia & Lieberman, 2007; Singer, Seymour, O'Doherty, Stephan, Raymond & Frith, 2006). Being able to characterise the reactions to fairness and unfairness is an essential ingredient in understanding the physiological, psychological and behavioural responses that may influence not only an individual's choice of conflict resolution procedure, but also an individual's capacity to effectively participate in a specific procedure.

Conclusion

In exploring the inter-relationship between justice, conflict, stress and employee well-being, the central theme of this chapter is that numerous physiological, psychological and behavioural responses may emanate from an initial judgement of unfairness. The chapter is predicated on the premise that if the procedures to resolve a conflict are perceived as unjust, individuals may feel their status is compromised and their trust diminishes. These effects undermine their capacity to resolve the stress that arises from conflict, resulting in negative emotions which impede the capacity of individuals to resolve problems. Consequently, there is a negative cycle of events which lead to an escalation of conflict.

In this context the chapter identifies a growing body of evidence which indicates that experiencing workplace injustice provokes psychological strain. Feelings of reduced control and threats to self-esteem are identified as mediators of stress reactions, and the

literature identifies numerous examples of responses to the conflict-stress nexus, including cardiovascular disease, somatic complaints, anxiety, frustration and burnout. In seeking to better understand the reasons for these outcomes, the chapter explores attachment theory and self-esteem as two core psychological concepts.

In relation to self-esteem, the chapter discusses the sociometer hypothesis, which represents a psychological warning or alarm system and notes a more recent development concerning the human alarm system. Discussion of this hypothesis provides an insight into one aspect of the literature concerning the brain and its relationship to organisational justice and stress. The research concerning the human alarm system introduces the concept of social pain, hypothesised to activate parts of the brain resulting in extreme justice judgements. In exploring the influence of neurobiology on justice judgements, the chapter notes the role of neuroscience as a relatively new, but critically important, aspect of our developing knowledge and understanding of the extent to which the brain may influence an individual's response to conflict and unfairness.

The chapter does not seek to address the complex range of neuroscientific issues raised in the literature but acknowledges the need for a broad understanding of the practical implications of the matters raised. For example, the neurological stress responses which, under certain circumstances, may result in an individual's capacity to deal effectively with conflict as a result of diminished problem solving and working memory. Furthermore, Beugre's (2009) model of neuro-organisational justice is an example of the extent to which critical questions are being asked about how individuals construe fairness.

This chapter identifies workplace conflict, justice, stress and employee well-being as critically important factors that may influence both an individual's choice of conflict resolution procedure, and the capacity to actually deal with whatever procedure is applied. Thus, the research question that arises from the literature reviewed in this chapter is:

In what way does workplace injustice and consequent conflict and stress influence an employee's choice of conflict resolution procedure?

This chapter completes the literature review chapters. Chapter 6 now addresses the research method and data analysis techniques utilised in the current study.

CHAPTER 6

RESEARCH METHOD AND DATA ANALYSIS TECHNIQUES

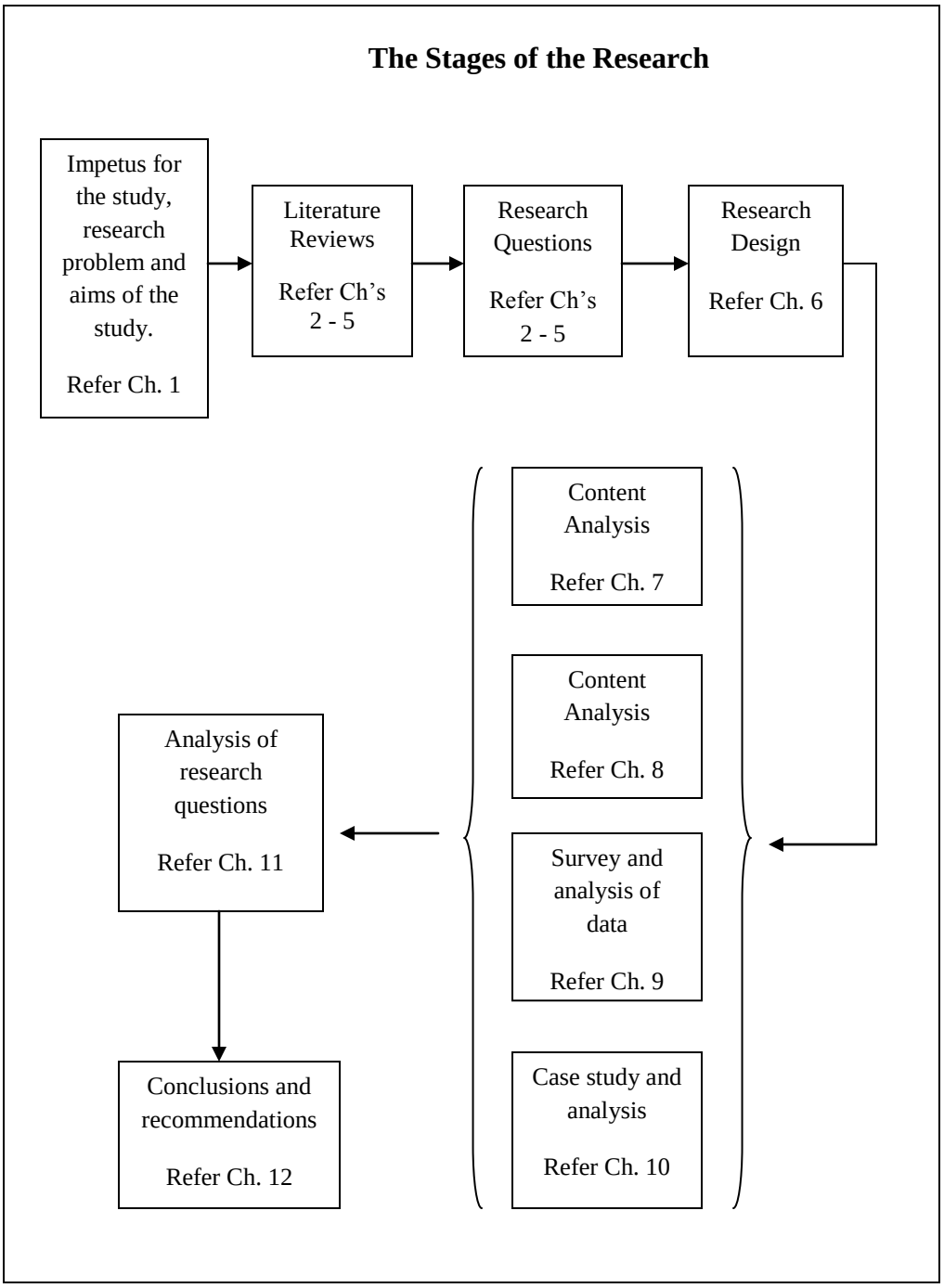
Introduction

This chapter has three main aims: to explain the nature of the research approach; to identify and explain the research design; and to outline the methods of analysis. The research procedures – content analyses, survey and case study - and the respective results are provided in subsequent chapters.

The chapter provides a summary of the literature review chapters and identifies the four themes that arise - justice and fairness; the implications of stress and well-being; the power relationships between the respective parties; and the conflict culture that may exist within an organisation. The summary of the literature review chapters also identifies the research questions that arise from the respective chapters. The research questions, in turn, provide the basis for the research design. Having set out the context within which the research is to be undertaken, the chapter develops an explanation of the reason for utilising content analyses, survey and a case study for the thesis. The case study is identified as the centrepiece of the research, with the content analyses and survey providing the basis of a mixed-methods approach. The chapter also outlines the process by which data was integrated from the content analyses, survey and case study to develop key conclusions and recommendations. For an overview of the stages of the research study see the schematic diagram 'Stages of the Research Study', p.82.

Prior to discussing the research approach and design used in the study, it may be constructive to restate the research problem and aim of the study. The research problem centres on the need to identify the factors that may influence employee choice of conflict resolution procedures. The associated aim of the study being to provide specific insights

for managers, supervisors and employees concerning the range of factors that may influence the way in which employees respond to workplace conflict and related conflict resolution procedures.



Literature Reviews and Research Questions

The literature review component of the thesis is comprised of four chapters. Given the ubiquitous nature of workplace conflict, chapter two examines the literature concerning four key characteristics: the definition of conflict; types of conflict; conflict management; and conflict culture. Although the chapter identifies variations in defining conflict, the prevailing view of conflict is generally destructive (Schulz-Hardt, Mojzisch, & Vogelgesang, 2008). In considering the influences that may contribute to such a negative view of conflict, the chapter identifies the impact of organisational culture on both the range of conflict resolution procedures and the behaviour of individuals within an organisation (Gelfand, Leslie, & Keller, 2008). In identifying the organisational norms and beliefs that form the basis of the way conflict is defined and managed, the work of Gelfand et al. (2008) provides a counterpoint to the tendency of organisations to individualise conflict. Given the potential influence of the way in which conflict is defined and managed, the research question that arises from this chapter is: ***In what way do employee perceptions of workplace conflict, as a positive or negative influence, affect an employee's choice of conflict resolution procedure?***

In examining justice and fairness, Chapter three identifies the three core concepts of distributive, procedural and interactional justice and their role in the responses of individuals to workplace injustice. The chapter acknowledges the literature concerning the desire of individuals for control relating to aspects of conflict resolution procedures (Thibaut & Walker, 1975; 1978), and notes the importance of voice as a central feature of fair procedures in providing a measure of control. Notwithstanding the opportunity for individuals to exercise voice, the chapter provides a note of caution concerning the fair process effect, referred to by MacCoun (2005, p.24) as "the dark side of justice". Given the important role of voice in conflict resolution procedures, and the prevalence of multi-step procedures as identified in Chapters 7 and 8, the research question that arises from this chapter is: ***Is the capacity of employees to voice their concerns affected by multi-step dispute resolution procedures?***

Chapter 4 examines the implications of power within the manager-subordinate relationship; it identifies numerous opportunities managers can exploit to influence the

choices employees may make concerning conflict resolution procedures, and the way the procedures may be conducted. In considering the way in which power manifests itself within the manager-subordinate relationship, the chapter explores the approach-inhibition theory of power (Keltner, Gruenfeld, & Anderson, 2003) and regulatory focus theory (Higgins, 1997, 1998). These two theories show that managers can exert significant influence on subordinates, whereas subordinates experience inhibited behaviour in the face of more powerful managers. In the context of these theories, the research question that arises from this chapter is: ***In what way does the power relationship between manager and subordinates influence employee choice of conflict resolution procedure?***

In light of the strong human reactions that arise in relation to injustice, Chapter 5 explores the inter-relationship between workplace conflict, justice, stress and employee health and well-being. In noting that an individual's initial reaction to injustice may provide a trigger for a range of physiological, psychological and behavioural responses, the chapter addresses loss of control, attachment theory and threats to self-esteem as factors likely to affect an individual's reaction to conflict. The chapter provides an insight into circumstances whereby individuals may perceive the procedures to resolve conflict as unjust, and consequently feel their status is compromised and trust has diminished. These effects undermine the capacity of individuals to resolve the stress that occurs. The negative emotions impede their capacity to resolve problems, and the conflict escalates. Consequently, the research question that arises from this chapter is: ***In what way does workplace injustice and consequent conflict and stress influence an employee's choice of conflict resolution procedure?***

Research Philosophy and Methods

In adopting an interdisciplinary approach to this study the researcher is mindful of the extensive literature and wide-ranging issues that have been identified in the literature review chapters. Although there is a possibility that in exploring the links within and between various disciplines there is a danger of diluting the nature and purpose of the research, the researcher has gained considerable comfort from McGilchrist (2009, p.3) who states that:

> Every realm of academic endeavour is now subject to an explosion of information that renders those few who can truly call themselves experts, experts on less and less. Partly for this reason it nonetheless seems to me worthwhile to try to make links outside and across the boundaries of the disciplines, even though the price might be that one is always at best an interested outsider, at worst an interloper condemned to make mistakes that will be obvious to those who really know. My hope is only that what I have to say may resonate with the ideas of others and possibly act as a stimulus to further reflection by those better qualified than myself.

Although a mixed methods design is adopted for the research, the central feature of the study will be to assess the actions and behaviours of a Manager, HR Consultant and an employee in a case study. To this extent the study is a blending of an interpretivist approach and a positivist approach (Halfpenny, 1991). An interpretivist approach emphasises understanding and interpreting events whereas a positivist approach tests theories through measure and quantified methods. The interpretivist approach "is founded on the view that human beings interpret the world they inhabit so that the social world is pervaded with meanings in a way the natural world is not" (Halfpenny, 1991, p. 56-57). According to Halfpenny (1991, p. 60):

> Interpretivists believe that the influx of social life is patterned on the basis of the interpretations people make of their world and they seek to understand the pattern in terms of the schemes of interpretation or shared meanings that constitute the culture of people under investigation.

Given the use of content analyses, a case study and survey, the research perspective adopted for this study is an amalgam of interpretivist and positivist approaches.

Mixed Methods Research

Given the content analyses, survey and case study, a combination of quantitative and qualitative data will be utilised in the study. The integration of the data in this way is referred to as mixed methods research, which is defined as the combination of at least

one qualitative and one quantitative component in a single research project (Bergman, 2008). In discussing mixed methods design Pinto (2010, p. 818) notes: "The classic quantitative and qualitative models alone cannot encompass the interplay between theoretical and empirical knowledge. Simply, combining methods makes common sense and serves the purpose of complex analysis". This research, therefore, adopts a mixed methods design, designated by Creswell and Plano Clark (2007) as a triangulation design, in which qualitative and quantitative data are collected and analysed in parallel and then merged together, as well as contrasted, to develop a more complete understanding.

For each of the research questions, the case study data will be analysed and coded in relation to the respective questions. The coding process will enable both descriptive information and specific inferences to be drawn from the case study and, where relevant, will be compared and contrasted with the content analyses and survey data. In addition, the researcher's observations of each participant and the records of respective interviews will provide personal and organisational insights that will enable a deeper understanding of the actions and behaviours of the respective participants.

Content Analyses

An important threshold issue for this study is to establish the historical basis upon which dispute resolution procedures were developed in Australian workplaces. The history and development of dispute resolution procedures provides important insights into the industrial relations, statutory and workplace influences that may have influenced the attitudes of managers, supervisors and employees concerning dispute resolution. In seeking to explore these influences, an examination of a range of secondary sources will be undertaken including legislative decisions of the Australian Parliament, decisions of various federal courts and the federal industrial tribunal in its various guises, Parliamentary reports, reports of inquiries and government departments, and industrial and employee relations and legal journals. These sources will be analysed using qualitative content analysis, which will enable major themes to be identified. Qualitative content analysis is used to analyse data that can be reduced to textual form: the emphasis on this process is on meaning rather than quantification (Brewerton & Millward, 2008).

The historical analysis was prompted in the knowledge that, with the introduction of enterprise agreements in 1993 by the then Australian Government, workplaces seeking the certification of agreements by the Australian Industrial Relations Commission were required to include provisions for "preventing and settling disputes between employers and employees covered by the agreement about matters arising under the agreement" (s.170MC, *Industrial Relations Act* 1993). The historical analysis is designed to explore the origins and evolution of industrial relations, statutory and workplace influences which saw the development of multi-step dispute resolution procedures. The analysis will cover the period between the introduction of the federal system of labour law, with the enactment of the *Commonwealth Conciliation and Arbitration Act* 1904, and the introduction of the *Workplace Relations Amendment (Work Choices) Act* 2005.

In addition to the historical analysis, it is also intended to examine the utilisation, structure and processes of multi-step dispute resolution procedures. This will be done by analysing a random sample of enterprise agreements certified by the Australian Industrial Relations Commission during the period 30 June 2005 – 31 July 2006.

Sixty employer-union (hereinafter referred to as union agreements) and forty employer-employee (hereinafter referred to as non-union agreements) workplace agreements will be randomly selected by generating a set of random numbers and applying them to the 2005/2006 workplace agreements contained in the Australian Industrial Relations Commission 'Agreements Data Base' (www.airc.gov.au). The ratio of union and non-union agreements reflects the proportion of enterprise agreements in the period 2005/2006. The dispute resolution provisions in both types of agreements will be considered in relation to six questions designed to explore the utilisation, structure and processes of multi-step procedures. The questions have been developed from the justice literature (Chapter 5), the historical development of multi-step procedures (Chapter 7) and the experience and knowledge of the researcher concerning the practical application of multi-step procedures. The purpose of each question is discussed in Chapter 8 along with relevant findings. The questions are:

- Do the procedures specify objectives or goals concerning fairness or justice?

- How many steps underpin the procedures and what dispute resolution processes are utilised within the procedures?
- What is the scope or range of matters that can be dealt with by the procedures?
- What external bodies or individuals are identified for the purpose of dealing with matters that are unresolved through the multi-step procedures?
- In the event of an unresolved matter being referred to an external body or individual, what processes are identified for the purpose of dealing with the issue?
- To what extent do the multi-step procedures define dispute resolution terms or processes?

The statutory context for selecting the agreements is that the Coalition Government introduced the *Workplace Relations Amendment (Work Choices) Bill* 2005 into the Parliament on 2 November 2005. Royal Assent was given on 14 December 2005 and the Act came into effect on 27 March 2006.

The selection of the agreements certified by the AIRC during the twelve months period 1 July 2005 until 30 June 2006 will provide an opportunity to assess the outcomes of the negotiation that took place between the workplace parties concerning dispute resolution provisions up to and including the first 3 months of the introduction of *Work Choices*. Given the level of public discussion and debate concerning the changes being proposed by the Coalition Government that occurred during the lead-up to the introduction of *WorkChoices* (Australian Parliament Library Publications, www.aph.gov.au/library/pubs/rp/index.htm), it is assumed that the workplace parties may have taken the opportunity to evaluate their attitudes to dispute resolution procedures and adopted approaches that differed from the conventional multi-step model identified in Chapter 7.

The purpose in seeking to identify any distinction in dispute resolution procedures between union and non-union agreements is based, in part, on the possibility that non-

union workplaces may have preferred to utilise different approaches to dealing with workplace disputes. This possibility arose in relation to the introduction of Australian Workplace Agreements (AWAs) in the *Workplace Relations Act* 1996. AWAs emphasised the use of mediation as the primary means of dealing with disputes that could not be resolved by the multi-step process at the workplace, as distinct from the conventional conciliation and arbitration processes within the AIRC. Given that trade union density in 2005/2006 in the private sector was 15%, and in the public sector 43% (ABS Employee Earnings, Benefits and Trade Union Membership, August 2006) it is anticipated there may be a significant difference in the approaches adopted in non-union agreements from those in union agreements.

The analyses of both the historical influences and the sample of enterprise agreements will be undertaken by a technique which comprises both mechanical and interpretative components. The mechanical aspects will involve physically organising the various influences into categories – e.g. statutory influences, types of procedures, use of procedures, random samples of decisions of courts and tribunals – whilst the interpretative aspects will involve determining the extent to which the various categories influence the development of the respective dispute resolution procedures.

Two major criticisms of content analysis are that it is heavily reliant on the multiple judgements of one analyst and is a purely descriptive method. It describes what is there, but may not reveal the underlying motives for the outcomes that have been observed (Brewerton & Millward, 2008). In acknowledging these potential limitations this study will incorporate the content analyses with a case study and survey of three organisations, enabling the respective data to be integrated in a manner that provides a more complete understanding of the various issues.

Survey

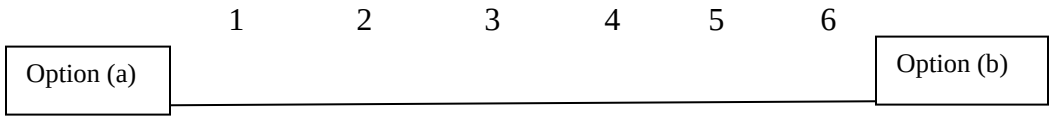
Given the extent to which multi-step conflict resolution procedures have been incorporated in enterprise agreements and workplace policies the survey is designed to elicit the attitudes of managers and subordinates concerning multi-step procedures. The survey will be distributed throughout three private sector organisations in three

industries: manufacturing, insurance and petroleum. The organisations have been selected because they are large organisations which utilise multi-step conflict resolution procedures. Additionally, and importantly, each of the organisations is known to the researcher through his work as a conflict resolution consultant and he will be able to utilise his contacts to ensure that the survey is effectively managed.

Given the previous association of the researcher with the organisations, support for the research will be provided by a senior HR manager in each organisation. The respective HR managers will distribute a global e-mail within selected organisational units explaining the purpose of the study and inviting managers and employees to participate. Copies of the questionnaire will be placed at a central location within each organisation to enable managers and employees to obtain a questionnaire at their discretion. A stamped addressed envelope will be provided with each questionnaire to enable participants to post the completed questionnaire (Refer Appendix 1 for the administrative details relating to the survey).

The survey consists of seven questions designed to elicit manager and subordinate attitudes to three key aspects of multi-step procedures: the various conflict resolution processes available to the parties, the structure of the procedures, and the likelihood of punishment occurring in the event that a procedure is initiated by an employee. Given the paucity of Australian research concerning multi-step procedures, the questions were primarily constructed on the basis of the researcher's knowledge and experience as a conflict resolution consultant. The questions require respondents to indicate the extent to which they endorse one of two options along a six point scale (Refer Appendix 2). The scale used in the survey is a Likert scale, which provides a score, based on two parts: the stem that is the question to which the respondent is asked to react, and the response scale. There are numerous modifications of Likert scaling including such matters as using odd or even number of responses, labelling of the middle response and the use of negatively worded items (Salkind, 2010). The approach taken in the survey is that a six point scale is likely to influence the reliability of the respondent's scores as an even number of categories forces respondents to choose one directional option or the other.

The scale is represented in the following schematic diagram (See Appendix 2 for details of the survey).



The options are identified in three separate categories: conflict resolution procedures, structure and punishment.

Conflict resolution procedures:

1 (a) Informal procedures (e.g. informal discussions with work colleagues or managers) are generally more effective in resolving conflicts than using the formal conflict resolution procedures in an Enterprise Agreement, Grievance Procedure or similar processes; or

1 (b) The formal conflict resolution procedures in an Enterprise Agreement, Grievance Procedure or similar processes are generally more effective in resolving conflicts than the use of informal procedures (e.g. informal discussions with work colleagues or managers).

2 (a) In the event that a conflict is not resolved within the multi-step procedure, the conflict should be referred to the Australian Industrial Relations Commission (AIRC); or

2 (b) In the event that a conflict is not resolved within the multi-step procedure, the conflict should be referred to a conflict resolution provider as determined by the conflicting parties.

3 (a) A conflict that is not resolved within the multi-step procedure should be referred to arbitration; or

3 (b) A conflict that is not resolved within the multi-step procedure should be referred to a conflict resolution provider for the purpose of conciliation or mediation.

4 (a) The multi-step procedure should be used to deal with all types of conflicts within the workplace; or

4 (b) The multi-step procedure should be one of a number of workplace procedures used to deal with different types of conflicts within the workplace.

Structure:

5 (a) There should be as few steps as possible in a multi-step conflict resolution procedure; or

5 (b) There should be no limit to the number of steps that may be used in a multi-step conflict resolution.

6 (a) Every attempt should be made to resolve a conflict at the earliest step possible; or

6 (b) It does not matter at what step a conflict is resolved.

Punishment:

7 (a) Initiating a conflict resolution procedure (e.g. lodging a formal grievance) could attract some form of 'punishment' for the person initiating the procedure from within the workplace.

7 (b) Initiating a conflict resolution procedure (e.g. lodging a formal grievance) will not result in some form of 'punishment' for the person initiating the procedure.

The assessment of the attitudes of managers and subordinates to multi-step procedures will be undertaken by utilising regulatory focus theory (Higgins, 1997, 1998) and the approach-inhibition theory of power (Keltner, Gruenfeld & Anderson, 2003) as discussed in Chapter 4. Both theories provide an opportunity to assess the individual differences of managers and subordinates in terms of their motivation towards the application of multi-step procedures. The behavioural approach system is assumed to motivate individuals to seek rewards (Higgins, 1997), whilst the behavioural inhibition system elicits responses that are directed towards potential adversity resulting in anxiety and agitation (Keltner et al., 2003).

Case Study

A key aspect of the research design for this thesis is a case study. The case study is based on a manufacturing organisation that employs over 2,500 employees. For the purpose of this research the organisation is referred to as MetalCo (See Chapter 10 for further details of the organisation). The case study will examine the decisions, actions and behaviours of three individuals - a Manager, an HR Consultant and an employee - concerning the application of performance management and discipline procedures following allegations of poor performance and inappropriate behaviour against the employee. The case study is concerned with assessing the actions and behaviours of the participants in the context of the four themes that have been explored in the thesis: justice and fairness; the implications of stress and well-being; the power relationships between the respective parties; and the conflict culture that may exist within an organisation.

Yin (1994, p.25) has described case studies as "rich empirical descriptions of particular instances of a phenomenon that are typically based on a variety of data sources". As the study is designed to explore the nature of the relationship between an individual employee and his managers, an understanding of the respective perceptions and subtle interactions between the various participants needs to be gained. Consequently, a key factor in the choice of research method is the ability of the case study to transport the researcher into the context in which the respective parties work (Meskill, Mouly & Dakin, 1999). Yin (1994, p. 2) argues that "as a research endeavour, the case study contributes uniquely to our knowledge of individual, organizational, social and political phenomena". The value of case study research has also been reinforced by Eisenhardt and Graebner (2007, p. 26), who suggest that such an approach "is likely to produce theory that is accurate, interesting and testable". Accordingly, the use of a case study is a research strategy commonly used in many disciplines including studies in management, human resource management and organisational behaviour. Consequently, this approach was adopted for this study.

The research method to be used in this study is consistent with the approach of Yin and Davis (2007) who argue that a case study approach provides an opportunity to

understand real-life phenomena in depth, with such understanding encompassing highly pertinent contextual matters that are relevant to the study. This case study will involve the researcher as an observer of a range of interactions concerning various allegations against an employee. Observation is defined as field observation that does not involve active participation by the researcher. Rather, the researcher is present in the setting while the activity takes place, observing what transpires and potentially talking to the employees about their experiences on or off the job (Tope, Chamberlain, Crowley & Hodson, 2005). This approach is consistent with Schramm's (1971) definition of a case study as a process in which researchers attempt to illuminate a decision or set of decisions, why they were taken, how they were implemented and how the results unfolded.

Prior to the conduct of this research, the researcher was employed by MetalCo as an independent conflict resolution consultant undertaking functions unrelated to the case study. As a consequence of the arrangements that were made for the survey, agreement was reached that where it was appropriate and agreed by the participants, the researcher would observe the way in which the organisation dealt with a workplace conflict. He was subsequently advised of a conflict concerning allegations against an employee. Consequently, the researcher confirmed the approval of the participants in the conflict for him to observe the processes, based on confidentiality.

As a result of his previous experience with MetalCo the researcher had developed extensive knowledge and understanding of the way in which the organisation deals with workplace conflict. This background provided the circumstances in which arose an "opportunity for unusual research access" (Yin, 1994, p. 27). The researcher will not be involved in any aspect of the case study other than as an observer.

As an observer, the researcher will be able to objectively monitor the case study as it unfolds. However, in addition to observation, the researcher will also undertake unstructured interviews with the three main participants - the employee, the Manager and the HR Consultant - at various stages of the study. The interviews will be an integral aspect of the study as it is anticipated that individual attitudes will provide contrasting

perceptions of the actions and behaviours of the respective participants. For each of the observations and interviews that take place, the researcher will maintain notes for subsequent transcription, to provide the basis on which the case study will be analysed and conclusions drawn. As the observations and interviews progress throughout the case study, the researcher will identify key issues and contrasting perspectives, along with the actions and behaviours of the individual participants. Consequently, a narrative of the responses of the participants will be developed within a framework of the respective theories which arise from the central themes: fairness and justice, manager-subordinate power relationships, workplace stress, and conflict culture.

In undertaking the case study it will be necessary to ensure the credibility of the outcomes and to that extent it is intended to continually be aware of the biases that may arise. In seeking to ensure the highest level of credibility the case study has been systematically planned and where possible will include the confirmation of observations and issues raised with participants during individual interviews (O'Leary, 2004). It is acknowledged, however, that there is likely to be a variable range of emotion and anxiety within the participant group and this may influence the approach of the researcher given the circumstances that may arise.

Although particular circumstances have provided the basis for undertaking the case study at MetalCo there are four reasons for the selection of the organisation. The case study:

- provides a unique opportunity to examine a complex set of issues associated with a workplace conflict;
- illustrates a workplace conflict that incorporates the central themes arising from the literature and related research;
- reveals workplace relationships that could not be studied by any other means;
- occurred in a workplace in which the researcher had practical knowledge of the environment in his capacity as a conflict resolution consultant.

Stake (2000) identifies three types of case studies; intrinsic, instrumental and collective. An intrinsic case study seeks understanding of a particular case without the purpose of either being representative of a wider population or endeavouring to understand a widely applicable concept: the case itself is of significant importance. Stake (2000, p.437) identifies an instrumental case study as being "mainly to provide insight into an issue or to redraw a generalization": the case itself is not of primary importance. A collective case study is one that encompasses multiple cases to identify common characteristics that can contribute to more widely applicable theory. Collective case studies have no inherent interest in a particular case. This case study is located between an intrinsic case study and an instrumental case study. Consistent with Stake's criteria (2000, p.437), the study is intrinsic because "in all its particularity and ordinariness, this case itself is of interest". That interest arises from the anticipated insights concerning the individual behaviours of the three participants. However, because the study is designed to understand features that are applicable to other environments - justice and fairness; the implications of stress and well-being; the power relationships between the respective parties; and the conflict culture that may exist within an organisation - this case study also appears to be instrumental, as it will serve as a means "to provide insight into an issue or to redraw a generalization" (Stake, 2000, p.437).

Despite the strengths of the case study approach, several criticisms need to be acknowledged. For example, Denscombe (1998) questions the extent to which a case study can be generalised, contrary to the position of Stake (2000), whose definition of instrumental case studies suggests they can be generalised. Yin (2003, pp. 31-33) supports the capacity to generalise case studies on the basis of the differentiation between "statistical generalization" and "analytical generalization". He supports the notion of analytical generalisation in relation to case studies, asserting that "previously developed theory is used as a template with which to compare empirical results" (Yin, 2003, pp. 32-33).

An additional criticism highlighted by Bell (1999, p. 11) is the danger of distortion "due to the difficulty in cross-checking information". The present study acknowledges this

criticism and seeks to address this problem, in part, by conducting a survey of the attitudes of managers and subordinates concerning multi-step conflict resolution procedures. The survey will provide the basis of an analysis of one of the four factors referred to earlier - the power relationships between the respective parties.

Conclusion

The purpose of this chapter is to achieve three main aims: to explain the nature of the research approach; identify the research design and outline the methods of analysis. In pursuit of those aims the chapter provides a summary of the literature review chapters and identifies four main themes along with the research questions that form the basis of the research. Having established the overall context of the research, the chapter develops an explanation of the reason for utilising content analyses, a case study and survey for the thesis. The case study is identified as a key aspect of the research, with the content analyses and survey providing a mixed-methods approach which will enable an understanding of the attitudes of managers and subordinates concerning multi-step conflict resolution procedures. The chapter also explains that the survey data will underpin the process of triangulation relating to the manager-subordinate power relationship. Finally, the chapter outlines the process by which the data from the content analysis, case-study and survey will be integrated to enable key conclusions to be developed.

Having established the three main aims, chapters 7, 8 and 9 respectively provide details of the procedures and results of the content analysis, survey and case study.

CHAPTER 7

WORKPLACE DISPUTE RESOLUTION FROM 1904 – 2006: AN HISTORICAL ANALYSIS

Introduction

The purpose of this chapter is to explore the historical basis upon which dispute resolution procedures were developed in Australian workplaces during the period 1904-2006. In utilising content analysis, the chapter draws on a range of sources including legislative decisions of the Australian Parliament, decisions of various federal courts and the federal industrial tribunal, Parliamentary reports, reports of government departments and industrial and employee relations and legal journals.

The chapter begins by examining the types of dispute resolution procedures that emerged during the formative stages of Australia's system of industrial relations/labour law system. The chapter explores the political and industrial influences that contributed to the evolution of a multi-step model of dispute resolution procedures available to the workplace parties on an informal basis, and in awards and agreements. The chapter examines the continued development of multi-step procedures throughout the period from the 1950s to the 1980s and observes that, notwithstanding guidelines established by the National Labour Advisory Council (NLAC) in 1970, the recommendations of the Hancock Committee of Inquiry in 1985 and subsequent legislative amendments in 1988 the procedures continued to be largely underutilised. Further legislative amendments in 1993, and 1996 saw an increase in the utilisation of the procedures and the range of issues being dealt with. Subsequent amendments in the *Workplace Relations Amendment (Work Choices) Act* 2005 increased the emphasis on the need for the workplace parties to rely upon formal dispute resolution procedures to deal with disputes.

The chapter notes that although the multi-step model continues to be widely used in Australian workplaces, paradoxically, there has been little research concerning its structure, role and effectiveness. This chapter takes a broad view of aspects of Australia's labour history as they relate to workplace dispute resolution and provides an important insight into the influences that may have shaped the attitudes of managers, supervisors and employees concerning the resolution of workplace disputes.

The evolution of Boards of Reference

Although there has been a significant emphasis in industrial relations literature concerning conciliation and arbitration, an area that has been largely ignored is the extent to which the *Conciliation and Arbitration Act* 1904 (Act No. 13, 1904) (the C&A Act) provided for the resolution of disputes, other than by the 'ordinary procedure' of conciliation and arbitration.

The C&A Act provided that the 'ordinary procedure' (Division 3) in dealing with industrial disputes was that the Conciliation and Arbitration Court would 'hear, inquire into and investigate every industrial matter of which it had cognizance ... *'* (s.23 (1)), and do '… all such things as appear to it to be right and proper for reconciling the parties and for inducing the settlement of the dispute by amicable agreement' (s.23 (2)). On the basis that the parties were able to reach 'amicable agreement', a memorandum in writing would be certified by the President, which would have the same authority as an award (s.24 (1)). If no agreement was reached, the Court would determine the dispute and authorise an award (s.24 (2)).

Notwithstanding the 'ordinary procedure', the Act also provided for 'Special Powers of the Court and the President' (Division 4). These powers enabled the Court to:

(i) Temporarily refer any matter to a conciliation committee consisting of equal numbers of representatives of employers and employees for the purpose of reconciling the parties (s.34);

(ii) On the application of a party, or on its own motion, appoint two assessors to advise the Court about a dispute. The assessors would be persons nominated by parties

‘who have interests in common with the employers’, and parties ‘who have interests in common with the employees’ (s.35).

(iii) Refer any industrial dispute to a Local Industrial Board for the purposes of settling the dispute by ‘conciliation and amicable agreement’. A Board would consist of equal numbers of representatives of employers and employees and a Chairman who was a Justice of the High Court or a Judge of the Supreme Court of the State (s.36).

These mechanisms were enhanced in 1910 when Boards of Reference were introduced. The Act was amended to incorporate s.40A, which provided that the Court may by its award, or by order made on the application of any organization or person bound by the award:

(a) appoint, for the purposes of the award, a Board of Reference consisting of one or more persons; and

(b) assign to the Board of Reference the function of allowing, approving, fixing, or dealing with, in the manner and subject to the conditions specified in the award or order, any specified matters or things which, under the award or order, may require from time to time to be allowed, approved, fixed, or dealt with by the Board (*Conciliation and Arbitration Act* 1904. Act No.7, 1910).

The attitude of the Government concerning the broad powers of the proposed Boards of Reference was clarified during the Parliamentary debate on the Bill, which introduced these powers. The Bill included a proposal by the Government to enable the Conciliation and Arbitration Court to grant preference to unionists and to include a power for the Court to establish whatever processes it recorded as necessary or expedient for the purposes of preventing and settling a dispute. During the Second Reading Speech, Mr. Hughes was asked why reference to the tribunal had been deleted from the Bill. He replied: “Because there is no necessity for it. In another part of the Bill we provide for what are called Boards of Reference which will do the same work as the tribunal” (Australian Parliamentary Debates, 1 July-10 August, 1910, p. 746).

By inserting a provision for a Board of Reference into an award or agreement, the parties were able to specify the composition and functions of the Board, which would then be able to deal with a range of disputes. Mr. Justice Higgins, the second President of the Conciliation and Arbitration Court, was a strong supporter of Boards of Reference. He considered the Boards both as councils of employers and employees for discussion of mutual problems and as semi-judicial bodies, which could deal with specific disputes arising from awards (de Vyver, 1971). This approach is reflected in his comments that Boards of Reference would provide circumstances whereby "many a grievance, or supposed grievance, would be removed before it developed into a serious trouble…" (Higgins, 1922, p. 49-50*)*. Similarly, de Vyver (1971) believed that Boards of Reference had a semi-judicial role on the basis that some lower court was needed to decide minor disputes which would be time-consuming if allowed to follow the regular legalistic procedures.

In 1911, the Australian High Court determined that awards made by the Conciliation and Arbitration Court had to mention the specific grievance with which a Board of Reference might deal rather than allow the referral of any dispute (de Vyver, 1971). This requirement severely limited the capacity of Boards and, not until 1920, was the law amended to omit reference to specified matters in s.40A of the Act (de Vyver, 1971).

An analysis of a sample of Commonwealth Arbitration Reports, in 1920, 1940 and 1960[1], indicates that Boards of Reference, and related dispute resolution initiatives, were included in a wide range of awards and agreements. An example of the composition and powers of a Board of Reference is exemplified in the following extract from the Memorandum of Agreement between *The Australian Workers Union and Paterson & Co. Ltd and others*, which was filed on 22 November 1944 (53 CAR, 898 – 899):

> 13. The Court may appoint for the purposes of this Agreement a Board or Boards of Reference. Each such Board shall consist of a

[1] Decisions of the Conciliation and Arbitration Court, CAR 14 (1920), CAR 42 and 43 (1940), and decisions of the Conciliation and Arbitration Commission, CAR 93 (1959 – 1960), CAR 94 (1960), CAR 95 (1960) and CAR 96 (1960 – 1961).

> chairman and two other representatives, one to be nominated by each of the parties as prescribed by regulations.
>
> There are assigned to each such Board in the event of no agreement being arrived at between the parties to this agreement, the functions of –
>
> a) Adjusting any matters of difference which may arise from time to time, except such as involve interpretations of the provisions of the agreement or any of them;
>
> b) Classifying and fixing wages, rates and conditions for any occupation or calling not specifically mentioned in the agreement;
>
> c) Deciding any other matter that the Court may refer to such Board from time to time.

Despite the broad powers originally envisaged by Mr. Justice Higgins, the extent of the powers assumed by many Boards was the subject of close scrutiny by the Conciliation and Arbitration Court, with particular attention being paid to the question of the application of judicial power. Given that the judicial power of the Commonwealth could be exercised by Courts only as described in s.72 of the Constitution, Boards of Reference could thus not exercise such extensive powers. For example, in *The Federated Public Service Assistants Association & Ors v Commonwealth of Australia & Ors* (1920) (14 CAR, 639), submissions were made for the insertion of 'Boards of Interpretation' into various awards. The Boards were a variant of Boards of Reference, intended to resolve any disputes that might arise about the interpretation of awards (14 CAR, 667). Starke J refused to incorporate the Boards into the awards on the basis that it was "undesirable … that the legal rights and duties of any party under an award should be subject to the uncontrolled opinion of any body or officer" (14 CAR, 692). Subsequently the Court confirmed that Boards could not exercise the power to interpret awards in *Federated Engine Drivers and Fireman's Association of A' Asia v Adelaide Brick Co. Ltd (1944)* (52 CAR, 612), and further, that they could not make a binding

declaration of existing rights in *R v Darling Island Stevedoring & Lighterage Co. Ltd; Ex parte Sullivan (1938)* (4 FLR, 426).

In referring to the legislative provisions which empowered the creation of Boards of Reference, Deery and Plowman (1985, pp.355-356) note that the "grandiose wording of the Act was misleading" as Boards of Reference could theoretically consider any issue the parties were prepared to allow, but this principle was limited by the Conciliation and Arbitration Court.

Functions and utilisation of Boards of Reference

Two broad categories of matters were dealt with by Boards of Reference: administrative functions and disputes between management and employees. The administrative functions included problems arising from apprenticeships, such as the transfer and cancellation of apprenticeship indentures; the provision of special permits, such as in the footwear-manufacturing industry for the employment of 'outdoor workers'; and consideration of exemptions from aspects of an award under certain circumstances (de Vyver, 1971).

The predominant area of disputes dealt with by Boards of Reference related to special rates of pay, which were claimed for work being undertaken under unusual conditions of work. A second group of dispute cases included claims relating to sick leave, holiday pay, overtime rates, classification of workers and claims arising from summary dismissal for alleged malingering, inefficiency, neglect of duty or misconduct (de Vyver, 1971).

An analysis of the use of Boards of Reference between 1925 and 1955 by de Vyver indicates that, with the exception of a few industries, Boards of Reference had not been widely used. In observing that there were only a "few big users of the system", de Vyver (1971, p.554) notes that "[u]nder most of the awards, management and workers apparently settle arguments at plant level or perhaps under the awards there are only a few specific duties granted to Boards".

The propensity of employers and trade unions to deal with disputes without recourse to Boards of Reference or other dispute resolution processes that originated in federal

statutes is evident in the degree to which ‘private negotiation’ and ‘resumption of work without negotiation or other methods’ were used in the resolution of strikes and lock-outs during the period 1913-1964. These methods are shown in Table 1: 47.8% of matters were resolved by private negotiation, whereas only 14.6% of matters were resolved by the use of Commonwealth legislation, which included both the ‘ordinary procedures’ of conciliation and arbitration and the ‘Special Powers of the Court and President’. In commenting on this data, Walker (1970, p. 127) notes that “the importance attached to the role of industrial relations machinery is sometimes exaggerated”.

Table 1: Methods of settlement of strikes and lock-outs, Australia, 1913 - 1964

Method of settlement	No. of stoppages	% of total stoppages	Man-days lost by stoppages (‘000)	% of man-days lost by stoppages
Private negotiation	13,537	37.7	29,824	47.8
Under State legislation	2,180	6.0	6,041	9.7
Under Commonwealth legislation	3,360	9.4	9,136	14.6
Resumption of work without negotiation and other methods	16,822	46.9	17,460	27.9
Total	35,899	100.0	62,461	100.0

Source: K. Walker (1970) *Australian Industrial Relations Systems.* Harvard University Press. Massachusetts. p.127.

The extent to which direct relationships between employers and trade unions was the preferred method of dealing with disputes is consistent with the proposition that trade unions were reluctant to utilise Boards of Reference. Hutson (1967, p.278) states that: "… trade unions would certainly be loath to exchange the long established informal apparatus which successfully handles interest grievances for one which has hardly any feathers to fly". He argues that militant trade unions might have been prepared to use dispute resolution procedures provided they did not undermine the objective to win disputes, not settle them. Hutson's justification for his comments was that, in 1966, only 208 Boards of Reference were used across the jurisdiction of the Commission by both trade unions and employers. Furthermore, in the area covered by the Metal Trades Award, there were only seventeen occasions on which issues arising from Boards of Reference formed the basis of matters before the Commission (Hutson, 1967).

Kuhn's (1955 a) assessment of the low utilisation of Boards of Reference and other dispute resolution procedures was also directed at trade union attitudes. His view is that Australian unions had indicated that workplace grievances were not their concerns. He notes that, during the Second World War, the then Amalgamated Engineering Union argued that the Government needed to address the question of shop floor problems and consequently petitioned the Labor Government to initiate and develop a set of comprehensive grievance procedures for all shops and factories (Kuhn, 1955 a). Consequently the Conciliation and Arbitration Court presented a detailed grievance procedure for metal trades unions (Aircraft Award, 53 CAR, 439); however, the unions did not assume responsibility for implementing the procedure; furthermore this procedure was not introduced into other awards or agreements (Kuhn, 1955 b).

Kuhn's understanding of the way in which Australian workplaces dealt with grievances is graphically illustrated as follows:

> The workers may walk out, impose a slowdown, or hold a stop-work meeting to call attention to their festering grievances. There are few other regular methods available by which workers can express their dissatisfaction or relieve their tensions. Once the workers have taken overt action, the unions and management hurry to the scene and

> improvise a settlement that often does not treat the basic cause of the friction (Kuhn, 1955 a, p. 33).

In defending Australian trade unions against the comments of Kuhn and similar criticisms, Hutson (1967) argues that there was a well developed, informal apparatus available in Australian workplaces to deal with most disputes arising from the operation of awards. He states that the on-the-job organisation of trade unions promptly dealt with any complaints and that "most … complaints are usually settled either by telephone or by the visit of a union official to the plant" (p. 277). Notwithstanding this defence, Walker (1970) argues that trade union members no doubt felt the need for greater attention to their shop floor problems.

Rimmer (1983) argues that, although workshop grievance procedures may be underdeveloped, workplace representatives did engage in job regulation. Similarly, in response to the supposition that Australian trade unions had been preoccupied with arbitration, Gahan (1996) argues that multiple relationships that have affected the way unions operate within workplaces, of which arbitration is only one method.

In addition to the assumption that the underutilisation of Boards of Reference and other dispute resolution procedures was directly related to trade union attitudes, Littler, Quinlan and Kitay (1992) note that arbitration diverted work control struggles from the workplace to a central body. Consequently, Australia was deemed to have comparatively under-developed workplace industrial relations structures and processes, evidenced by fewer and more dependent shop stewards and a far lower use of dispute resolution procedures and other mechanisms of 'private justice' than is the case in the United Kingdom and the United States (Littler et al., 1992). The link between under-developed dispute resolution procedures and Australia's centralised arbitral system was captured by Brissenden (1966, p.108) in the following terms:

> … under the arbitration laws, an industrial dispute means any dispute, big or little; and where a little dispute pops up it is grist for the mills for the state tribunals where its intrastateness precludes federal action. But it seems that the destiny of a heavy proportion of these 'little'

> matters, perhaps most of them, is to go by default, because the unions and the employers are so preoccupied with matters on a higher level.

Although the conventional perspective was that arbitration diverted disputes from the workplace to the federal tribunal, in the period 1964-1979, the proportion of disputes resolved by negotiation between trade unions and employers significantly exceeded the proportion of disputes resolved by the federal tribunal (Dabscheck & Niland, 1981). These data are consistent with the period 1913-1964 (as shown in Table 1) and support the argument that either formal or informal mechanisms had been established at workplaces to deal with disputes. Additional data show that approximately half the industrial disputes that occurred in Australia during the period 1964-1979 ended in resumption of work without negotiation (Dabscheck & Niland, 1981).

Brissenden (1966, p.108) argues that the scarcity of workplace grievance procedures was the "missing link" in Australian workplace grievance resolution. His view is that:

> … it is important to note that there is a missing link. The missing device is that of settlement in the shop where the grievances erupt. Of course, a great many industrial grievances no doubt get settled somehow, off hand and informally, at their shop points of origin. But many, probably most, of them go by default. What seems lacking is plant arrangements for grievance settlement in the shop.

Brissenden appears to be partially correct when he claims that plant arrangements for grievance settlement at the shop level are lacking. The evidence indicates that, since the inception of Boards of Reference, various models of grievance resolution 'arrangements' were available to the parties. However, the parties were reluctant to utilise these arrangements. Thus, the missing link was not the dearth of plant arrangements, but the commitment of the parties to either introduce arrangements or utilise options that already existed. Despite the debate as to the implications of union workplace organisation, trade union attitudes and the centralised nature of conciliation and arbitration, formal workplace grievance and dispute resolution procedures were historically underutilised by both employers and trade unions.

Types and use of dispute resolution procedures

In addition to the dispute resolution initiatives in the initial C&A Act and the subsequent introduction of Boards of Reference, the parties utilised several alternative arrangements to deal with workplace disputes in industrial agreements and awards. An analysis by the author of this thesis of a random sample of Commonwealth Arbitration Reports in 1920, 1940, 1960 and 1980 indicates that although Boards of Reference were the most prominent mechanism for dealing with disputes, alternative processes included provisions variously titled: 'Board of Conciliation', 'Grievance Committee', 'Board of Advice', 'Conciliation Committee', 'Settlement of disputes or claims', 'Industrial disputes'[2]

Whereas award and agreement provisions concerning Boards of Reference specified membership and the broad functions to be undertaken by a Board, the alternative processes were more specific about the steps to be completed in dealing with a dispute. An example of such a process is the dispute resolution procedure which was determined by agreement between the *Electrical Contractors Federation, Victoria and The Electrical Trades Union of Australia* (1960 CAR, p.904).

> 24. Settlement of disputes or claims
>
> Subject to the Conciliation and Arbitration Act 1904 -1951, any dispute or claim shall be dealt with in the following manner:
>
> (a) The matter shall first be submitted by a local union representative to the supervisory officer or other appropriate officer and, if not settled, to a more senior officer in accordance with local procedure;

[2] Decisions of the Conciliation and Arbitration Court, CAR 14 (1920), CAR 42 (1940) and decisions of the Conciliation and Arbitration Commission, CAR 93 (1959-1960), CAR 94 (1960), CAR 95 (1960), CAR 96 (1960-1961), CAR 232 (1980), CAR 236 (1980), CAR 241 (1980), CAR 243 (1980), CAR 248 (1980).

(b) If not settled, the matter shall be formally submitted by the State Secretary, or other official of the Union to the Electrical Contractors Federation, Victoria;

(c) If the matter is still not settled it shall be submitted to a member of the Commonwealth Conciliation and Arbitration Commission whose decision shall be final and shall be accepted by the parties …

The alternative procedures in both awards and agreements normally included a graduated or multi-step process, which shifted the dispute to increasingly more senior personnel in both the organisation and the union in an effort to resolve the issues in contention. If the matter remained unresolved, the general approach was to provide for arbitration of the matter. Although the majority of dispute resolution procedures provided for a final determination by the Conciliation and Arbitration Court, and subsequently the Conciliation and Arbitration Commission, arbitral processes were also provided by the appointment of "an umpire whose decision shall be final" (Memorandum of Agreement (1915), *J & A Brown and The Federated Engine Drivers & Firemen's Association of Australasia*. 9 CAR, p. 437), and the appointment of "a mutually selected umpire before whom all the facts of the case and the arguments shall be placed" (Memorandum of Agreement (1915), *The Mount Lyall Mining and Railway Company Ltd. and The Federated Engine Drivers and Firemen's Association of Australasia.* 9 CAR, p. 511).

An analysis by the researcher of Commonwealth Arbitration Reports in 1960 indicates that a total of 33 Boards of Reference were inserted into awards or agreements by the Conciliation and Arbitration Commission, whereas only three alternative procedures were included (CAR 93 (1959-1960); CAR 95 (1960); CAR 96 (1960-1961). In 1980 however, whereas a total of 22 Boards of Reference were included in awards or agreements, 24 alternative procedures were incorporated (CAR 232 (1980); CAR 236 (1980); CAR 241 (1980); CAR 248 (1980). Although Boards of Reference continued to be included in awards and agreements during the 1980s, they were being supplanted by alternative procedures, which were more precise in identifying how disputes were to be addressed.

The declining influence of Boards of Reference is further demonstrated in noting that, in 1960, there were a total of 39 appeals from Boards of Reference to the Conciliation and Arbitration Commission (Fifth Annual Report of the President of the Commonwealth Conciliation and Arbitration Commission. 14 August 1960-13 August 1961). In 1980, only one appeal was lodged (Twenty-fourth Annual Report of the President of the Commonwealth Conciliation and Arbitration Commission. Year ended 13 August 1980).

As the industrial relations landscape evolved, the pattern of industrial action also changed. The Australian Bureau of Statistics (ABS) has published a wide range of data concerning industrial disputes in Australia since 1913. The data have consequently provided evidence of patterns of industrial action that indicate that, during the 1950s and 1960s, the average number of days lost per worker was around one or two. By the mid-1970s this average had increased to about three days however, by the end of the decade, slightly more than 80% of strikes lasted three days or less (Hill, Howard & Lansbury, 1982). Short, sharp strikes were perceived as being expressions of protest by workers, reflecting deficient workplace processes to attend to grievances (Dabscheck, 1992).

In other countries strikes are used to impose economic damage on employers. In contrast, short strikes in Australia have been characterised as either a protest against a perceived injustice or an appeal for help (Hill, Howard & Lansbury, 1982). Consistent with the perception that short duration strikes arose from a dearth of workplace processes, or as a protest against a perceived injustice, a survey undertaken by Niland (1978) of data concerning industrial disputes in 1975 identifies that causes of the disputes were predominantly single issues arising within on-going awards or agreements. In this context, he notes that approximately three quarters of all disputes could be regarded principally as rights disputes. The conventional differentiation in Australian labour law is that disputes over rights relate to the interpretation or application of the rights of the parties set out in awards or agreements, whereas interest disputes relate to the making of the terms of employment or the creation of the rights of the parties (Hancock, Fitzgibbon & Polites, 1985).

Multi-step dispute resolution procedures

In 1970 the National Labour Advisory Council (NLAC) published guidelines entitled 'Procedures for Dealing with Industrial Disputes'. The guidelines included a commitment to consultation between employers and employees on matters of mutual interest irrespective of whether or not the matters gave rise to a dispute. Particular attention was paid to the need for both formal and informal means of consultation between management and employees.

In terms of dispute resolution procedures the guidelines provided for a multi-step process in dealing with workplace disputes, consistent with many of the dispute resolution procedures that had evolved during the preceding twenty years. The guidelines proposed that unions and employers would notify each other of the names of their accredited representatives who would make themselves available for consultation. In the event of a dispute, the union representatives were to initially raise any matter affecting the employees they represented with the immediate supervisor, foreman or person in charge of the work. A matter not resolved at this level would then be referred to the employer's representative who would arrange a conference, normally within 24 hours, with the accredited representatives. If this action was unsuccessful, the union representative would then advise the local union official and a further conference would be convened between such officials as the union and employer decide. If the matter remained unresolved, higher level representatives of each side would then be sought. The parties would, at any time, have access to the federal industrial relations commission, or some other mutually acceptable person, for assistance; however, they would not have recourse to the formal processes of the *Conciliation and Arbitration Act* until they had endeavoured to settle their differences in full, in accordance with the suggested procedures.

In support of the NLAC Guidelines, the *Conciliation and Arbitration Act* 1904 was amended in 1972 to encourage employers and trade unions to develop award or agreement based dispute resolution procedures.

> s.20 In dealing with an industrial dispute, the Commission shall, where it appears practical and appropriate to do so, encourage the parties to agree on procedures for preventing and settling, by discussion and agreement, further disputes between the parties or any of them as to industrial matters, with a view to the agreed procedures being included in an award or in a memorandum of agreement having effect as an award.

The NLAC Guidelines and the amendment to the *Conciliation and Arbitration Act* appear to have influenced the development of dispute resolution procedures. In the decade 1947 to 1957 no awards were made which included grievance procedures; however, in 1967 16% of new awards contained procedures (Plowman, 1982). Subsequently, the Commonwealth Department of Employment and Industrial Relations reported that, although the number of awards and agreements in force between 1974 and 1983 had increased by less than 50%, the number containing grievance procedures had increased by almost 160% during the same period (Department of Employment and Industrial Relations, 1983). A later survey conducted by the Department found that 40.8% of 2356 federal awards, agreements and determinations as at 31 May, 1988 included dispute settlement provisions (Department of Employment and Industrial Relations, 1988).

The apparent support for the inclusion of grievance procedures in awards and agreements was confirmed in the Business Council of Australia's Employee Relations Study Commission (Business Council of Australia, 1989), which found that 92.3% of workplaces surveyed had included formal grievance procedures in some or all awards. Whereas this figure implies a high level of procedures in the medium to large business sector, additional evidence in the survey found that procedures were 'always' adhered to in only 22% of workplaces, with 50% of workplaces adhering to the procedures in 'most cases' (Business Council of Australia, 1991). Clearly, the number of grievance procedures in awards and agreements was significant by the mid-1980s; however, these procedures were not necessarily being followed.

In examining the determinants of strikes in large companies in mid-1988, Drago and Wooden (1992, p. 99) contend that dispute resolution procedures had no significant effect. They indicate that:

> This suggests that such procedures are generally ignored, because they are poorly written and implemented, possibly because they are included in awards with little serious intent other than to pacify some party to the system (including tribunal members), or perhaps because discussion procedures are irrelevant when ultimate decision making powers rests elsewhere – in the tribunals.

Notwithstanding the preceding analysis, the level of research concerning workplace dispute resolution in Australia has been largely neglected. The assessment of the existing literature on dispute resolution procedures is that few studies have been undertaken that systematically analyse the structure, nature, purpose and effectiveness of grievance and dispute resolution at the workplace. Derber (1977) indicates that the study of plant level union-management relationships has been neglected and similar concerns relating to workplace dispute resolution have been echoed since by Tillett (2001). There has been something of a preoccupation by scholars on the centralised arbitral aspects of the industrial relations system and this focus may be one reason for the neglect of workplace dispute resolution in the Australian literature (Littler, Quinlan & Kitay, 1992).

Encouraging the development and utilisation of dispute resolution procedures

Despite the dearth of Australian academic literature concerning workplace dispute resolution other than conciliation and arbitration, a significant national examination of a range of issues relating to dispute resolution procedures in awards and agreements was undertaken in the context of the Australian Industrial Relations Law and Systems Committee of Review (The Hancock Committee), established by the Hawke Labor Government in 1983. The Hancock Committee recommended that all awards and agreements should be required to contain procedures for the resolution of grievances during the currency of the award or agreement. Initially, the form of the grievance procedure would be a matter for agreement between the parties; however, if the parties failed to agree, the Commission would be empowered to include an appropriate

grievance procedure. The Committee further recommended that the form of the grievance procedures be based on the NLAC guidelines on 'procedures for dealing with industrial disputes' (Hancock et al., 1985).

Although the Hancock Committee acknowledged that grievance procedures were largely underutilised, the Committee did not initiate any detailed research on the possible reasons for this neglect. Some insights into the reasons for the underutilisation of grievance procedures can be gleaned from a survey of managers and trade union leaders concerning industrial relations reform (Niland & Turner, 1985). The survey notes that some managers believe that grievance procedures would provide an avenue for militant union leaders and 'professional grievers', whereas other managers were concerned that unions would use the grievance procedures to pursue matters with management that would normally be resolved through the discretion and judgement of supervisors. However, union leaders indicated that the problem with grievance procedures was often with low level managers who were unable or unprepared to handle grievances in the established fashion (Niland & Turner, 1985).

Isaac (1985) also identifies several possible explanations for the underutilisation of the procedures. First, shop stewards may not have been granted sufficient authority and status to assert their defacto authority by calling for walkouts. Second, management may have preferred to exercise its rights in relation to work practices, discipline and dismissal rather than discussing these prerogatives. Third, shop stewards and supervisors may not have fully understood the grievance procedures. Fourth, stoppages may have been called in relation to grievances as a means of proceeding to arbitration and thereby having the matters settled. Finally, the arbitration tribunals may have been slow to respond to notification of workplace disputes.

The Hancock Report provided the basis upon which the Hawke Government subsequently introduced the Industrial Relations Bill 1988, which included a range of amendments to the *Conciliation and Arbitration Act* 1904. In addressing the Hancock Committee recommendations relating to grievance procedures in his Second Reading Speech, the then Minister for Industrial Relations, Mr. R. Willis, noted that the

conciliation power did not enable the government to require the Commission to insert grievance procedures in all awards (Hansard, House of Representatives, 28 April, 1988, p. 2337). Notwithstanding this obstacle to the Hancock recommendation, Mr. Willis indicated that, in addition to encouraging the parties to insert grievance procedures in their awards, where procedures existed, the Commission would be required to consider the extent to which the procedures had been followed in deciding whether it will deal with a dispute.

The statutory provision referred to by the Minister was subsequently incorporated as s.92 of the *Industrial Relations Act* 1988 and it provided that:

> s.92 Where the parties to an industrial dispute are bound by an award that provides for procedures for preventing or settling industrial disputes between them, the Commission shall, in considering whether or when it will exercise its powers in relation to the industrial dispute, have regard to the extent to which the procedures (if applicable to the industrial dispute) have been complied with by the parties and the circumstances of any compliance or non-compliance with the procedures.

In the construction of the new Act, section 20 of the *Conciliation and Arbitration Act* 1904 concerning the encouragement to the parties to include dispute resolution procedures in their awards or agreements, was inserted at s.91. Consequently, the two key thrusts referred to by Minister Willis, which were designed to strengthen grievance procedures, coexisted as ss.91 and 92 in the *Industrial Relations Act* 1988. These provisions provided the Commission with the capacity to influence both the development of the procedures and their effective utilisation at the workplace.

Despite the legislative initiatives, findings in the Australian Workplace Industrial Relations Survey (AWIRS) support the proposition that grievance procedures continued to be largely ignored (Callus, Morehead, Cully & Buchanan, 1992). Research undertaken between October 1988 and May 1990 revealed that, even when grievance procedures were in place, they were not always used. Forty per cent of managers in workplaces with a grievance procedure reported it was rarely or never used and, at

workplaces where it was used, over a third indicated the process had not been used in the year prior to the survey. Interestingly, the AWIRS report indicated that 70% of managers reported involvement in handling employee grievances in the previous year, which is a clear indication that grievance handling, although widespread, did not necessarily include the use of grievance procedures. In speculating on the reasons for the low utilisation of dispute resolution procedures, Dabscheck (1992, p. 79) suggests that employers, companies and unions might have decided on the basis of "an intuitive cost-benefit analysis" to avoid the use of procedures despite their inclusion in awards and agreements.

The low utilisation of dispute resolution procedures identified in the 1991 AWIRS report was further confirmed in the 1995 AWIRS report (Morehead, Steele, Alexander, Stephen & Duffin, 1997, p. 130). Although there had been an increase in the number of workplaces with grievance procedures from 49% in 1990 to 71% in 1995, 32% of managers reported that grievance procedures were "rarely used".

Renewed support for dispute resolution procedures

Although the history of dispute resolution procedures indicates that they had been underutilised for most of the first ninety years or so of Australia's system of industrial relations, these processes gained some renewed support in 1993. The *Industrial Relations Act* 1993 provided that, for the purposes of certifying enterprise agreements, organisations must include procedures for "preventing and settling disputes between the employers and employees covered by the agreement about matters arising under the agreement" (s.170MC).

With the introduction of the *Workplace Relations Act* 1996 (WRA), there was even more importance placed on the need for effective dispute resolution procedures because of the reduction of the arbitral powers of the AIRC (s.3(c)), and the renewed emphasis on employers and employees being required to determine matters affecting their relationship (s.3(c)). The mandatory nature of dispute resolution procedures introduced in the 1993 legislation was maintained in the WRA with one significant difference arising from the introduction of Australian Workplace Agreements (AWAs): although

the legislation required that certified agreements were required to include dispute resolution procedures for the purpose of "preventing and settling disputes about matters arising under the agreement"(s.170LT (8)), in the case of AWAs, the requirement was that "the employer must ensure that the AWA includes a dispute resolution procedure" (s.170VG (3)). If an AWA did not include a dispute resolution process, a default procedure was to be incorporated "as prescribed by the regulations" (s.170VG (3)). The default provision for AWAs prescribed by sub-regulation 30ZI (2) (WRA, Schedule 9) provided that attempts to resolve 'any matter' in dispute between the parties to an AWA were to occur at the workplace. The process to be used was based on a multi-step model with discussions involving senior levels of management as appropriate if the matter could not be resolved between the parties. If the dispute could not be resolved at the workplace, either party was able to refer the dispute to mediation.

The introduction of mediation as the centre-piece of the default dispute resolution procedure for AWAs was the first of several initiatives implemented by the then Minister for Employment, Workplace Relations and Small Business, Mr. P. Reith, to introduce dispute resolution procedures that provided an alternative to the traditional conciliation and arbitration processes of the AIRC. He published a Ministerial Discussion Paper titled 'Approaches to Dispute Resolution: A Role for Mediation?'(Reith, 1998), and subsequently proposed the voluntary use of mediation as an alternative to the AIRC in introducing the Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill into the Parliament in 1999. The More Jobs, Better Pay Bill was rejected by the Senate and consequently the proposed mediation alternative did not eventuate.

Despite the level of detail in the AWA default procedure this process contained several matters that could provoke considerable confusion and uncertainty (Wolski, 1998). For example, although the WRA provided that certified agreements were to include procedures for preventing and settling industrial disputes "about matters arising under the agreement" (s.170LT (8)), no such requirement was necessary for dispute resolution procedures in AWAs. Consequently, the procedure was wide enough to include any

disputes that may have arisen between the parties to an AWA. This possibility represented a significant difference between the procedures for certified agreements and AWAs, and presumably included 'interest' disputes arising from the negotiation of future AWAs, as well as any other matter arising from the employment relationship.

An additional important issue of ambiguity related to the question of the process by which a dispute might be resolved if mediation was unable to achieve a mutually agreeable outcome. The conventional process for dealing with such circumstances in the NLAC model of dispute resolution procedures was the provision of arbitration; however, no such process was incorporated within the default procedure concerning mediation and the question of unresolved issues was rejected. This approach was, however, consistent with the Objects of the Act, which provided that the parties are required "to determine matters affecting their relationship" (s.93).

The mandatory requirement for including dispute resolution procedures in all workplace agreements from 1993 appears to have increased the utilisation of the procedures and the range of matters being dealt with. Research undertaken by Forbes-Mewett, Griffin and McKenzie (2003) indicates that, despite the restrictive intentions of s.89A(2) of the WRA dealing with 'allowable matters', the AIRC continued to deal with a wide range of issues including "normal core issues, such as wages and working conditions, but also 'managerial' type issues such as staffing levels and the use of contractors and casual labour; day to day issues such as workloads, work scheduling and disciplinary procedures; and policy issues such as consultation procedures and promotion" (Forbes-Mewett et al., p. 8). Consequently, numerous participants in the research referred to the AIRC as a "dumping ground" (Forbes-Mewett et al., p. 8) for many issues that should have been dealt with at the workplace.

Although s.92 of the WRA, which was the same provision introduced into the *Industrial Relations Act* 1988, afforded the AIRC power to reject an application if workplace dispute resolution procedures had not been followed, members of the Commission expressed divided opinions concerning its application. Some members contended that, regardless of workplace based procedures, they had a statutory obligation to 'prevent

and settle industrial disputes' and that, if the parties agreed they could not resolve a matter, regardless of whether or not they had utilised workplace procedures, the Commission had an obligation to hear the matter (Forbes-Mewett, et al., 2003).

WorkChoices

Although the WRA had sought to reinforce the role of dispute resolution procedures at the workplace, there was, however, an obvious discrepancy between the rhetoric of the Act and the reality, at both the workplace and the AIRC. This situation seems to have been recognised in the introduction of the *Workplace Relations Amendment (Work Choices) Act* 2005, (hereinafter referred to as *Work Choices*), which introduced radical changes to the role of the AIRC in dealing with workplace disputes.

The commitment of the Howard Government to a decentralised system of industrial relations was epitomised in Part 13 of *Work Choices*. Dispute resolution was encouraged at the workplace using alternative dispute resolution processes of the parties' own choosing and, if no choice was made, a model dispute resolution process applied. In essence, the previous capacity of the AIRC to deal with disputes as it had under the provisions of the WRA was curtailed.

The introduction of alternative dispute resolution centred primarily on the use of mediation (Van Gramberg, 2006). Mediation provided a process whereby the parties in dispute came together voluntarily to seek a mutually acceptable settlement. The key characteristics of mediation are captured in the definition of mediation determined by the National Alternative Dispute Resolution Advisory Council (NADRAC. 1997, p.1):

> Mediation is a process in which the parties to a dispute, with the assistance of a neutral third party (the mediator), identify the disputed issues, develop options, consider alternatives and endeavour to reach an agreement. The mediator has no advisory or determinative role in regard to the content of the dispute or the outcome of its resolution, but may advise on or determine the process of mediation whereby resolution is attempted.

In spite of the significant changes that were introduced to the AIRC, the Act was not specific regarding the requirements to deal with disputes at the workplace. Apart from specifying that "[t]he parties must genuinely attempt to resolve the dispute at the workplace level" (s.695), the Act included a footnote that suggested a limited multi-step process: "This may involve an affected employee first discussing the matter in dispute with his or her supervisor, then with more senior management" (s.695). As the Act had reduced the powers of the AIRC and reinforced the need for employers and employees to deal with disputes at the workplace level, the structure and processes to be included in dispute resolution procedures was a matter to be determined by negotiation between the workplace parties.

The dispute resolution provisions introduced in *Work Choices* were, at that stage, the most recent iteration of what appears to have been an historical obsession by Australia's political parties concerning the way in which workplace disputes may be dealt with. From the highly legalistic approach of the first wave of labour law in 1904, to Boards of Reference, grievance and conciliation committees, legislative mandates for dispute resolution procedures, the introduction of mediation as an alternative to conciliation and arbitration, the shift of responsibility for resolving disputes from a centralised system to the workplace parties, and the introduction of alternative dispute resolution options, there has been a cavalcade of approaches in the period 1904–2006. It is noted; however, that notwithstanding the various approaches, since 1993 there has been an almost constant acceptance of a multi-step model by the workplace parties. This is a matter that is discussed further in Chapter 8.

Conclusion

In exploring the development of dispute resolution procedures through analysing primary legal documents and reviewing secondary literature, this chapter identifies the types of procedures that emerged during the formative stages of Australia's system of industrial relations-labour law, and explores the influences that contributed to the development of procedures that were available to the workplace parties on an informal basis, and in awards and agreements. The chapter notes that by the 1950s Boards of Reference were being supplanted by alternative processes which were variously referred

to as ‘Boards of Conciliation’, Conciliation Committees’, and ‘Grievance Committees’. In turn, those procedures were ultimately displaced in the 1970s/1980s by a graduated multi-step model. In spite of the evolutionary nature of the procedures it was evident that by the end of the 1980s/early 1990s there was a continued low level of utilisation of the procedures by the workplace parties.

Research suggests that as a result of the provisions in the *Industrial Relations Act* 1993 there was increased utilisation of dispute resolution procedures which addressed a wide range of workplace issues (Forbes-Mewett et al. 2003). Although some initiatives were taken to introduce mediation and other alternative dispute resolution procedures, the multi-step model continued to be incorporated in workplace agreements. Paradoxically, the multi-step model has been a constant feature of dispute resolution procedures in Australian workplaces yet we know little of its structure, role and effectiveness. Despite the dearth of research concerning the multi-step model, this study questions its continued relevance. This is a matter that is developed further in Chapter 8.

. Although this chapter, of necessity, takes a broad view of Australia’s labour history as it relates to dispute resolution, it nevertheless, provides an important insight into the evolution and development of multi-step procedures in Australian workplaces. In seeking to clarify the extent to which multi-step dispute resolution procedures are utilised in Australian workplaces, and to explore their structure and processes, Chapter 8 undertakes a study of a random sample of procedures in certified agreements during the period 2005-2006.

CHAPTER 8

DISPUTE RESOLUTION PROCEDURES IN WORKPLACE AGREEMENTS: AN ASSESSMENT OF UTILISATION AND KEY CHARACTERISTICS

Introduction:

The purpose of this chapter is to examine the extent to which multi-step dispute resolution procedures are utilised in Australian workplaces, and provide a snapshot of the key characteristics of the procedures. Although Chapter 7 provides an historical framework for the development of multi-step dispute resolution procedures, there remains a paucity of Australian research concerning the use, structure and operation of the procedures. Consequently, this chapter utilises a content analysis approach to identify the structure, key characteristics and utilisation of dispute resolution procedures contained within a random selection of enterprise agreements certified by the Australian Industrial Relations Commission (AIRC) during 2005/2006. Refer Appendix 4 for a list of the agreements.

Exploring the structure, key characteristics and utilisation of dispute resolution procedures

The following discussion explores the structure, key characteristics and utilisation of a random sample of dispute resolution procedures and identifies the outcomes of a content analysis of data arising from six questions.

The objectives of Fairness and Justice

As is indicated in chapter 7, the analysis of the history and development of multi-step procedures in Australian workplaces is replete with explanations of the structures and processes concerning the various approaches to dispute resolution (e.g. de Vyver, 1971; National Labour Advisory Council [NLAC], 1970; Hancock Inquiry, 1985). There is

limited evidence, however, that the procedures in their various forms at the workplace level were underpinned by any clearly defined objectives or goals.

Given the changing nature of the statutory framework concerning federal workplace laws since 1993, which has seen a shift from a centralised system of industrial relations to one which is centred on individual enterprises, there has been a corresponding emphasis placed on the workplace parties to deal with disputes at the workplace level (Forbes-Mewett, Griffin & McKenzie, 2003). Within this context, this discussion provides the basis upon which the following data identifies the extent to which the workplace parties may have included objectives or goals concerning fairness or justice in dispute resolution procedures in workplace agreements in 2005/2006.

As is noted in chapter 3, workplace justice has the potential to influence a range of organisational factors including the provision of 'voice', job satisfaction, work performance, organisational support and organisational commitment (Colquitt, Conlon, Wesson, Porter & Ng, 2001; Cohen-Charash & Spector, 2001). Notwithstanding the potentially wide-ranging influence in organisations of fairness and justice this question is directed specifically at the extent to which the parties identify fairness or justice as key objectives or goals in dispute resolution procedures.

Objectives or goals were identified from a search of headings in dispute resolution procedures including the terms 'objectives' or 'goals', or where the text of the procedure included references to concepts of fairness or justice.

Union agreements:

Although 18 (30%) dispute resolution procedures include objectives or goals, they are primarily broadly based commitments as is evident from the following examples:

The Chevron Construction Company Pty Ltd (Trading as Basic Construction Services) and CFMEU Agreement 2006 provides that:

> Part 2 - Communication, Consultation and Dispute Resolution
>
> 2.1 Grievance and dispute resolution procedures

> As part of its obligation for a better working environment the company will implement a management plan that addresses potential issues of dispute and defuses the potential where possible.
>
> This will include organising seminars on the Dispute Settlement procedure for Management, Organisers and Employee Representatives. (Agreement 865571. Building, Metal and Civil Construction Industries);

The Woodside Petroleum (WA Oil) Pty Ltd – MUA 'Cossack Pioneer' Certified Agreement 2006 provides that:

> Employee Relations Procedures (Preventing and Settling Disputes)
>
> The Company, the MUA and employees bound by this agreement are committed to sound employee relations based on mutual trust, open communication and pro-active consultative processes. Best endeavours will be used to resolve issues at the lowest possible level in the organisation structure where the issues arise. (Agreement 847923. Oil and Gas Industry);

Other procedures focus on production matters as is evident from the following extract:

The X Treme (Trading as X Treme Coatings Solid Plastering) and the CFMEU Building and Construction Industry Enterprise Agreement 2005 – 2008 provides that:

> Disputes Resolution Procedure
>
> A major objective of this Agreement is to eliminate lost time and/or production arising out of disputes or grievances. Disputes over any work related or industrial matter or any matters arising out of the operation of the Agreement or incidental to the operation of the Agreement should be dealt with as close to its source as possible...

(Agreement 865375. Building, Metal and Civil Construction Industries.)

Despite these differing approaches, 42 (70%) dispute resolution procedures do not specify any objectives. While acknowledging that some of the 18 (30%) procedures that include broad objectives use language that may imply concepts of fairness and justice, no procedures specifically refer to fairness and justice as objectives or goals. The procedure that most closely reflects a commitment to fairness and justice perspectives is the Toyota Australia Workplace Agreement (Port Melbourne, Sydney and Regions) 2005 which includes the following:

Problem Resolution and Disputes Avoidance Procedure

18.1 Dispute and problem resolution will be through consultation, negotiation and conciliation. It will be a fundamental principle that while Problem Resolution Procedures are taking effect, the Union, through the Servicing Officer and the Employee Representatives will use their best endeavours to prevent industrial action. During the life of this agreement all parties agree that they will not authorise any actions leading to the interruption of TMCA's operation in relation to matters contained in this agreement

18.2 The parties agree that the shared objectives may be best assisted by:

- The continued improvement of efficiency, productivity and flexibility;
- The enhancement of employee health and safety;
- The quick resolution of employee concerns at shop floor level through the agreed Problem Resolution Procedure;
- Recognition of the need for continuous improvement;

- Recognition of the worth and dignity of all employees;
- The development of closer working relationships including the development of agreed educational programs.

> 18.3 We respect others, make every effort to understand each other, take responsibility and do our best to build mutual trust. Central to the achievement of consistency and continuity in TMCA operations is the commitment of all parties to effective dispute and Problem resolution through consultation, negotiation and conciliation. (Agreement 841019, Vehicle Industry.)

Non-union agreements:

Only one non-union agreement includes objectives that reflect fairness and justice perspectives (Refer AAMI Enterprise Agreement, 2005 discussed below). The overwhelming majority of the remaining non-union agreements do not include any specific objectives or goals; however, the small numbers that do, identify broadly based objectives as is evident from the following examples:

The APCO Service Stations Pty Ltd. Class 40 & 'B' Double Drivers Certified Agreement 2006 provides that:

> Settlement of Disputes or Grievances
>
> All parties to this Agreement are committed to a clear and concise procedure for the settlement of disputes or grievances. (Agreement 846813. Private Transport Industry.)

The Christmas Australia Pty Ltd. Certified Agreement 2006 provides that:

> Dispute Resolution Procedure
>
> All disputes or grievances arising between the Employer and Employees shall as far as practical be resolved through consultation

> among all of the parties within the Company. (Agreement 848917. Wholesale and Retail Trade.)

The Brown Brothers Milawa Vineyard Agreement 2005 provides that:

> Disputes Resolution Procedure
>
> The purpose of this Dispute Resolution Procedure is to allow all persons bound by this Agreement access to a system to discuss and resolve all matters of grievance and dispute, including matters of this Agreement. All parties agree to undertake the necessary steps to ensure that all issues receive prompt attention.
>
> The objective of the persons bound by this Agreement involved in a dispute should be to resolve it at their level. At any time during a dispute any party in the process may request the use of an appropriate representative or an employee from the Operations Services Department to assist in resolving the matter. The objective of such assistance is to recommend possible solutions rather than enforce outcomes. (Agreement 843814. Liquor and Accommodation Industry.)

The only non-union dispute resolution procedure which includes objectives that reflect fairness and justice perspectives is the AAMI Enterprise Agreement 2005 which includes the following:

> Resolving workplace issues
>
> 7.1 How to resolve workplace issues
>
> AAMI acknowledges that conflicts or disputes may arise regarding the interpretation, application or operation of this Agreement or in relation to an individual's employment e.g. rostered hours, performance reviews or management issues. By utilising the Resolving Workplace Issues process, AAMI believes that it is possible to settle workplace conflicts or issues directly with employees and within the workplace. For the

purposes of this clause the timeframes indicated are a guide and should be followed where practicable.

7.1.1 Intention of procedure

This procedure is intended to encourage open communication between all employees, so that disputes are resolved amicably and fairly with a satisfactory outcome for all parties.

7.1.2 Is it a dispute or a query?

If your grievance is because you are unsure of the provisions of this Agreement, or you wish to seek clarification on any aspect of the Agreement, you should begin by making a query. This should be made with your supervisor or Enterprise Agreement Committee representative, who will make reasonable efforts to respond to your query within two days.

If you are not comfortable going to your supervisor or your query is not answered to your satisfaction, you should take up the matter with the Department Manager. The Department Manager will make reasonable efforts to respond to your query within three days.

If after receiving your Manager's response, you believe you are not being given the full entitlements under the agreement, you should follow the disputes process.

7.1.3 Characteristics of the dispute resolution process

(a) Confidentiality

Only the people directly involved in making or investigating the dispute and the person subject to the dispute will have access to information about the dispute. A breach in confidentiality may lead to disciplinary

action. All parties involved in the investigation, including witnesses, will be made aware of the consequences of breaching confidentiality.

(b) Objectivity

All parties will have an opportunity to tell their side of the story. No assumptions or judgements will be made and no action will be taken until all relevant information has been collected.

(c) Free of repercussions

AAMI gives an undertaking that no employee or witness will be victimised or disadvantaged for raising a dispute or being involved in an investigation.

(d) Sense of urgency

All disputes will be dealt with as quickly as possible.

(e) Respect for the individual

The process provides the person with some choice of who to go to if they have a dispute and where to start the complaint. The process is designed to respect the needs of the parties involved.

(f) Representation

All parties have the right to advice or representation at any stage of the disputes process. (Agreement 843014. Insurance Industry)

Although a range of broad objectives are included in some Union and Non-Union dispute resolution procedures the overwhelming majority do not include objectives of any sort, and none specifically refer to fairness and justice as core objectives.

The number of 'steps' in dispute resolution procedures

Despite the history of dispute resolution procedures in Australian workplaces limited information is known of the structure of the procedures in terms of the number of 'steps' which might be included. Steps were identified in the procedures by sub-headings which identified steps or stages in numerical order, or by an indication in the text that one process led to another.

While it is not the purpose of this discussion to provide an extensive analysis of the number of steps in dispute resolution procedures, it is intended to provide a broad understanding of the extent to which union and non-union agreements provide opportunities for disputing parties to potentially involve other parties in the negotiation process in seeking to resolve a dispute. Although it is acknowledged that negotiation is the customary dispute resolution procedure used within the multi-step model, an examination is also made of any additional procedures that are included within the multi-step process, with the exception of the final step, which relates specifically to the procedures utilised to deal with unresolved disputes. Aspects of the final step are discussed below.

Union agreements

(a) Number of steps

Dispute resolution provisions in union agreements range from three steps to seven steps (See Table 1). The majority of agreements provide for multi-step procedures based on four to five steps. The following examples provide an indication of the number of steps in union agreements.

The Toyota Australia Workplace Agreement (Port Melbourne, Sydney and Regions) 2005 provides that:

> 18.6 Problem Resolution Procedure
>
> Step 1 – If Supervision/Management Representative does not resolve the Problem to the satisfaction of the employee/s, the employee/s may

seek assistance of the Employee Representative for the Designated Work Area (DWA).

Step 2 – Where an Employee Representative raises a Problem, it should be taken up firstly with the local Supervision/management representative (i.e. GL, GF), who will commit to work with the Employee Representative to Resolve the issue within the first 24 hours of it occurring.

Step 3 – If the Problem is still not resolved to the satisfaction of the employee/s with the Problem, the Employee Representative may raise a formal Grievance detailing the nature of the Problem, and suggested resolutions. Grievance to be responded within 24 hours or by agreement.

Step 4 – If the Problem is still not resolved by the response to the Grievance, the matter may be taken up by the Senior Employee Representative for the relevant area together with the Manager of the Department in which the Problem exists. At this point only those people with a direct involvement with the Problem, and the Senior Employee Representative and Manager will be involved with the matter within 24 hours or by agreement following notification of rejection of response.

Step 5 – If the Problem is not resolved at this point the Site Senior Employee Representative Co-ordinator, Human Resources and other relevant union official if required will get involved with the next level Manager to seek to resolve the matter within 24 hours or by agreement.

Step 6 – If the matter is still unresolved after Step 5, the party who wishes to pursue the Grievance has the opportunity to refer the matter to the Problem Resolution Committee.

Step 7 – If the matter is still unresolved after Step 6, the party who wishes to pursue the Grievance has the opportunity to refer the matter to the AIRC. The

parties recognise that referral to the AIRC provides the Commission with both power to conciliate and arbitrate outcomes. Acceptance of this process will not act to prejudice the rights of either party to appeal either within the AIRC or other jurisdiction. (Agreement 841019. Vehicle Industry);The Dalrymple Bay Coal Terminal Expansion Project Partnership Agreement 2005 (Guard Rail Installations) provides that:

12.1 Dispute Resolution Procedure

(a) A dispute that arises in respect of the employment of employees whose employment is subject to this Agreement (other than disciplinary matters which shall be progressed through the employee disciplinary procedure) shall be progressed as follows:

(1) Step 1 – the employee concerned will raise the matter with the appropriate leading hand or supervisor for resolution.
(2) Step 2 – not resolved, the employee will raise the matter with the next more senior manager of the Employee for resolution.
(3) Step 3 – not resolved, the matter will be referred to the Site Construction Manager or their delegate/nominee.
(4) Step 4 – still not resolved, the matter may be referred by either party to the Australian Industrial Relations Commission for conciliation. (Agreement 845850. Electrical Contracting Industry);

The Cairns Community Legal Centre Inc. Agreement 2006 provides that:

14. Employee Grievance Procedure

14.1 Subject to the *Workplace Relations Act* (1996), any dispute and/or grievance arising out of the operation of this agreement, other than a dispute or grievance arising directly from an employer's concern about an employee's work performance or conduct, shall be dealt with in the following manner:

14.1.1 In the first instance, the employee shall attempt to resolve the grievance with his/her immediate supervisor or employer and may have a union representative or other nominated representative present if the employee so desires.

14.1.2 Where any such attempt at settlement has failed, or where the dispute or claim is of such a nature that a direct discussion between the employee and his/her immediate supervisor or employer would be inappropriate, the employee may notify his/her representative who, if he/she considers there is some substance in the dispute or claim, may forthwith take the matter up with the employer, and a meeting shall be arranged.

14.1.3 While the parties attempt to resolve the matter work will continue as normal unless an employee has a reasonable concern about an imminent risk to his or her health and safety.

14.1.4 If the matter is still unresolved it shall be submitted to the Australian Industrial Relations Commission, or other appropriate body, for conciliation and arbitration if necessary. (Agreement 846611. Health and Welfare)

(b) Dispute resolution procedures utilised within the steps

Other than the final step, a total of 54 (90%) dispute resolution provisions provide no indication of dispute resolution processes to be conducted within the steps. Thus, it is assumed that negotiation is the process to be undertaken. Of the remaining six (10%) dispute resolution provisions references are made to the following procedures within the step process:

- An exchange of written submissions prior to discussion (1);
- Conferencing (1);

- Mediation (2);
- Disputes Committee (1);
- Refer to Director for resolution (1).

Non-union agreements

Dispute resolution provisions in non-union agreements range from three steps to five steps (See Table 1). The majority of agreements provide for multi-step processes based on three to four steps. The following examples provide an indication of the number of steps in non-union agreements.

The Promina Certified Agreement 2006 provides that:

> 44. Dispute Settlement Procedure
>
> 44.1 The following procedure will be followed to resolve disputes about the terms of this Agreement:
>
> 44.1.1 as soon as practicable after a dispute arises, the relevant Employee must raise the dispute with the relevant team leader to resolve it;
>
> 44.1.2 if it is inappropriate for the Employee to raise the dispute with his or her relevant team leader, or if the Employee does not report to a team leader, or the dispute has not been satisfactorily resolved, the Employee must refer the dispute to the relevant manager;
>
> 44.1.3 if the dispute has not been resolved or if it is not appropriate for the Employee to raise the dispute with the relevant Manager, the Employee must refer the dispute to People & Culture;
>
> 44.1.4 if the dispute is still not resolved, the Employee and Promina may agree to have a conciliator or mediator appointed to try to resolve the dispute through conciliation or mediation, alternatively the

Commission can be requested to settle the dispute by conciliation only. (Agreement 847481. Insurance Industry);

The Christmas Australia Pty Ltd Certified Agreement 2006 provides that:

22. Dispute Resolution Procedure

22.1 All disputes or grievances arising between the Employer and Employee shall as far as practical be resolved through consultation among all of the parties within the Company. Accordingly the following procedure shall be followed:

22.1.1 initially the Employee shall discuss any grievance, dispute or claim with their Manager.

22.1.2 where there is no satisfactory resolution arising from the discussions between the Employee and his/her Manager that may agree to involve other Employees on a confidential and informal basis.

22.1.3 where there is no satisfactory resolution through the discussions with the Manager the aggrieved Employee may seek to discuss the matter with the Employer.

22.1.4 should the matter involve interpretation of this Agreement the Employee and the Employer may agree on the involvement of an impartial third party from outside the Company who can assist them to reach a mutually acceptable outcome (where this involves junior Employee's parents may also be involved in the discussion).

22.2 If not settled, the parties may, as a last resort and only after all alternative avenues specified in clause 22.1 above have been genuinely attempted and exhausted, request the Commission to conciliate and where necessary arbitrate disputes about the application of this Agreement. (Agreement 848917. Wholesale and Retail Trade);

The BOATC Enterprise Agreement 2005 provides that:

> 23. Dispute Settling Procedure
>
> 23.1 In the event of a dispute arising between the company and employee(s), any matter which remains in dispute after it has been considered jointly by the appropriate supervisor and by the employee(s) shall then be examined by the company's personnel/human resources representative (or appropriate officer) and the employee and/or their representative.
>
> 23.2 If the dispute thereafter remains unresolved the question shall be discussed between the company's representative and the employee and/or a representative of the employee, both of whom shall take all reasonable steps to settle the dispute within seven days.
>
> 23.3 If the dispute remains unsettled after the procedure specified in 23.1 and/or 23.2 hereof has been concluded the matter shall be notified to the Australian Industrial Relations Commission for resolution. The parties agree to be bound by any order of the Australian Industrial Relations Commission.
>
> (Agreement 842874. Travel Industry).

Other than the final step, a total of 33 (82.5%) dispute resolution provisions provide no indication of dispute resolution processes to be conducted within the steps. Thus, it is assumed that negotiation is the process to be undertaken. Of the remaining seven (17.5%) dispute resolution provisions references are made to the following procedures within the step process:

- Mediation (4);
- Investigation (1);
- Exchange of written submissions (1);

- Conciliation (1).

There are minor differences in the number of steps in Union and Non-Union dispute resolution procedures. Within the procedures the overwhelming majority of both Union and Non-Union procedures do not specify any dispute resolution processes to be utilised by the parties in dealing with a conflict. It is evident that negotiation is the primary process by which matters in dispute are to be dealt with, and it is notable that only a small number of procedures referred to mediation and there is no reference to alternative dispute resolution.

Matters that can be dealt with by dispute resolution procedures

Although the statutory provisions concerning dispute resolution procedures have, since 1993, consistently provided that they are to be utilised for the purpose of dealing with "matters arising under the agreement" (e.g. s. 170MC, Industrial Relations Act, 1993), research by Forbes-Mewett et al. (2003) indicates that the workplace parties have regularly utilised dispute resolution provisions for a wide range of disputes. Given this background, this discussion provides the basis upon which the following data will assist in identifying the extent to which dispute resolution provisions are either limited to 'matters arising under the agreement', or provide for a broader range of matters that may be considered.

Union agreements

A total of 48 (80%) union agreements include dispute resolution procedures which can be used to deal with a wide range of issues including '*grievances'*, '*disputes*', '*employee concerns'*, '*issues*' or '*matters*', while the remaining 12 (20%) limit the scope of the dispute resolution procedures to *'matters arising under the agreement'.*

The following examples provide an indication of the type of provisions concerning scope or range of matters that may be dealt with in union agreements.

The TCT Construction Pty Ltd Enterprise agreement 2006-2009 provides that:

> 21. The parties acknowledge that this agreement is designed to place maximum emphasis on the peaceful settlement of <u>all disputes</u>. (Agreement 847059.) (Note: Emphasis added)

The Toyota Australia Workplace Agreement (Port Melbourne, Sydney and Regions) 2005 provides that:

> 18. Problem Resolution and Disputes Avoidance Procedure.
>
> 18.7 'Problem' can include <u>any work related matter</u>. (Agreement 841019) (Note: Emphasis added)

The Victorian WorkCover Authority Certified Agreement 2005 – 2008 provides that:

> 66.1 When a dispute arises <u>about matters contained in this Agreement</u>, the following steps must be followed by the parties: (Agreement 846833.) (Note: emphasis added).

Non-union agreements

A total of 54 (90%) non-union agreements include dispute resolution procedures which can be used to deal with a wide range of issues including '*all disputes and grievances'*, '*any matter in dispute'* or *'conflicts'*. The remaining six (10%) agreements limit their scope to *'matters arising from the agreement'*

The following examples provide an indication of the type of provisions concerning scope or range of matters that may be dealt with in non-union agreements.

The Bakers Delight Allambie Heights Certified Agreement 2005 provides that:

> 22.1.1 The aim of this procedure is to effectively resolve <u>any employee concerns</u> arising, in an appropriate manner... (Agreement 8466000) (Note: Emphasis added)

The Alexander Lea Pty Ltd. Certified Agreement 2006 provides that:

> 22.1 <u>All disputes or grievances arising between the Employer and Employees</u> shall as far as practical be resolved through consultation among all of the parties within the Company. (Agreement 865186) (Note: Emphasis added)

The Promina Certified Agreement 2006 provides that:

> 44.1 The following procedure will be followed to resolve <u>disputes about the terms</u> <u>of this agreement</u>. (Agreement 847481) (Note: Emphasis added)

The overwhelming majority of both Union and Non-Union dispute resolution procedures provide that a wide range of issues can be dealt with by the procedures. This raises the question as to whether multi-step procedures are capable of effectively dealing with a potentially diverse and complex array of conflict types.

The use of external bodies or individuals

As Chapter 7 notes, the AIRC and its predecessors have historically played a significant role in dealing with disputes that, for one reason or another, have not been resolved at the workplace. However, given the changing legislative circumstances, and the diminishing influence of the AIRC there has been an emerging growth in the role of independent dispute resolution providers as an alternative to the AIRC (Van Gramberg, 2006). This discussion provides the basis upon which the following data will assist in identifying the extent to which the workplace parties identify alternative third parties for the purposes of dealing with disputes that have not been resolved by negotiation through the multi-step process

Union agreements

A total of 55 (91.6%) dispute resolution provisions in union agreements indicate that unresolved disputes can be referred to the AIRC. Of the remaining five (8.4%) agreements the dispute resolution provisions provide for unresolved disputes to be referred to:

- The AIRC or an agreed mediator (2);
- The AIRC or an appropriate Court (1);
- The AIRC or private arbitrator (1).

Note: One agreement made no reference to the resolution of unresolved disputes

Within the agreements, it is notable that the building, metal and civil construction industry, the electrical and communications industry, and the metal industry provide that disputes will initially be dealt with by:

- The Victorian Building Industry Disputes Panel;
- The Electrical and Communications Industry Disputes Board; and

- The Victorian Metal Engineering and Associated Industries Disputes Panel.

The Building Industry Disputes Panel and the Electrical and Communication Disputes Board provide that matters may be referred to the AIRC for further consideration in certain circumstances. The Metal Engineering and Associated Industries Disputes Panel does not refer to any role for the AIRC or other bodies or individuals.

Non-union agreements

A total of 33 (82.5%) dispute resolution provisions in non-union agreements indicate that unresolved disputes can be referred to the AIRC. Of the remaining seven (17.5%) agreements the dispute resolution provisions provide for unresolved disputes to be referred to:

- An impartial third party (4);
- An agreed mediator (1);
- The AIRC or an independent conciliator (1).

Note: One agreement made no reference to the resolution of unresolved disputes.

The overwhelming majority of both Union and Non-Union dispute resolution procedures indicate that disputes that are unresolved through the multi-step process are to be referred to the AIRC for further consideration. Mediation and the use of an impartial third-party are only referred to in a small number of procedures and alternative dispute resolution are not referred to in any Union or Non-Union procedure.

Utilising various dispute resolution procedures

Although conciliation and arbitration have been the traditional dispute resolution processes used by AIRC, there is an emerging growth in the use of mediation (Van Gramberg, 2006), and a range of alternative dispute resolution (ADR) procedures were proposed in *Work Choices*. This discussion provides the basis upon which the following data will assist in identifying the extent to which there may have been a shift from the traditional processes of conciliation and arbitration to mediation or other ADR processes

Union agreements

A total of 39 (65%) dispute resolution provisions in union agreements provide that the external body or individual dealing with unresolved disputes shall utilise conciliation and arbitration as the dispute resolution procedure. Of the remaining 21 (35%) agreements the dispute resolution provisions provide for unresolved disputes to be referred for:

- Determination (5);
- Resolution (1);
- Final decision (2);
- Arbitration (1);
- Conciliation (4);
- Mediation (2);
- Assistance (1);
- Resolution by the parties (1);

Note: Four agreements made no reference to the resolution of unresolved disputes.

It is noted that there are 13 agreements that provide for 'determination', 'resolution' 'final decision', 'arbitration' and 'conciliation'. If they are included in the overall processes of conciliation and arbitration the total number of agreements that provide for conciliation and arbitration is 39 + 13 = 52 (86.6%).

Non-union agreements

A total of 15 (37.5%) dispute resolution provisions in non-union agreements provide that the external body or individual dealing with unresolved disputes shall utilise conciliation and arbitration as the dispute resolution procedure. Of the remaining 25 (62.5%) agreements the dispute resolution provisions provide for unresolved disputes to be referred for:

- Conciliation (10);
- Determination (2);
- Resolution (2);
- Arbitration (1);
- Mutually acceptable outcome (3);
- Mediation (1);

Note: Six agreements made no reference to the resolution of unresolved disputes.

It is noted that there are 15 agreements that provide for ‘conciliation’, ‘determination’, ‘resolution’, and ‘arbitration. If they are included in the overall processes of conciliation and arbitration the total number of agreements that provide for conciliation and arbitration is 15 + 15 = 30 (75%).

Both Union and Non-Union dispute resolution procedures indicate that conciliation and arbitration are overwhelmingly preferred as the processes by which external dispute resolvers should attempt to resolve conflict. Mediation is only referred to in a small number of procedures and there is no reference to alternative dispute resolution.

Defining dispute resolution terms

In light of the changing nature of dispute resolution and the introduction of different dispute resolution providers and processes, considerable uncertainty could arise from the use of a range of dispute resolution terms. This discussion therefore provides the basis upon which the following data identifies the extent to which dispute resolution procedures incorporate definitions or other explanations of the various dispute resolution terms that may be used.

Union agreements

No agreements provide definitions for any of the dispute resolution terms used in the dispute resolution procedures. An example of the ambiguity in one dispute resolution

procedure is that unresolved disputes are to be referred to "the AIRC or an agreed mediator for conciliation" (Unisuper Management Pty Ltd Certified Agreement 2005, AG845901)

Non-union agreements

No agreements provide definitions for any of the dispute resolution terms used in the dispute resolution procedures. An example of the ambiguity in one non-union procedure, in addition to the general uncertainty arising from the use of 'conciliation' and 'mediation', is that "if settlement of the matter(s) in dispute is not achieved within a reasonable time the Company will secure the services of a mediator that is acceptable to both parties for the purposes of conciliation" (APCO Service Station Pty Ltd. Class 40 & 'B' Double Drivers Certified Agreement 2006, AG846813)

No Union or Non-Union dispute resolution procedure defines any dispute resolution terms. This raises a potential difficulty for all parties involved in the procedures in knowing with any surety what the terms that are used may actually mean in practice.

Discussion

The data provided in this chapter offer a unique insight into the utilisation, structure and operation of multi-step dispute resolution procedures in Australian workplaces. In summary, the data indicate that:

(1) The concept of fairness and justice does not appear to have been a prominent issue in the minds of the workplace parties in developing and negotiating dispute resolution procedures in enterprise agreements. Although a range of broad objectives are included in both union and non-union procedures the overwhelming majority do not include objectives, let alone specifically refer to fairness and justice;

(2) Although there is a minor difference in the number of steps between union and non-union dispute resolution procedures, the overwhelming majority of both union and non-union procedures do not refer to any specific dispute resolution process to be utilised by the parties. Consequently, it is evident that the conventional process of negotiation is the commonly accepted dispute resolution process used within multi-step procedures. It is notable that mediation is referred to only in a small number of

procedures and that there is no specific reference to alternative dispute resolution (ADR);

(3) The overwhelming majority of both union and non-union dispute resolution procedures provide that a wide range of issues can be dealt with by the procedures;

(4) The overwhelming majority of both union and non-union dispute resolution procedures indicate that disputes that are unresolved through the multi-step process are to be referred to the AIRC for further consideration. It is notable that an agreed mediator or impartial third party is only referred to in eight procedures, and that alternative dispute resolution (ADR) is not referred to in any union or non-union procedure.

(5) In terms of an unresolved dispute being referred to any external body or individual for resolution, both union and non-union dispute resolution procedures indicate that conciliation and arbitration are overwhelmingly preferred. It is notable that mediation is referred to only in a small number of procedures and that there is no specific reference to alternative dispute resolution (ADR).

(6) Neither union nor non-union agreements include dispute resolution provisions that define any of the dispute resolution terms that are used.

The provision of multi-step dispute resolution procedures within workplace agreements ostensibly ensures that employees are provided with mechanisms that protect their individual and collective rights by enabling them to challenge or defend themselves against the actions or behaviours of managers or employers. Given the historical lineage of dispute resolution in Australia, it appears that multi-step procedures have become an established custom and practice with little apparent regard for any significant framework within which the concept of fairness or justice arises. In effect, the workplace parties appear to have assumed that dispute resolution procedures have become the embodiment of due process which, by its nature, provides fair treatment (Edelman, Uggen and Erlanger, 1999). Such an assumption is problematic at best.

The absence of a fairness framework within which multi-step procedures are assumed to operate is arguably a significant deficiency. As early as 1957, Davis (1957, p. 439) stated that "the basic objective of grievance settlement should be *justice* which is defined as fairness according to established rules and relationships. Justice is a fundamental requirement in employee human relations because it gives substance and meaning to human dignity". On the basis that fairness is an essential and guiding principle that should be embodied in the process of dispute resolution, the analysis undertaken in this study indicates that standards of fairness, or principles of justice are not explicitly expressed within multi-step procedures. It can only be presumed that such standards or principles are considered by the workplace parties to be implicit within the procedures: whatever the intention of the architects of the procedures, fairness and justice do not figure prominently in the way in which the procedures are currently worded. The lack of a justice focus in dispute resolution procedures is not just a semantic detail; it arguably represents an important touch-stone for employees, more for what is not said than is said about justice and fairness in the prevailing dispute resolution provisions (See discussion concerning fairness heuristic theory, referent cognition theory, fairness theory and uncertainty management theory in Chapter 3). Additionally, there is an integral relationship between justice and power in that "... justice acts as a check on the use of power" (Aquino, Bies & Tripp, 2006, p. 666). The discussion of the manager-subordinate power relationship in Chapter 4 provides an insight into the numerous opportunities that may be available to managers to influence employees' choice of conflict resolution procedure. The inclusion of a specific commitment to justice and fairness in dispute resolution procedures may assist in reducing the potential negative influence of managers by ensuring that there is a check on the misuse of power.

In almost all aspects of the dispute resolution procedures examined in this study they reflect a conventional approach which is based on negotiation within the multi-step process, and where a dispute is unresolved, it will be referred to the AIRC for conciliation and arbitration. There are few references to mediation as an alternative option to either negotiation or conciliation and arbitration, and similarly, limited references to alternative bodies or individuals to whom unresolved disputes may be

referred. In addition, there are no references at all to the use of the term alternative dispute resolution (ADR).

There is no indication in this study that the workplace parties have adopted a creative approach to dispute resolution procedures, or indeed have considered any serious alternatives to the model that has been utilised for many years. To the contrary, it appears that in developing and negotiating dispute resolution procedures within enterprise agreements the workplace parties have addressed dispute resolution in a manner that is not far removed from the approach that was promoted by the National Labour Advisory Council in 1970 (NLAC, 1970). Such an approach appears to be predicated on a one-dimensional model that assumes that when a dispute has occurred it shall be negotiated between the parties in the context of a succession of escalating steps, and if the dispute cannot be resolved it will be referred to the federal industrial tribunal for determination.

Given the extent to which the procedures may be expected to deal with a wide range of disputes, including task, relationship and process disputes (See Chapter 2), and "normal core issues such as wages and working conditions, 'managerial' type issues such as staffing levels and the use of contractors and casual labour; day to day issues such as workloads, work scheduling and disciplinary procedures; and policy issues such as consultation procedures and promotion" (Forbes-Mewett et. al., 2003, p.8), it is debateable that a multi-step model of dispute resolution would be able to deal effectively with such a potentially diverse and complex array of disputes.

This analysis of dispute resolution procedures in union and non-union agreements certified by the AIRC in 2005/2006 suggests that procedures have not changed in any significant way from the conventional multi-step model. Given changing patterns of employment, and broader statutory, institutional and societal issues, including the changing nature of the employment relationship itself (O'Donnell & Mitchell, 2006), there is an arguable case for a significant review of the prevailing approaches to dispute resolution. There is, however, limited evidence that the workplace parties have addressed the possibility of such a review.

Conclusion

This chapter provides an insight into the utilisation, structure and processes that are incorporated within multi-step dispute resolution procedures. The analysis confirms that multi-step procedures continue to reflect the model which has been a characteristic of statutory and related initiatives since at least the 1970s. More significantly, however, the analysis indicates that notwithstanding the statutory and institutional changes that have occurred, including the reduction in the influence of the AIRC and the decline in trade union membership, the workplace parties appear to have accepted that, by their very existence, multi-step procedures provide for fair processes and equitable outcomes. The chapter challenges this assumption

Similarly, given the wide-ranging scope of the dispute resolution procedures analysed in the study the chapter also challenges the notion that multi-step procedures are capable of dealing effectively with a diverse range of workplace disputes. Consequently, the chapter concludes that not only is there a deficiency in the objectives of the procedures concerning fairness and justice, but so too is there a significant deficiency in the structural capacity of the procedures in dealing with a wide range of disputes that may have significantly different characteristics and potential remedies.

The unquestioning assumption of the parties that contemporary multi-step procedures are capable of meeting the needs of workplace disputants is inexplicable in the context of the statutory, institutional and employment changes that have occurred since 1996. In seeking to develop a better understanding of the reasons why such an attitude appears to exist, Chapter 9 undertakes a study of the attitudes of managers and subordinates concerning multi-step procedures.

CHAPTER 9

WORKPLACE DISPUTE RESOLUTION: THE 'STRIKINGLY DIFFERENT WORLDS' OF MANAGERS AND SUBORDINATES

Introduction

There is something of a paradox in the findings concerning multi-step dispute resolution procedures in Chapter 8. On the one hand, the dispute resolution provisions are the result of bargaining between employees, including their trade unions, and employers, which suggests an agreed position concerning the way in which workplace disputes should be dealt with. On the other hand, however, the findings in Chapter 8 suggest that multi-step procedures are deficient in their objectives and structural capacity in dealing with a wide range of disputes. Given this paradox, this chapter describes a study of the attitudes of both managers and subordinates concerning multi-step procedures in three organisations. (For details of the three organisations and survey see Chapter 6 and Appendices 1 and 2). Such an approach is consistent with Veglahn's (1977, p.150) perspective that "the mechanics of the process are far less important than the participant's attitudes to the procedure".

Subjective evaluations of multi-step procedures are a fundamental basis for evaluating the procedures and identifying the factors that may influence the various dispute resolution choices available to managers and subordinates. Having identified the attitudes of managers and subordinates in the study, the chapter acknowledges the extent to which power has been identified as a significant influence in the choices that both managers and subordinates may make concerning dispute resolution choices. Given the potential influence of power this chapter addresses the research question arising from Chapter 4: **In what way does the power relationship between managers and subordinates influence employee choice of conflict resolution procedure?** In so

doing, this chapter provides confirmation that managers and subordinates inhabit "strikingly different worlds" (Keltner, Gruenfeld & Anderson, 2003, p.279) concerning the dispute resolution choices they may make within multi-step procedures.

Respondents

A questionnaire was distributed throughout three private sector organisations in three industries: motor vehicle, insurance, and petroleum. Participants were invited to respond to the questionnaire anonymously and confidentially. They were informed that the questions were constructed to explore attitudes relating to multi-step dispute resolution procedures. Of a total of 200 questionnaires that were available to employees a total of 76 employees responded to the questionnaire: 40.8% of respondents identified themselves as a "Manager/supervisor" and 59.2% as "Not a manager/supervisor" (referred to as subordinates). Refer to Chapter 6 for details of the survey methodology.

Propositions

In addressing the way in which the power relationship between managers and subordinates may influence employee choice of dispute resolution procedure the study utilises the approach/inhibition theory of power (Keltner et al., 2003) and regulatory focus theory (Higgins, 1997, 1998) to analyse the survey results. Both theories underpin the following propositions which concern the likely preferences of managers and subordinates relating to dispute resolution choices available within multi-step procedures (See Chapter 4 for a detailed discussion of the two theories).

Preference for formal or informal procedures

Once a formal grievance is lodged in the context of a multi-step procedure it will trigger a graduated process of negotiation which, if unresolved, will normally be referred to an independent third party for resolution. Alternatively, the individuals concerned may seek to have the matter dealt with directly by their immediate manager, may informally seek the assistance of colleagues or other managers, or may elect to neglect the matter altogether. Regulatory focus theory posits that individuals who adopt a promotion focus prefer contexts that afford risk, uncertainty, and opportunity (Liberman, Idson, Camacho, & Higgins, 1999). Because their attention tends to be orientated towards

possible gains, rather than potential losses (Crowe and Higgins, 1997), they are aware of the benefits that could arise from uncertain contexts (e.g. Freitas, Liberman, Salovey & Higgins, 2002; Langens, 2007). In contrast, individuals who adopt a prevention focus tend to avoid risks, demonstrating a conservative style (Liberman et al., 1999). They should, therefore, prefer formal and constrained processes, such as arbitration, which diminish uncertainty, rather than conciliation or mediation.

According to the approach/inhibition theory of power (Keltner et al., 2003), subordinates should be more inclined than managers to adopt a prevention focus and, thus, prefer formal conflict resolution procedures. In addition, as high power individuals speak and interrupt more frequently than less powerful individuals (DePaulo & Friedman, 1998), subordinates are more likely to seek the security of formal processes which may constrain the potential influence of managers in informal processes. Thus, it is proposed that relative to managers, subordinates should be more inclined to prefer formal than informal conflict resolution procedures.

Structural issues

Attitudes towards the structure and complexity of multi-step procedures are likely to differ between managers and subordinates. According to regulatory focus theory, individuals who adopt a promotion focus strive to minimize errors of omission - events that preclude the exploitation of opportunities (Crowe & Higgins, 1997). These individuals, therefore, might prefer conflict resolution procedures to be prolonged, because additional processes afford opportunities to secure gains.

In contrast, individuals who adopt a prevention focus strive to minimize errors of commission - events that elicit the decline of resources from the status quo (e.g. Crowe & Higgins, 1997). These individuals should prefer the procedures to be curtailed, to preclude the prospect of additional complications (See also Freitas et al., 2002). Compared to managers, subordinates, who should be more inclined to adopt a prevention focus, according to the approach-inhibition theory of power, should thus prefer fewer steps in the multi-step procedure and hope the process is curtailed as early as possible. It is proposed therefore that relative to managers, subordinates should be

more likely to prefer a limited number of steps in a multi-step procedure and be more likely to want conflicts to be resolved as early as possible.

Punishment

Finally, research has uncovered the possibility that lodging a formal grievance could provoke some form of punishment or retribution within the organisation (e.g. Olson-Buchanan, 1996; Lewin & Patterson, 1999), which would curb participation in conflict resolution procedures. In contrast to a promotion focus, a prevention focus tends to direct attention towards potential complications and shortfalls, instilling a state of vigilance to ensure safety and preclude losses (Crowe & Higgins, 1997). Subordinates should be more likely to adopt a prevention focus (Keltner et al., 2003), and thus be more inclined to recognize the potential complications and problems that conflict resolution procedures might evoke. Hence, relative to managers, subordinates should be more likely to identify the possibility of some form of punishment arising from initiating a grievance.

Survey Results – Summary

The survey provided the following results –

- There was strong support from both managers and subordinates for fewer, rather than more steps;

- There was strong support from both managers and subordinates for a dispute to be resolved at the earliest possible step;

- Subordinates were more likely than managers to prefer:

  - formal procedures as established in an award or workplace agreement, rather than informal procedures such as discussions or consultation with colleagues or managers;

  - that unresolved disputes be referred to the AIRC rather than a dispute resolution provider determined jointly by the parties;

  - that unresolved disputes be referred to arbitration rather than conciliation or mediation;

  - the restricted use of multi-step procedures rather than their wider use within a workplace.

- Subordinates were more likely than managers to consider that punishment or retribution was likely if a dispute or grievance was lodged.

Refer to Appendix 4 for details of a statistical analysis of the survey outcomes.

Results - Discussion

The following discussion analyses the results of the survey utilising the approach/inhibition theory of power (Keltner, et al., 2003) and regulatory focus theory (Higgins, 1997, 1998). In so doing, the propositions referred to earlier are assessed.

Preference for formal or informal procedures

The results of the questions were consistent with the proposition that, relative to managers, subordinates should be more inclined to prefer formal rather than informal procedures. The results are underpinned by regulatory focus theory, which suggests that promotion focused managers will be motivated by a sense of achievement and seek opportunities for creative outcomes in pursuit of that goal. Consequently, given that individuals in a promotion focus adopt a "risky processing style in which novel alternatives are eagerly and actively sought" (Langens, 2007, p. 227), a conflict resolution procedure that is not constrained by formal procedures is likely to yield more creative responses to manager's needs.

Prevention focused subordinates tend towards risk aversion and adopt a conservative style (Keltner et al., 2003). Their attention is focused on prospective costs rather than gains (Crowe & Higgins, 1997). In addition, given that the approach oriented behaviour of managers is likely to encourage their expression (DePaulo & Friedman, 1998), subordinates are more likely to seek the security of formal processes which may constrain the influence of managers in a more informal process.

Subordinates' preferences for the AIRC rather than a mutually agreed third party also arise from a prevention focus, which is directed at prospective costs rather than gains (Crowe & Higgins, 1997). Given the traditional role of the AIRC, the conservative approach inherent in a prevention focus implies that subordinates are likely to espouse the status quo (Liberman, Idson, Camacho & Anderson, 1999). The AIRC may provide a

measure of security and overcome the uncertainty that arises from potentially unknown third parties and processes. Similarly, the preference of subordinates for arbitration rather than conciliation or mediation appears to emerge from a conservative, risk averse prevention focus (Keltner et al., 2003), in which an independent arbitrator could curb the potential influence of powerful managers.

The preference of managers for mutually agreed third parties rather than the AIRC aligns with the proposition from regulatory focus theory that managers will prefer processes that entail a degree of risk in pursuit of their objectives or perceived rewards (Langens, 2007). The effectiveness of conciliation and mediation largely depends on the capacity of the parties to participate in the development of creative responses to the issues in contention. Although subordinates are likely to be inhibited in their communication (Anderson & Berdahl, 2002), approach oriented managers will be more inclined to talk frequently (DePaulo & Friedman, 1998), and be prepared to embrace risks in the pursuit of creative outcomes (Langens, 2007).

Furthermore, subordinates are motivated by stability and safety (Higgins, 1997) and a desire to avert potential mistakes (Crowe & Higgins, 1997).This consideration implies that, notwithstanding their preference for formal, rather than informal procedures, they would prefer that multi-step procedures should not be applied to all conflicts; instead, other alternatives should be available.

Promotion focused managers, in contrast, are likely to develop high perceptions of control in pursuit of their goals (Langans, 2007). Given that they also pursue goals and rewards vigourously (Keltner et al. 2003), they are likely to be predisposed to as many opportunities as possible to achieve their goals and rewards. Consequently, they are likely to support the use of multi-step procedures widely within a workplace.

Structural issues

The results did not support the proposition that, relative to managers, subordinates should be more likely to prefer a limited number of steps in a multi-step procedure, and be more likely to want disputes to be resolved as early as possible. There was no statistically significant difference between the responses of managers and subordinates;

instead there was clear support from both groups for a limited number of steps and for conflicts to be resolved as early as possible.

Punishment

The results concerning the question of the possibility of punishment arising from the initiation of a formal grievance were consistent with the proposition that, relative to managers, subordinates would be more likely to identify some form of punishment from initiating a grievance. This finding is consistent with regulatory focus theory; which suggests that prevention focused subordinates operate in a state of vigilance and seek to ensure safety and non-losses (Crowe & Higgins, 1997). Similarly, according to the approach/inhibition theory of power, they also have a more activated inhibition system, which will increase their sensitivity to potential threats (Anderson & Berdahl, 2002). Managers, in contrast, exhibit a heightened sensitivity to positive outcomes and more frequently express positive mood and emotion (Anderson & Berdahl, 2002). When coupled with the motivation to pursue and obtain goals that could generate gains (Higgins, 1997) managers will be unlikely to anticipate any punishment arising from a conflict procedure.

Discussion

Although the results of the study demonstrate significant differences between managers and subordinates concerning the choices available to them in the use of multi-step conflict resolution procedures, of critical importance are the implications of approach/inhibition behaviour arising from the hierarchical relationship. The potential of approach oriented managers exerting significant influence on less powerful subordinates, and the sensitivity of the subordinates to threats with concomitant anxiety and restrained expression are behaviours that are triggered "without conscious awareness" (Keltner et al., 2003, p.267). Power, although sometimes conceived as a structural variable (Ng, 1980), can also be regarded as a psychological property of the individual (Galinsky et. al., 2003; Anderson, John & Keltner, 2005). Power may be activated whenever indications of power are implied, either consciously or non-consciously, either in the environment or when past experiences of power are recalled (Chen, Lee-Chai & Bargh, 2001; Galinsky et al., 2003). Once activated, the sense of

power may influence individuals in predictable ways (Anderson & Galinsky, 2006). The link between this sense of power, or powerlessness, and the predictable behaviours that arise, are informative in analysing the results of the study.

The use of the negotiation steps for subordinates is particularly problematic as negotiations provide a context in which one's power, or lack of it, is likely to influence the choices and strategies as each party contemplates how to influence the other party, make concessions or concede. Negotiations are characterised as "a process of potentially opportunistic interaction by which two or more parties, with some apparent conflict, seek to do better through jointly decided action that they could otherwise" (Lax & Sebenius, 1986, p.11). It is the potentially opportunistic character that makes negotiation ripe for the abuse or misuse of power (Ma & McLean Parks, 2004).

For example, given the preference of subordinates for formal procedures, the initial negotiation steps in the multi-step process pose substantial problems for these individuals because the advantages that accrue to managers who exhibit approach oriented behaviour appear to be effective across a variety of different negotiation circumstances. Galinsky, Leonardelli, Okhuysen and Mussweiler (2005) found that a promotion regulatory focus improved negotiation outcomes relative to a prevention regulatory focus. The research showed that superior outcomes are evident in both single issue distributive negotiations and multi-issue integrative negotiations.

Given the difficulties that appear evident in a formal negotiation process for subordinates, would their position be improved if they denied a resolution in the negotiation steps and relied on a process provided by an external dispute resolution provider? In light of the emerging interest in the use of mediation as expressed in dispute resolution procedures in enterprise agreements, and more generally (e.g. Van Gramberg, 2006), the question is whether mediation effectively deals with the power differential between managers and subordinates. This question is explored in the next section.

Mediation

Although various styles of mediation have been differentiated (Boulle, 2005), in general terms a neutral third party meets with the conflicting parties, either together or separately, to facilitate a settlement between them on some or all of the issues in dispute (Bayliss, 1997). Whereas the power dynamics of the parties have been the centrepiece of the discussion thus far, the power of the mediator becomes critically important in evaluating the capacity of mediation to deal with an hierarchical power imbalance between a manager and subordinate.

The neutrality or independence of mediators, and their capacity to resolve a significant power imbalance between the parties, has implications for the integrity of the process. Astor (2000) has argued that mediation derives its legitimacy from neutrality and consensuality. Consensuality involves the parties' ability to choose the mediation process and arrive at an agreement to which the parties consent. She states:

> Clearly the reality of consensuality is crucially affected by the reality of the consents made by the parties. It is also affected by the ways in which all of the participants in mediation, including the mediator, use power. Consequently, the issue of power relations in mediation is of central importance (Astor, 2000, p.73-74)

The relationship of the power of the mediator, and the question of neutrality, primarily concerns the extent to which the mediator intervenes in the process. There are, however, considerable difficulties in the relationship: On the one hand, neutrality implies that the mediator will not intervene to influence the content or the outcome of the mediation (Astor, 2005) whereas, on the other hand, to recognise but not redress, a power imbalance between the parties may perpetuate an injustice.

In the context of the earlier discussion concerning the potential of approach-oriented managers to exert significant influence on inhibited and less powerful subordinates, a mediator will clearly be confronted with a dilemma. To treat the parties equally will not deal with the power differential, and to intervene will lead to a lack of fairness in the process and outcome. This dilemma has been summed up by Moore (1994, p.271) in the

following terms: “The mediator, because of his or her commitment to neutrality or impartiality, is ethically barred from direct advocacy for the weaker party, yet is also ethically obligated to assist the parties in reaching an acceptable agreement”.

Where then does that leave a subordinate who is challenging a decision or action of a manager through a multi-step conflict resolution procedure? Given the research that has found that people in powerful positions are more likely to distribute rewards that favour their own powerful group (Chen, Lee-Chai & Bargh, 2001; Sachdev & Bourhis, 1985, 1991), believe they are more entitled to act coercively than less powerful people (Molm, Quist & Wisely, 1994), stereotype the powerless (Fiske, 1993; Goodwin, Gubin, Fiske & Yzerbyt, 2000) and attend only to information that confirms their expectations (Copeland, 1994; Ebenbach & Keltner, 1998), the prospects of a manager agreeing to a mutually agreed outcome at any stage in a multi-step procedure appears unlikely.

Hierarchical power is pervasive throughout all workplaces and has significant implications for the effectiveness of conflict resolution. As Astor and Chinkin (1972, p. 107) have observed “if two unequal parties are treated equally the result is inequality”. The focus on hierarchical power and its implications is not intended to demonise managers: rather this consideration acknowledges the behavioural systems that are triggered by an individual’s attainment of status and power and highlights the need to focus attention on action that might be taken to address the consequences of the respective behaviours.

Conclusion

In the context of literature reviews concerning the power relationship between managers and subordinates (Chapter 4), and multi-step dispute resolution procedures (Chapters 7 and 8), this chapter describes a study which examines the attitudes of both managers and subordinates concerning multi-step procedures. The study is based on the research question: **In what way does the power relationship between managers and subordinates influence employee choice of conflict resolution procedure?**

This chapter shows that there are significant differences in the attitudes of managers and subordinates concerning multi-step procedures. Further, in analysing those differences in

the context of regulatory focus theory (Higgins, 1997, 1998) and the approach-inhibition theory of power (Keltner et al., 2003), the chapter demonstrates that managers have the potential to exert significant influence on subordinates, whilst subordinates experience inhibited behaviour in the face of more powerful managers.

Conflict resolution procedures are critically important in providing opportunities for managers and employees to deal equitably and fairly with workplace conflict. This chapter demonstrates that hierarchical power has the potential to thwart such an objective, resulting in perceptions of injustice, particularly in relation to multi-step procedures. If, as this study implies, hierarchical power provides the basis upon which managers are able to assume a dominant bargaining voice as a consequence of their organisational status, not only are subordinates subjected to a significant power imbalance in the negotiation steps, their chances of a fair outcome are similarly diminished in the case of conflicts that are unresolved through the multi-step process, by pursuing third-party intervention through conciliation or mediation.

Chapter 10 provides an examination of the influences affecting employee choice of conflict resolution procedure by exploring a complex workplace conflict through a practical case study.

CHAPTER 10

METALCO CASE STUDY

Introduction

This chapter focuses on a case study which examines the links between a real-life workplace conflict and the broader theories and findings that have previously been identified in this thesis. Consequently, it provides insights into a complex workplace conflict which enable an understanding of the behaviours and motivations of the respective parties.

The study examines the decisions and actions of three individuals - a Manager, an HR Consultant and an employee - concerning the application of performance management and discipline procedures following allegations of poor performance and inappropriate behaviour against the employee. The study is concerned with assessing the actions and behaviours of the participants in the context of the four themes that have been explored in the literature review chapters of this thesis, namely fairness and justice, the implications of stress, the power relationship between the parties, and conflict culture.

Organisational Context

The organisation is a manufacturing organisation that employs in excess of 2,500 employees: for the purpose of this study, the organisation is referred to as MetalCo. The study was undertaken in the Maintenance and Services Department (MSD) which is responsible for providing routine maintenance, repairs and general engineering services throughout the organisation. **S**pecific work requests are normally submitted electronically to the MSD. On receipt of requests the Leading Hand (Services) approves that the work should proceed and places work request dockets in an in-tray on the workbench of the Leading Hand in each of the respective trade areas. Whilst the Leading Hand in each of the trade areas is nominally responsible for allocating work to their

respective staff, the practice within the department has been that individual tradesmen take a docket from the respective in-trays in date order.

Maintenance and Services Department Structure (MSD)
The MSD is structured as follows:

- The Manager is a qualified Mechanical Engineer and is responsible for the overall management of the Department and the services it provides;
- The Leading Hand (Services) is a qualified tradesman and is responsible for the day-to-day management and co-ordination of the department's technical staff;
- The Administrative Officer reports to the Manager and is responsible for the provision of all administrative services within the department;
- There are ten technical staff – eight are qualified tradesmen in the areas of plumbing, electrical, painting, fitters and turners and building and construction: in addition there are two tradesmen's assistants. Each trade area is managed by a Leading Hand.

HR function
The HR function within MetalCo is based on the provision of HR consultancy services, which are available to the respective organisational units within the company. One HR Consultant is responsible for providing consultancy services to the MSD and several other departments within the company. Consistent with MetalCo organisational arrangements, the MSD Manager is primarily responsible for managing staffing issues including workplace conflict, discipline and related matters; however, the Manager is expected to consult with the HR Consultant as required on any relevant issues. Should the Manager wish to terminate a member of staff he must first obtain the support of the HR Consultant, at which time the matter is then referred to the HR Director for final approval.

Three MetalCo Policies and Procedures are directly related to the study:

- Performance Management Policy and Procedure

  When supervisors or managers determine that an employee's work performance is inadequate, they may formally assess the employee's work performance. The performance management procedure is based on the identification of performance targets, which the employee is required to meet. The supervisor or manager is required to provide appropriate support to the employee during the assessment process. The process is based on three steps which provide opportunities for the employee to meet the required targets: should the employee be unable to meet the targets after the third step, consideration may be given to the employee's on-going employment.

- Discipline Policy and Procedure

  When an employee's behaviour or conduct is considered to be inappropriate and/or contrary to the best interests of the organisation, a range of sanctions may be applied including counselling, three formal written warnings and termination of employment. The policy refers to misconduct and serious misconduct and provides the following examples: intoxication or drug use, obscene or abusive language, fighting in the workplace, and theft.

- Dispute Resolution Procedure

  The MetalCo dispute resolution provision was incorporated within an enterprise agreement that was certified by the Australian Industrial Relations Commission in 2004. The dispute resolution provision provides that employees may lodge a formal grievance against any employee of the organisation for 'any matter' arising within the workplace. The procedure provides that initial informal discussions should occur between the parties in conflict. In the event that the matter is not resolved, it should be referred to the parties' direct supervisor or

manager, who is required to assist in the resolution of the grievance. In the event that the matter is still not resolved, it should be referred to the Director of HR, or delegate, who will consult with the parties prior to initiating mediation. In the event that the matter remains unresolved it may be referred to the Australian Industrial Relations Commission for conciliation and arbitration.

MetalCo has established four organisational 'values', which are widely promoted as applying to all aspects of the organisation's functions They are included as a preamble to all MetalCo HR policies and procedures:

- Integrity
- Compassion
- Respect
- Excellence

The allegations and responses: An overview

The key figure in this study is a 68 year old tradesman who has worked for MetalCo for 15 years. For the purposes of this study, he shall be referred to as ET. There is no record of any major problems with ET's work performance throughout his employment with MetalCo. However, over a period of some nine months, the Leading Hand (Services) had become increasingly concerned at the time ET was taking to complete his work. He was also aware that ET appeared to be selecting jobs that he felt comfortable with and took action to avoid more challenging work tasks. Consequently, the Leading Hand (Services) had discussions with ET and his Leading Hand about these concerns; however, he did not believe there had been any improvement.

During ET's employment with MetalCo, his demeanour had always been civil and courteous; however, over a period of approximately twelve months, he had exhibited some behaviour that had caused concern amongst his colleagues. He had been abrupt and terse during some conversations and had exhibited such annoyance and frustration on occasions that he had sworn at his colleagues and angrily walked away from them.

There had been occasions when, for two or three days at a time, he would not take his morning tea or lunch breaks in the Department staff-room, preferring to stay at his workbench.

Following an approach by a member of staff concerning ET's outbursts, the Leading Hand (Services) approached the MSD Manager for advice. The Leading Hand (Services) indicated that in addition to ET's behaviour, he had also been concerned about ET's work performance. He said he had previously raised his concerns with ET's Leading Hand and ET himself: however, there had been no change. According to the Leading Hand (Services), the staff complaint had subsequently "brought things to a head and something now needed to be done about ET's behaviour and his work performance".

The Manager subsequently raised the concerns about ET with the HR Consultant responsible for the MSD and sought advice as to how he should handle the matter. He was advised that the MetalCo Discipline and Performance Management Policies and Procedures may need to be applied. Informal counselling took place to advise ET of the concerns; ET rejected these claims and denied he had previously been advised of them. Subsequently, the Performance Management Policy and Procedures were applied, and ET was issued with a first written performance warning with targets set for a subsequent assessment of his work performance.

Timelines

The time-lines associated with the various stages of the case study are as follows:

4 days	5 days	6 weeks	4 weeks	1 day
Initiation of concerns to MSD Manager by Leading Hand.	Discussion between Manager and HR Consultant re: the 'ET issue'.	'Informal Counselling' between Manager and ET re: concerns at ET's behaviour and	First written 'performance' warning issued to ET.	Second written 'performance' warning issued to ET and first written warning for 'inappropriate behaviour'.	ET informs Manager of 'stress leave'.

		performance.			

A second written performance warning was subsequently issued, at which time ET became agitated and angry, verbally abusing the MSD Manager. The Manager terminated the meeting and sought HR advice as to what action he should adopt. He subsequently issued ET with a first written warning for inappropriate behaviour pursuant to the MetalCo Discipline Procedure. The following day, ET reported to the Administrative Officer by telephone that he was ill and unable to attend work. He subsequently sent a medical certificate by mail, which indicated that he was suffering from a stress related illness and would be absent for two weeks.

Perspectives

ET's perspective

The following matters arose from three unstructured interviews conducted by the researcher with ET. The first interview was conducted following the informal counselling, the second interview occurred between the first and second written warnings, and the third interview followed the second warning. The researcher was also an observer at the informal counselling session.

ET indicated anxiety about his work capacity during a period of about 12 months. He had not spoken to anyone about his concerns because he was worried that he may be dismissed. He felt unsteady climbing high ladders and felt uneasy working in cramped spaces. He wanted to be able to undertake alternative work but had been afraid to raise his concerns with the Leading Hand (Services) because he was worried that management would try to dismiss him. He said he had not developed a strong relationship with his Leading Hand who often mocked him about his age. He said members of the Department, including the Manager, consistently asked him when he would be retiring, evoking considerable distress. He said there had been a couple of occasions when he had taken exception to the comments about his age and possible retirement, which had led to him responding aggressively and leaving the staff-room. He lives alone as a widower

and has no outside interests. His work is a central aspect of his life and he expressed concern that, if he retired or lost his job, he would “simply rot at home”.

When the MSD Manager told him to attend informal counselling about his performance and behaviour, he felt intimidated and threatened as he considered management were looking for a reason to dismiss him because of his age. He said the Leading Hand had not discussed any problems with his work. He conceded, however, that he tended to avoid some work that caused him concern, such as working at heights, but that never seemed to be a problem as he was always able to get someone else to do the job. The Manager told him he completed his work too slowly, that he had been difficult to get on with, had caused some staff to feel threatened by his behaviour, and that he was selective in the work he undertook. He was told he needed to “lift his game” and if he did not it would be necessary to “performance manage” him as set out in the MetalCo policy. The Manager was “dismissive in his attitude and appeared to be following a set procedure”. ET said the Manager told him his “door was always open” to discuss any aspects of his job and seemed to imply that he should be discussing retirement. He rejected the claims of the Manager and, although he felt very angry at the way he was being treated, he did not say much because “it seemed there was no point in doing so”. He received a copy of the MetalCo Discipline and Performance Management policies, and a brochure for the Employee Assistance Program (EAP), and told to contact the EAP “if he needed to sort out any issues”. He contacted the EAP as suggested and had one session with a counsellor. He was advised to seek on-going external counselling and had the impression the counsellor was not interested in him. He was given a note by the EAP counsellor to indicate he had attended a counselling session.

When he was issued with the first performance warning, he felt he was not treated fairly. He tried to explain that he needed some flexibility in his work but the Manager “didn’t seem to want to hear any arguments so I just kept quiet”. He was told he was employed to follow a job description.

ET had read the Policies he had been given but admitted he did not fully understand why they were being used. He agreed he had not discussed his concerns about the way his

workmates and managers referred to his age, nor had he discussed the limitations he had identified in his work capacity, because he was “too afraid to do so in case it turned against me”. He said he had spoken to his Union about lodging a grievance concerning the way he was being treated.

When he received the second performance warning, he said he was sure they were “trying to get rid of me”, and it was now only a matter of time before they “booted me out because of my age”. He said he was very frustrated at the meeting because he was treated dismissively. He felt sick in the stomach and did not understand much of the discussion. He felt so angry and confused after the meeting he thought he was experiencing a heart attack. He said he probably expressed some comments to the Manager he now regrets but was upset and did not believe he should have received a disciplinary warning.

ET expressed anger at what he considered was “unfair treatment” but had abandoned the idea of lodging a grievance because he did not think there was any way he would be treated fairly. He said he had been “abandoned” and intended to “go to the press” to highlight how MetalCo treated its employees. He said he had been a dutiful employee for over fifteen years and was now “being thrown on the rubbish dump”. When asked why he had not requested the presence of a shop steward at all of the discussions, ET said there “didn’t seem much point, no-one seemed interested in what I thought”.

The day after ET had received the second written warning, he advised the Department office by telephone that he was ill, and subsequently sent a medical certificate by mail indicating he was unable to attend work for two weeks because of a stress related illness.

Management’s perspective

The following matters arose from an unstructured interview conducted by the researcher with the Manager and Leading Hand (Services) when the concerns about ET were first identified, and subsequent unstructured interviews conducted with the Manager following the counselling session and the second written warning issued to ET. The researcher was also an observer during discussions between the Manager and HR Consultant that continued throughout the process described in the case study.

The Leading Hand (Services) had reported to the Manager that ET's behaviour was becoming an issue of concern because he was becoming more "verbally aggressive" with his colleagues and was selecting work that he preferred to complete rather than the jobs that were allocated to him. In addition, he completed work slower than expected and the work often needed to be checked. The Leading Hand (Services) indicated that both he and ET's Leading Hand were unable to manage ET and requested the Manager's intervention.

The Manager sought advice from the HR Consultant concerning the actions he should undertake to resolve these matters. He said "the issues with ET were an HR matter that needed to be dealt with as a matter of urgency because of the level of conflict that was occurring in the Department". The HR Consultant said there were two issues requiring attention: the "aggressive behaviour" and "the performance issue". She indicated that the aggressive behaviour may need to be managed through the MetalCo Discipline Policy and the work performance issue through the Performance Management Policy and Procedure; however, she conceded that the first step was to informally counsel ET and refer him to the EAP. She maintained that an initial counselling session may obviate the need to apply the procedures. Within the informal counselling session ET was to be told that his behaviour and performance needed to improve and, if necessary, the relevant procedures would be applied.

The Manager met with ET, who was supported by a shop steward. The Manager reminded ET of his "open door policy" and that he was available at any time should ET wish to discuss any issue with him. He told ET he would be "more than happy to discuss transition to retirement issues" if that was appropriate. The Manager said ET appeared to be "disinterested" in the informal counselling session and neither ET nor the shop steward contributed to the discussion. The Manager told ET there were concerns about his performance and behaviour and that, if they did not improve, he would be disciplined and monitored, as stipulated in the relevant policies. He gave ET a copy of the Discipline and Performance Management policies and a brochure with the EAP contact

details. ET was told that if he had any personal problems he was to discuss them with the EAP Counsellor.

The Manager provided feedback to the HR Consultant and sought advice as to the next step in the process. Consequently, the Manager was advised that ET's roles and responsibilities were specified in his job description and "if he couldn't meet the requirements, he had to accept that it might be time to move on".

Although ET's behaviour had improved in the two week period following the counselling session, ET's Leading Hand indicated that his work performance was "still a problem". Consequently, ET was provided with the details of several work-related issues he was to address over the next four weeks. The Leading Hand subsequently advised the Manager that ET had not satisfactorily resolved the issues that had been raised with him. The Manager advised the HR Consultant who prepared a first written performance warning. The Manager indicated that, when ET was given the warning, his attitude was "very defensive". He said ET was not supported by a shop steward and, when asked if he wanted someone to be present, he declined the opportunity. ET merely said he needed "flexibility in the work allocated to him". The Manager gave ET a copy of his position description and explained what was expected of him. He advised ET that his work and behaviour would be monitored over the next month and, if there was no improvement in these matters, he would be issued with a second warning.

The Manager was subsequently advised by ET's Leading Hand that ET had withdrawn from any involvement with staff and had not been visiting the staffroom for morning tea and lunch breaks. The Leading Hand indicated that although no further incidents of aggressive behaviour had been recorded, his work performance had not improved. Consequently, the Manager advised the HR Consultant who prepared a second performance warning; the Manager then met with ET and issued the warning letter. ET was supported during the meeting by a shop steward. During the discussion, ET became abusive at which time the Manager terminated the meeting and sought advice from the HR Consultant. She prepared a first disciplinary warning letter for "inappropriate behaviour" in accordance with the MetalCo Disciplinary Procedure.

The Manager subsequently instructed ET to attend a meeting at which time he received the written warning. ET was not represented at the meeting by a shop steward. When asked if he wanted a support person to be present, ET declined the opportunity. ET sat quietly and did not respond to the Manager throughout the discussion. He took the written warning and left the meeting without comment.

The following day the Manager received advice that ET had informed the office that he was absent because of an illness. ET subsequently submitted a medical certificate confirming that he was suffering from stress and would not attend work for two weeks. The Manager then contacted HR indicating he was concerned that ET may take extended stress leave and "prolong the agony". He said "ET was a liability and it seems that his best is behind him"; he asked how he might "bring the issue to a head as quickly as possible". He was advised by the HR Consultant that legal advice would be sought. The Manager was subsequently advised that, "if ET refused to follow lawful instructions or could not meet the inherent requirements of his job, he could be sacked". The Manager said he anticipated that ET would be dismissed in the near future because he would be unlikely to fulfil these requirements. The Manager indicated that he was not keen to continue with the lengthy process involved in managing ET. He said he would prefer it if "HR could quickly get to the point at which ET could be tipped out and another tradesman employed".

HR perspective

The following matters arose from two unstructured interviews conducted by the researcher with the HR Consultant following the counselling session and the second written warning to ET. The researcher was also an observer during discussions between the Manager and HR Consultant throughout the process described in the case study.

The HR Consultant indicated that, when she was approached about the Manager's concerns relating to ET, she advised him of the established MetalCo procedures concerning performance and behavioural issues. The Consultant said she hoped that both issues could be resolved through the process of informal counselling. She noted that, on the basis of the report from the Manager, ET was not co-operating in the process and his

behaviour suggested that “personal issues” may be affecting him. Consequently, he was appropriately referred to the EAP by the Manager. She said that, if ET’s behaviour continued to be a problem, the provisions of the MetalCo Discipline Procedure would be applied, which provided employees with opportunities to improve their behaviour and if they could not, or would not, they could be terminated.

The Consultant said that, on the issue of work performance, the key question for the Manager was whether ET was able to meet the requirements of the job as specified in his position description. Therefore, the advice provided to the Manager was to identify the relevant requirements of the position description. The Consultant said that the Performance Management Procedure was a fair and reasonable way of addressing ET’s performance and comprised three steps: Each step specified performance targets and, if at the conclusion of the third step ET failed to meet the targets, he could be terminated. The Consultant stressed that the Manager was advised that ET must be provided with opportunities to improve his performance at each step in the process.

The Consultant said that, following a second performance warning, she was advised that ET had been abusive and aggressive to the Manager. She said that such behaviour was contrary to the values of the organisation and the Manager was advised to issue a first written warning consistent with the Discipline Procedure. She said that, if ET was concerned about the process, he could pursue numerous actions including raising his concerns with the Manager or the HR Office, or by lodging a formal grievance as specified in the Enterprise Agreement.

Because of the Manager’s concerns at the way the performance management process was progressing the HR Consultant sought legal advice, which confirmed that termination could be effected on the basis of ET not following lawful instructions, or not being able to meet the inherent requirements of his position. She indicated she was aware of the likelihood of potential litigation in situations such as those involving ET and was “constantly alert” to the need to ensure that “all steps taken are in accordance with the relevant policies, procedures and laws”.

The Consultant said the Manager was responsible for managing both behavioural and performance issues whereas her role was to coach the Manager in ensuring that procedures were applied correctly; because managers were often unsure of themselves, this sometimes required more of a "hands on role" than she would prefer. She said her primary responsibility was concerned with risk management and ensuring that any potential risks to the company were minimised by ensuring that policies and procedures, including termination, were applied in an appropriate manner. She said there was a possibility that ET may be terminated and, if that was to occur, HR needed to "take the lead role before any final action was taken".

Discussion:

At its simplest level, this study appears to centre on a breakdown in communication. Although ET was experiencing self-doubt about his capacity to meet various work demands and was consequently fearful that this knowledge and his advancing age could culminate in his dismissal, his Leading Hand and Manager were unaware of his private fears and accordingly noted only his aberrant behaviour and poor work performance.

Arguably, the action taken by the Manager, on the advice of the HR Consultant, was appropriate given their understanding of ET's behaviour and work performance. However, to assess the approach of each party, the four key themes analysed in this thesis need to be considered:

- Fairness and justice;
- The implications of stress;
- The power relationships between the respective parties;
- The conflict culture of MetalCo.

These themes are fundamental to identifying the factors that may have influenced the conflict resolution choices available to ET.

Fairness and justice

The precipitating factor in the study appears to have been ET's fear of expressing his concerns about his age and the limitations he had identified in his work performance. Both the Manager and HR Consultant believed they had acted appropriately in providing ET with opportunities to discuss his concerns. The Manager maintained that he was prepared to discuss any issue at any time. The HR Consultant argued that ET could have raised any concerns directly with the Manager, by lodging a formal grievance, by raising matters throughout the course of the performance management process, or by discussing personal concerns with the EAP Counsellor.

When ET indicated he was on stress leave neither the Manager nor HR Consultant were aware of ET's concerns, conveyed in confidence to the researcher, that he was fearful of termination because of his age and self-assessed work performance limitations. Consequently, the Manager and HR Consultant may have assumed they had acquired all relevant information. They were clearly not in any position to comprehend any unstated concerns ET may have experienced. It is appropriate, therefore, to explore a number of fairness concepts which may assist in understanding the actions and behaviours of the Manager, HR Consultant and ET.

One of the most replicated effects in procedural justice is the finding that people respond more positively to procedures that allow them an opportunity to voice their opinion than to procedures that do not afford them such an opportunity (Van Prooijen, Van den Bos, Lind, & Wilke, 2006). This finding is referred to as the voice effect (Folger 1977). Various studies have shown that people who are granted an opportunity to voice their opinion rate procedures as fairer, and perceive the authority more positively, than individuals not granted the opportunity (Folger et al., 1979; Lind et al., 1990; Lind & Tyler, 1988; Van den Bos & Lind, 2002).

Procedural fairness can exert a powerful influence on people's attitudes and evaluations (Lind & Tyler, 1988). One such evaluation that may be influenced by the fairness of procedures is self-esteem. According to the group value model (Lind & Tyler, 1988) and relational model (Tyler & Lind, 1992), individuals care about procedural fairness

because the procedures signal that they are respected and valued by the authority figures enacting the processes. ET felt he was neither respected nor valued, hence his self-worth appears to have been seriously depleted, as indicated by his comment that he felt "abandoned' and "no one seemed interested in what I thought".

According to the Manager and HR Consultant, organisational processes had been established to enable ET to voice his concerns. A key motivating factor in ET's decision to withhold his personal concerns arose from his fear of losing his job. Contrary to this concern, however, the Manager and HR Consultant seemed motivated to ensure that ET was treated fairly, as verified by the reiteration of the Manager's openness to discussion, the insistence that the performance management process include opportunities for ET to improve his performance, and his referral to the EAP.

ET's fear appears to have arisen from what he anticipated would have been a negative response to his concerns. On what basis therefore, had he determined that he could not trust the relevant authorities within MetalCo? There are three particular theories that could be germane to this scenario: referent cognitions theory (Folger, 1986), fairness theory (Folger & Cropanzano, 2001) and fairness heuristic theory (MacCoun, 2005). For the purposes of brevity this discussion focuses on fairness heuristic theory. According to this theory, during relatively stable periods of a relationship, fairness judgements are used to decide how much individuals will invest in the relationship (Lind, Greenberg, Scott & Welchans, 2000). Individuals will form initial fairness judgements, shaping the extent to which they may be prepared to commit to, or participate in, conflict resolution procedures. Once perceptions of overall fairness are formed, they tend to remain stable: Individuals use their overall fairness perceptions to determine whether to trust and cooperate with organisational authorities (Lind, 2001). The basis of the judgements may arise from organisational policies and procedures, the attitudes of other employees or management behaviours that violate existing expectations (Jones & Martens, 2009). On the assumption that ET's line manager and the MSD Manager had previously dealt with conflict in a manner similar to that concerning ET, it is likely that ET will have formed a

negative perception of fairness which influenced the extent to which he was prepared to trust and co-operate with his managers.

The precise reasons why ET had established a negative fairness judgement concerning MetalCo, or at least the MSD, cannot be precisely determined without further information concerning ET's attitudes. Notwithstanding that uncertainty, what is evident is that when faced with his concerns, ET felt he should remain mute because he considered the organisation could not be trusted to respond fairly. Uncertainty management theory (Van den Bos & Lind, 2002) may provide some additional insight into ET's state of mind. Uncertainty management theory hypothesises that individuals who are uncertain of themselves, or who have been reminded of their personal uncertainties, will respond negatively to threatening experiences such as an unfair event (Van den Bos, Portvliet, Maas, Miedema & Van den Ham 2005). Thus, it has been established in the justice literature that personal uncertainty and other self-threatening conditions may lead to more extreme judgements concerning procedural and outcome justice (Van den Bos, Ham, Lind, Simonis, van Essen & Rijpkema, 2008). Given ET's personal doubts concerning his work performance, his distrust of his managers and his insecurity concerning his continued employment, it is likely he would have formed negative fairness judgements.

To what extent then might ET's perception of fairness within the organisation have been allayed or reinforced by the procedures adopted by the Manager and the HR Consultant? When employees receive poor performance reviews, their attitudes and behaviours are particularly influenced by their perceptions of the procedures accompanying such outcomes (Holmvall & Bobocel, 2008). Similarly, being judged negatively increases sensitivity to perceived fairness (Miedema, van den Bos, & Vermunt, 2006). During the enactment of procedures, individuals are acutely sensitive to the processes of interpersonal communication and decision making. They expect interactional justice; that is, they feel they should be treated with politeness and respect (Bies & Shapiro, 1987).

ET indicated that the Manager did not want to listen to his request for flexibility and that he was treated "dismissively and not listened to". Interactional justice has been identified as a major determinant of individuals' assessments of fair treatment across a wide range of settings (Greenberg, 1990); consequently, ET's sense that the Manager treated him disrespectfully is likely to have reinforced his initial perception of the organisation's unfairness.

Given the extent to which ET was anxious about his private concerns being divulged, his apprehension concerning the organisation's unfairness was compounded when the Manager and other members of staff asked him when he was going to retire. As indicated above, research has shown that reminding people of their personal uncertainties may evoke more intensified judgements of fair and unfair events, promoting extreme judgements about procedures, voice and outcomes when uncertainty is prominent (Van Den Bos, Ham, Lind, Simonis, Van Essen & Rijpkema, 2008; Van den Bos, 2001; Van Den Bos et al., 2005; De Cremer & Sedikides 2005).

Fortin and Fellenz (2008) identify three mechanisms that managers may utilise to shape perceptions of fairness without actually redressing sources of injustice. First, managers may simply follow procedures, called *responding*, which does not necessarily imply a morally astute organisation. In this study, both the HR Consultant and the Manager appear to have enacted this mechanism: They initiated informal counselling, referred ET to the EAP, told him the Manager was receptive to discussion should he wish to discuss any concerns, and followed the correct procedures in the Performance Management and Discipline Policies. Nevertheless, they did not seem to attempt to identify or deal with ET's personal concerns relating to being abandoned, being treated dismissively and distrusting his Manager. The informal counselling session was ostensibly the mechanism by which ET's concerns could have been explored; however, to the contrary, this forum was used only to confirm accusations and warn ET that if he did not address them he would face potential sanctions. The over-riding emphasis seems to have been the technical application of formal procedure, driven primarily by the HR Consultant, who had indicated that HR's focus was a "risk management role" in ensuring that policies

and procedures were implemented appropriately and the potential for litigation was minimised.

The second mechanism, referred to as *preventing*, recognises that less powerful employees may be prevented from raising their justice concerns, or reacting to them, for fear of negative reactions from other people. Employee fear of retribution or punishment for lodging a grievance is a matter that is confirmed extensively in the literature (Lewin, 1987; Lewin & Peterson, 1988; Olson-Buchanan, 1996; Klaas & DeNisi, 1989; Boroff & Lewin, 1997; Boswell and Olson-Buchanan, 2004). Fear appears to be a potent force in motivating employees to remain silent in workplaces and was a central theme in a study undertaken by Milliken, Morrison and Hewlin (2003), which explored the reasons employees do not communicate upwards - referred to in the literature as *employee silence*. Employees indicated a reluctance to express their concerns because of a fear they would be perceived negatively, that relationships would be damaged, or that such disclosures would be futile. Given ET's distrust in his Manager and his perception of unfairness and abandonment, a sense of both fear and futility seemed to be significant motivations for him to remain silent about his justice concerns.

The third mechanism, referred to as *shaping*, relates to the potential manipulation of the less powerful by not recognising grievances, not identifying who is responsible for taking action, and not deploying effective strategies. In this study, although the Manager and HR Consultant were aware of the possibility of ET having 'personal issues' and that he exhibited both defensive and aggressive behaviour, their response was to undertake what can only be regarded as a cursory form of counselling and a referral to the EAP. The observation that they were either unable or unwilling to address ET's apparent, albeit unstated, personal concerns could be construed as 'shaping' the events.

Despite the claims by the Manager and HR Consultant that the procedures being used to address ET's performance and behaviour were fair, ET expressed a negative perception of the procedural justice climate within the MSD. Coupled with a sense that he was also subjected to interactional injustice, ET's distrust in his Manager deterred him from

voicing his concerns. These factors were instrumental in determining the way in which ET responded to the circumstances in which he found himself.

The implications of stress

Throughout the course of the various interactions that were observed by the researcher, ET presented himself as somewhat detached from the proceedings. The Manager thus perceived ET as being "disinterested" and, apart from his agitated state at the time he was presented with a second written warning, he remained quiet and had what the Manager described as a "defensive" attitude. Consideration of the relationship between injustice, conflict and stress may assist in explaining the respective perceptions and behaviours of the Manager and ET.

The consequences of conflict for individuals largely depend on the way they respond to the conflict situation (Dijkstra, Van Dierendonck & Evers, 2005). ET's response to his situation can be summarised as follows: he admitted to the researcher that he had been anxious about his work capacity for approximately 12 months; however he had not told anyone for fear that he may lose his job. He indicated that he had been considerably distressed at what he believed were consistent requests for him to identify a retirement date; he subsequently felt intimidated and threatened when he was asked to participate in a counselling session to discuss his behaviour and work performance and was similarly concerned at what he considered was the unfairness of the performance management process.

In considering the extent to which ET may have been experiencing levels of stress as a result of the circumstances in which he found himself, it is noted that Elovainio, Kivimaki and Helkama (2001) argue that both procedural and interactional evaluations are associated with stress. Given ET's perception that he had experienced procedural and interactional injustice, and his anxiety about his age and self-assessed work performance concerns, he was most likely experiencing considerable stress which resulted in uncertainty and self-doubt. Giebels and Jannsen (2005) have highlighted that task or interpersonal dissent may elicit feelings of reduced control and undermine an individual's sense of self, exacerbating the negative consequences of conflict. Conflict

with a supervisor is likely to threaten self-esteem (Fiske, 1993); furthermore, ET had acknowledged that he was concerned about his age and aspects of his work performance prior to the initiation of the performance management process. Thus, ET had most likely been experiencing personal uncertainty and self-doubt for some time.

Given ET's sense of insecurity, the negative messages he was receiving from his Manager are likely to have magnified doubts and vulnerabilities (Collins & Feeney, 2004). The implications for ET's low self-esteem are that, in response to the negative evaluations of him, he is likely to have shown extreme emotional and behavioural reactions (Kernis, 1993). The experience of personal uncertainty and self-threats activates neural regions designated as the *human alarm system* (Eisenberger & Lieberman, 2004; Eisenberger, Lieberman & Williams, 2003; Murray, Holmes & Collins, 2005). The activation of this system is likely to have enhanced ET's sensitivity to, and extreme judgements of, procedural justice and subsequent outcomes (Eisenberg & Lieberman, 2004; van den Bos, Ham, Lind, Simonis, van Essen & Rijpkema, 2008).

ET's reluctance to participate actively in the performance management process suggests he had concluded that his participation was limited and the procedure was being dictated by the Manager. ET noted, for instance, that the Manager "appeared to be going through a set procedure" and that he was treated dismissively. The sequence of events concerning ET implies that he found himself in a negative spiral in which conflict was a significant stressor, reducing his capacity to manage the conflict constructively (Dijkstra et al., 2005).

Given the relationship between conflict and stress, to what extent might stress have affected ET's capacity to manage the conflict he was experiencing? Research indicates that accurate information exchange is the key to unearthing high quality solutions to conflict; however, high levels of stress hinder an individual in processing and exchanging information (Giebells & Janssen, 2005). In addition to ET's experience of self-doubt and uncertainty for at least 12 months, and the recent application of performance management and disciplinary procedures, it can be assumed he was experiencing significant levels of continuous stress. In this context, it is notable that a

key finding in the stress literature indicates that as stress or arousal continues an individual's breadth of attention narrows as a result of cognitive overload (Combs & Taylor, 1952). Social cues are neglected and sensitivity to others declines (Cohen, 1980). Moreover, the stress response may interfere with effective behavioural control, impairing physical or interpersonal work-related activities (Driskell & Salas, 1991).

The neuroscientific literature indicates that a prolonged period of stress may evoke neurobiological responses that impede attention and working memory. Individuals feel overwhelmed and their problem solving style is reduced to dichotomous or defensive options (Arden & Linford, 2009). Given ET's protracted period of stress, there seems little doubt that he was likely to respond to his circumstances in a negative manner.

The power relationship between the parties

In terms of the definition of power as the ability to exert influence on other people (Bacharach & Lawler, 1981; Kelly & Thibaut, 1978), it is the hierarchical relationship of the Manager and ET that is the focus of this aspect of the case study. Hierarchical structures guide and constrain both the behaviours and conflict resolution processes of the organisational parties, in which managers usually dominate and subordinates accommodate (Brass & Burkhardt, 1993; Drory & Ritov, 1997; Euwema, 1992; Morley & Shockley-Zalabak, 1986; Putnam & Poole, 1987; Yukl, Falbe, & Youn, 1993). Hierarchical structure also has scope for justice outcomes. A study by Schminke, Cropanzano and Rupp (2002), for instance, found that justice perceptions were not as strong among higher level employees as lower level employees. In seeking to assess the practical consequences of these matters as they may relate to the Manager and ET, the study undertaken in Chapter 9 of this thesis indicates that the hierarchical relationship of manager and subordinate is subject to the implications of regulatory focus theory (Higgins, 1997, 1998) and the approach/inhibition theory of power (Keltner, Gruenfeld & Anderson, 2003). In summary, these theories assume that managers will adopt approach oriented behaviour and exert significant influence on less powerful subordinates, and the subordinate's activated inhibition system is likely to heighten anxiety and restrain expression.

Throughout the process the Manager exhibited indifference to ET, characterised by the limited initiative he showed in responding to the issues arising from ET's behaviour and work performance. The Manager was largely dependent on the HR Consultant and the level of his dependence, and associated apathy towards ET, were exemplified by his comment that he hoped "HR could quickly get to the point at which ET could be tipped out and another tradesman employed". The Manager also seems to have concluded that ET was beyond redemption with his comment after the second warning that he considered ET to be "a liability and that his best was behind him". This attitude is consistent with the discovery that individuals with high power perceive other people as objects in the pursuit of active goals (Gruenfeld, Inesi, Magee, & Galinsky, 2008; Overbeck & Park, 2006), and devote less attention to other individuals (Fiske, 1993; Keltner, et al., 2003). This attitude also aligns to the power-as-control (PAC) model, which postulates that powerful people tend to stereotype those below them (Goodwin, Gubin, Fiske & Yzerbyt, 2000).

ET was reluctant to express his privately felt personal concerns, and his behaviour was generally withdrawn and inhibited. This response appears to be consistent with the activation of the behavioural inhibition system, which directs attention to potential adversities and attempts to evade these threats, evoking anxiety and agitation (Anderson & Berdahl, 2002).

From the time ET was requested to attend the informal counselling session he was, in effect, in a negotiating environment. Although the HR Consultant and the Manager referred to the discussion as a counselling session, this discussion was, in reality, a declaration by the Manager that an initial assessment had identified problems that ET was required to address, or face disciplinary and performance management procedures. Consequently, had ET wished to challenge the claims expressed by the Manager, he was obliged to negotiate his circumstances. Given the superior negotiating outcomes that are attributed to individuals with an approach oriented focus, relative to individuals with an inhibition oriented focus (Galinsky, Leonardelli, Okhuysen & Mussweiler, 2005), ET's

initial attempt to defend his need for “flexibility in his work” was aborted, and he ultimately resiled from any attempt to negotiate in the on-going procedures.

The decision to proceed with the performance management process was reached when the Leading Hand advised there had been no improvement in ET’s work performance following the counselling session. Consequently, the application of the procedure was not a matter for discussion or consultation, but was an approach that was accepted by the Manager, who applied the procedure as directed by the HR Consultant. Subsequent discussions concerning the first and second written warnings were also ostensibly negotiating sessions that could have enabled ET to negotiate aspects of claims that he was not meeting performance standards. These discussions could also have provided him with opportunities to challenge the overall process that had been established; however, he did not invoke this right. His behaviour appears to be consistent with an activated inhibition system which is sensitive to threats and punishment (Keltner et al., 2003) and a tendency to be inhibited in verbal communication (Anderson & Berdahl, 2002).

The approach-oriented behaviour of the Manager and his capacity to exert considerable influence on the less powerful ET appears to have significantly influenced the way in which ET responded to his circumstances. ET appears to have been affected by an activated inhibition system increasing sensitivity to threats and potential punishment, elevating anxiety and restraining expression.

The conflict culture of MetalCo

The actions and behaviours of the protagonists in the study provide important insights into the way in which conflict relating to ET was managed. What is not apparent is an understanding of the extent to which organisational features of MetalCo, or more specifically the MSD, may have constrained or reinforced the actions and behaviours of the respective parties. This aspect of the discussion is concerned with addressing the conflict culture of MetalCo.

Regardless of the idiosyncratic preferences of individual managers and employees, organisational contexts provide strong situations that define what is a socially shared and

normative way to deal with conflict (Gelfand et al., 2008). Consequently, conflict cultures within an organisation will establish the framework and methods that managers and employees will use in these contexts. This discussion, therefore, explores the extent to which the conflict culture within MetalCo may have influenced the respective parties in the way they responded to the issues concerning ET.

Notwithstanding MetalCo's organisational arrangements, which require Managers to assume primary responsibility for staffing related issues, the HR Consultant effectively controlled the procedures following a request from the Manager for advice. Although the Consultant indicated that her role was to coach the Manager in the proper application of the procedures, she was largely responsible for managing each step in the process. Although acknowledging her "hands on role" because Managers were unsure of themselves when negotiating complex HR issues, she indicated that her primary responsibility was to ensure that policies and procedures were implemented appropriately and any risks to the organisation were minimised. Given the HR Consultant's prominent role in managing the overall process, three key issues may assist in understanding the conflict culture within the MSD, and potentially more broadly within MetalCo.

First, the dominance of the HR Consultant's role effectively usurped the authority of the Manager in dealing with conflict. Thus, there was limited commitment by the Manager, or his line managers, in actively resolving the original concerns relating to ET. For instance, having observed work performance issues with ET over a period of some nine months, the Leading Hand (Services) indicated he had discussions with ET and his Leading Hand; however, there had been no improvement. Although ET was previously courteous and civil, over a period of approximately 12 months, he had become difficult in his demeanour and isolated from his work colleagues, yet no action had been initiated until staff concerns had been expressed about his aggressive behaviour. When the work performance issues and the behaviour were drawn to the attention of the Manager, he indicated that the concerns with ET were a matter for HR to manage and he subsequently sought advice as to the action that should be taken. Overall, there seemed

to be an implicit understanding within the MSD that the issues associated with ET were appropriately a matter to be determined and managed by the HR Consultant.

Second, the HR Consultant was complicit with the Manager in her acceptance of the responsibility for managing all aspects of the procedures used to manage ET. The Consultant's response to the initial request for advice was to consider the application of MetalCo Discipline and Performance Management procedures. She noted, however that an initial "informal counselling session" should be conducted to deal with the respective concerns. She also acknowledged the need to address the possibility that there may be "personal issues" associated with ET's behaviour, and consequently advised that he be referred to the EAP. Notwithstanding these initiatives, the Consultant indicated that if ET's unsuitable behaviour continued, the provisions of the MetalCo procedures would be applied and ET's employment could be terminated. She prepared two written warnings when ET's performance was assessed as inadequate, and solely determined and prepared a written discipline warning following ET's abuse of the Manager. The overall impression of this approach was that she had a significant level of authority and control. The Consultant said the approach was motivated by a desire to ensure that the formal procedures were appropriately implemented and that any potential risks to MetalCo were minimised. In this regard, she seems to have been specifically concerned at the potential of some form of litigation: the shadow of possible legal proceedings appears to have been a significant influence on her attitude to the way in which the procedures were managed.

Third, ET's response was initially antagonistic and aggressive to what he perceived were threats to his status and future employment; he subsequently withdrew from social interaction with his work colleagues and, when confronted with allegations concerning his behaviour and work performance, he remained mute and did not actively participate in the processes that were utilised.

Although MetalCo has established formal organisational values that promote integrity, compassion, respect and excellence - which are included within the preamble of each HR policy and procedure - they do not appear to have had any significant influence on

the attitudes or behaviours of either the Manager or HR Consultant. Similarly, whilst there are organisational processes that specify the respective responsibilities of Managers and HR, the delineated responsibilities were not followed within the MSD. The authority and control of the HR Consultant appear to have been accepted by the Manager and line managers within the MSD. As Ostroff (1992, p.964) explains, "…through daily associations with others, employees develop relationships at work that fall into routine patterns, patterns that prescribe behavioral expectations and influence behaviors". Conflict management norms emerge from these relationships: involvement in, and repeated observation of the way conflict is managed enables individuals to develop shared perceptions of how conflict is defined and conceptualised within the organisation, as well as the value placed on the prevailing conflict management processes (Kozlowski & Klein, 2000).

To what extent then, is it possible to identify the conflict culture within the MSD? Utilising Gelfand et al.'s (2008) typology of conflict cultures - Collaborative, Dominating, Avoidant and Passive-Aggressive - two dimensions are used to assess the responses to conflict. The first dimension is whether conflict is managed in an agreeable or disagreeable manner; the second is whether conflict is managed actively or passively. An analysis of the four conflict cultures (Gelfand et al., 2008) indicates that the dominant characteristics within the MSD epitomise a passive-aggressive conflict culture. The reasons for this conclusion are now summarised.

First, the normative response to conflict in a passive-aggressive culture is disagreeable in nature: employees develop norms that when conflict arises, the most appropriate and effective way to handle it is in the form of passive resistance (Gelfand, et al, 2008);

Second, core assumptions and values underlying this conflict culture are that employees are not empowered and are cynical about their ability to actively manage conflicts, that competition and anti-social behaviour is acceptable and that there are many constraints on behaviour (Gelfand et al, 2008);

Third, in passive-aggressive conflict cultures, normative behaviours for handling conflict include refusing to participate in discussions related to the conflict, giving the silent

treatment or withdrawing from work and interactions with others (Baron & Neuman, 1996; Buss, 1961; Geddes & Baron, 1997).

Finally, passive-aggressive conflict cultures develop in organisations in which there is either a highly authoritarian leader, who provides too much control and structure, or a highly insecure or weak leader who provides too little control and structure (Bush, 1983; Neilson, Pasternack & Van Nuys, 2005).

This aspect of the case study indicates that the shared attitudes and behaviours of the HR Consultant and Manager were influential in creating the organisational context within which conflict was dealt with in the MSD. Although the conflict culture of MetalCo cannot be characterised definitively the observations of the case study are indicative of a subculture within the MSD based on the attitudes and behaviours of the two most senior managers responsible for managing conflict, and the corresponding attitudes and behaviour of ET. The conflict culture within the MSD seems to be a significant factor in influencing the way ET responded to his circumstances.

Conclusion

The objective of this case study was to examine the factors that may have influenced ET in his choice of conflict resolution procedures in response to allegations of poor work performance and inappropriate behaviour.

The actions of the MSD Manager and HR Consultant were based on the application of relevant organisational policies and procedures - Performance Management; Discipline; and Dispute Resolution – seemingly predicated on ensuring that employee transgressions are managed in a way that dissipates dissent and minimises the possibility of a conflict escalating (Sheppard, Lewicki & Minton, 1992). Such an approach can be characterised as a three-step process - the identification of ET as a problem to be managed; the application of relevant procedures; and consequent outcomes which deal with the problem. In seeking to assess the factors that may have influenced the way in which ET responded to the conflict resolution procedures being utilised, the actions of the Manager, HR Consultant and ET were considered in the context of the four key themes that have been examined in the thesis - fairness and justice; the implications of

stress; the power relationships between the respective parties; and the conflict culture within MetalCo.

In summary, ET's initial judgement of fairness within the MSD, and potentially within MetalCo, was derived from distrust in the management of the Department. This initial judgement was reinforced by the attitude and behaviour of his Manager, resulting in the perception that he had been denied both procedural and interactional justice. In addition to ET's perception of injustice, he was clearly experiencing on-going anxiety and stress, which would have significantly diminished his self-esteem. Further, the prolonged period of stress that he had been experiencing was likely to evoke neurobiological responses, compromising attention and working memory. Consequently, his capacity to make rational judgements about the way he might respond to the procedures being applied by his Manager was seriously impaired. Given that ET was likely to be overwhelmed by his circumstances and unable to solve problems effectively, when confronted by his more powerful Manager, his debilitated state was inevitably exacerbated, and he was more sensitive to threats and potential punishment because of his lack of power and activated inhibition system.

Although ET's responses reflect many attitudinal, behavioural and neurobiological factors, the role of his Manager and the HR Consultant played a prominent role in establishing the overall culture within which his responses occurred. In this context the conflict culture within the MSD was seemingly a major influence affecting the way in which ET reacted to the actions and behaviours of the Manager and the procedures being utilised.

Post-Script

Following his initial advice to MetalCo that he would be unable to work due to a stress related illness, ET did not attend work for the following 12 months. He provided regular medical certificates from a psychiatrist that he was undergoing medical treatment and was 'not fit' for his normal duties. He was ultimately offered a 'termination package' by MetalCo which he accepted. He is no longer working and is currently receiving an age pension.

CHAPTER 11

THE FACTORS INFLUENCING EMPLOYEE CHOICE OF CONFLICT RESOLUTION PROCEDURE

Introduction

The purpose of this chapter is to answer the four research questions that were identified in the respective literature reviews with a view to identifying the various factors that may influence an employee's choice of conflict resolution procedure. The chapter is centred on four empirical research studies – the content analyses in Chapters 7 and 8, the survey of three organisations in Chapter 9 and the MetalCo case study in Chapter 10 - which variously draw upon the literature reviews to assist in identifying key issues and areas of commonality. Descriptive information and specific inferences are drawn from the empirical studies, and the observations and interviews of each participant in the MetalCo case study provide personal and organisational insights that enable an understanding of the actions and behaviours of the respective participants.

Following an analysis of each research question the chapter concludes by identifying a number of factors that may influence an employee's choice of conflict resolution procedure. The chapter notes that there are various research and organisational implications which arise from the conclusions which are discussed in Chapter 12.

Answering the Research Questions

Research Question No.1: In what way do employee perceptions of workplace conflict, as a positive or negative influence, affect an employee's choice of conflict resolution procedure?

To explore the relationship between perceptions of workplace conflict and preferred resolution procedures, as it relates to the MetalCo case study, the conflict culture that was apparent within the Maintenance and Services Department (MSD) should be

considered. Although the Manager and HR Consultant may have significantly influenced the development of a passive-aggressive conflict culture, their roles differed markedly. While presenting himself to ET as the major influence in the management and conduct of the respective procedures the Manager was, on the one hand, indifferent towards ET, and, on the other hand, duplicitous in carrying out the directions of the HR Consultant. The actions of the Manager led ET to perceive the Manager as "dismissive in his attitude and appeared to be following a set procedure". The more dominant role of the HR Consultant appears to be have been motivated by her concern to minimise any risk to the organisation. This motivation seems to relate specifically to the possibility of litigation and a somewhat officious application of the formal procedures. Although driven by different motivations, the general tenor of the approach adopted by the Manager and HR Consultant indicates that the initial concerns relating to ET's performance and behaviour were perceived negatively and considered disruptive of normal workplace patterns. ET's response was equally negative in that he was defensive and generally withdrawn and inhibited when responding to the Manager.

Several conflict resolution choices were available to ET from the time he was first advised of the allegations. He could have utilised the informal counselling session to explain his situation and seek an understanding of his concerns; however, he did not utilise this option. Likewise, he could have utilised the first two steps in the performance management procedure to similarly clarify his circumstances; once again, he did not seek this alternative and responded with varying degrees of defensiveness, antagonism, withdrawal and aggression. Given his concerns, he could also have challenged the procedures that were used by lodging a formal grievance; however, he declined that option as well. The central issue becomes whether these responses, and indeed, the manner in which the Manager and HR Consultant dealt with the conflict, were in any way related to a negative perception of conflict within the MSD.

Tjosvold (2006) argues that conflict does not just evolve or escalate by itself because individuals make choices to either escalate conflict or provoke constructive outcomes. Arguably, the dominant voice that informed ET of the prevailing means to resolve

conflict was that of the HR Consultant. In initiating the formal performance management procedure, and subsequently the discipline procedure, she effectively escalated the conflict. The attitude of the HR Consultant and the Manager, and their subsequent actions, appears to have been based on the assumption that the interests of the MSD - and potentially more broadly, MetalCo - conflicted with the interests of ET. The Manager, HR Consultant and ET had, albeit implicitly, adopted an attitude that was based on an acceptance that the conflict arose from opposing interests. Given the respective attitudes, a competitive approach was unsurprisingly adopted to deal with the issues that had been raised.

The notion of opposing interests is also a matter that arises from the survey of manager-subordinate attitudes to multi-step procedures in three organisations in Chapter 9. The survey uncovered significant differences between managers and subordinates concerning attitudes towards conflict resolution choices available within multi-step procedures. These different attitudes may amplify the disparate preferences between managers and subordinates. This disparity then reinforces the assumption that managers and subordinates do not share the same interests, exacerbating conflict.

In adopting an attitude that presupposed opposing interests, and consequently focused on winning and imposing outcomes, the respective parties in the MetalCo case study were pursuing an approach that typically either escalates or suppresses conflict (Tjosvold, 2006). The HR Consultant and Manager were initiating actions that were, in effect, escalating the conflict, while ET was paradoxically withdrawing his involvement to avoid the procedures that were being implemented, and consequently further damaging his prospects of a suitable resolution.

ET's negative approach to the procedures can be understood in the context of fairness heuristic theory (MacCoun, 2005). This theory posits that individuals will form important fairness judgements that may affect the manner in which they are prepared to participate in, or commit to conflict resolution procedures. The information informing the judgement may include organisational policies, the attitude of managers and supervisors, and knowledge and attitudes concerning conflict resolution procedures

gleaned from other employees. Given that MSD employees will have regularly observed managerial attitudes and behaviours concerning the way in which conflict is perceived as a negative influence within the Department, ET would have formed a similar negative impression, with a corresponding distrust in the management of the Department to deal effectively with any conflict.

How then would the prevailing attitude to conflict within the MSD have affected ET's choice of conflict resolution procedure? According to Deutsch (1973), the way in which protagonists negotiate their conflict will be determined in part by the extent to which they believe their goals are co-operative or competitive. In this case, all parties apparently believed they were dealing with a competitive context. Consequently, they entered into what Tjosvold (1998) refers to as a destructive controversy, which promotes close-minded disinterest and rejection of each other's perspectives. Such approaches are consistent with the passive-aggressive culture that existed within the Department.

Accordingly, the negative perception of conflict is interwoven with the prevailing passive-aggressive conflict culture within the Department. Hence, the consequences of this perception of conflict and the passive-aggressive conflict culture to ET cannot be readily differentiated. Notwithstanding this difficulty, the emergence of a conflict culture within an organisation is driven by the daily practices that govern the way conflict roles emerge: these practices include "top-down processes" (Gelfand, Leslie & Keller 2008, p.147), such as the personality and behavioural style of managers and supervisors, and "bottom-up processes" (Gelfand et al., 2008, p.154), such as the work relationships and routine patterns that influence the behaviours of organisational members. Thus, the roles of the respective workplace parties in the emergence of a conflict culture are evident.

Given the circumstances in the MetalCo case study, the way in which conflict is defined, either explicitly or implicitly, may influence both manager and employee choice of available conflict resolution procedures. The caveat to this conclusion, however, is that the way in which conflict is defined is a matter that arises from the complex interaction of the overall culture of the organisation, the attitudes and behaviours of managers,

supervisors and employees as well as the consequential conflict culture of an organisational unit. These complicated issues warrant a level of examination and analysis beyond the scope of this discussion and are therefore matters requiring further, detailed research.

Despite the complexity of the issues, the circumstances of the MetalCo case study suggest that the lack of definition of conflict resulted in acceptance of opposing interests, which established a negative mindset and consequently frustrated the conflict resolution process. Conceivably, had the prevailing culture of conflict within the MSD been based on a definition of conflict which encouraged a co-operative approach, a constructive controversy based on a discussion of opposing positions, open-minded listening, motivation to hear the opponent's arguments and reaching mutually agreed outcomes might have evolved (Deutsch, 1973).

Despite the passive-aggressive conflict culture within the Department, MetalCo included several organisational values as a preamble to all HR policies and procedures - Integrity, Compassion, Respect, and Excellence. These values imply an organisational and conflict culture somewhat different to that which operated within the MSD. The relationship between the MetalCo values and the conflict resolution approach adopted by the HR Consultant and MSD Manager is discussed below.

Research Question No.2: Is the capacity of employees to voice their concerns affected by multi-step conflict resolution procedures?

Although research into procedural justice (Thibault & Walker, 1975, 1978; Folger, 1977; Cohen-Charash & Spector, 2001) shows that individuals perceive procedures and outcomes as fairer when they are granted the opportunity to voice their opinions, the MetalCo case study provides a clear example of the complex dynamics that surround this opportunity. Although the MSD Manager and HR Consultant assumed they had afforded ET the opportunity to voice his opinions on any relevant matter, ET expressed distrust and fear of reprisal should he express his personal concerns. Similarly, he was reluctant to participate in the performance management procedure because he had been treated unfairly, evidenced by the dismissive and insensitive attitude of the Manager.

These divergent perceptions reveal some ambiguity concerning the nature of voice. Hirschman (1970, p.161) refers to voice as a provision that "can be graduated all the way from faint grumbling to violent protest; it implies articulation of one's critical opinions". Voice has also been identified as a providing a means of active resistance to mistreatment from employees who wish to preserve their status within an organisation (Farrell, 1983; Rusbult, Farrell, Rogers, & Mainous, 1988). Further, Kassing (2000, p.61) defines voice as "articulated dissent: expressing dissent openly and clearly in a constructive fashion within organizations to audiences that can effectively influence organizational adjustment". A similar approach is espoused by Detert and Burris (2007, p.870), who identify voice as "verbal behaviour that is improvement oriented and directed towards a specific target who holds power inside the organization".

Arguably, the Kassing (2000) and Detert and Burris (2007) definitions exclude ET. As is discussed in the previous research question, ET was, in some sense, granted the right to voice his concerns; however, he declined this opportunity. The Kassing (2000) and Detert and Burris (2007) definitions appear to be overly prescriptive in terms of the requirements of employees. There are numerous reasons canvassed in this thesis that may inhibit any constructive or helpful disclosures of concerns, reminiscent of the concept of organisational cynicism, which often breaches the psychological contract (Naus, van Iterson & Roe, 2007; Schein, 1980; Rousseau, 1989; Robinson & Rousseau, 1999). In contrast, the definition offered by Hirschman (1970, p.161) appears to capture the essential intention of voice as an opportunity that may range from "grumbling to violent protest". If the ambiguity concerning the nature of voice is applied to the circumstances of the MetalCo case study, the conflicting perceptions of the opportunities for voice provided to ET and the way he dealt with these provisions is understandable.

Given the uncertainty concerning the nature of voice, and the extent to which multi-step conflict resolution procedures are used in Australian workplaces, the relationship between employee voice and multi-step procedures is of particular interest. The graduated structure of multi-step procedures is based on ensuring that the parties to a conflict are able to negotiate – that is, to utilise voice - concerning their respective

positions at each step in the process. The assumption built into the procedure is that, if a resolution is not achieved at a lower step, the conflict will be elevated, involving more senior individuals in the process. Ultimately, if a resolution cannot be achieved within the steps, the unresolved conflict will be referred to an independent third-party for resolution.

Insights into the relationship between voice and multi-step procedures can be gleaned from the survey of the attitudes of managers and subordinates concerning multi-step procedures in three organisations. The survey in Chapter 9 identifies significantly different attitudes between managers and subordinates concerning the choices available to them. The study shows that subordinates are more likely than managers to prefer:

(a) Formal procedures rather than informal procedures at each step in the process;
(b) That unresolved conflicts are referred to the Australian Industrial Relations Commission (AIRC) rather than a conflict resolver selected jointly by the conflicting parties;
(c) That unresolved conflicts be referred to arbitration rather than conciliation or mediation.

Furthermore, subordinates are more likely than managers to consider the possibility of punishment or retribution if a grievance is lodged.

These outcomes highlight the distrust of employees towards the capacity of managers to influence conflict resolution procedures, as exemplified in the MetalCo case study. The distrust may originate from several factors including the perception of the fairness of organisational systems and processes (McCauley & Kuhnert, 1992; Korsgaard, Schweiger & Sapienza, 1995). The distrust evident in the survey outcomes appears to be consistent with research that shows that employees are likely to exercise voice only if they perceive that the benefits of articulating their concerns outweigh the costs - a possibility that emerges only if their opinions are treated seriously (Saunders, Sheppard, Knight & Roth, 1992; Parker, 1993). Indeed, as recent research by Landau (2009, p.48) has confirmed, individuals are more willing to utilise voice if their supervisor is a "competent voice manager" - a person who genuinely seeks, considers, and

accommodates their concerns. This finding has been confirmed in other studies by Kassing (2000); Vakola and Bouradas (2005); and Detert and Burris (2007). Landau (2009, p.48) describes the characteristics of a competent voice manager in the following terms:

> Supervisors need to be trained to identify and understand the fears and needs of subordinates and how those factors influence voice behavior. They need to be trained in how best to elicit input from employees, how to listen to employees without becoming defensive, as well as how to implement good suggestions.

Neither the Manager nor HR Consultant in MetalCo seemed to demonstrate the competencies referred to by Landau (2009). Indeed, as Saunders et al. (1992) found, the willingness of employees to voice their concerns depends on the extent to which they perceive their supervisors as approachable and responsive. This finding is consistent with a review of earlier work conducted by Glauser (1984) that revealed that various factors affect upward communication including the characteristics of the communicator, the message, the organizational context and the characteristics of the supervisor-subordinate relationship. Thus, although the option may be available, employees are often reluctant to voice their concerns (e.g. Withey & Cooper, 1989; Pinder & Harlos, 2001; Kish-Gephart, Detert, Trevino & Edmondson, 2009). Given the weight of evidence that employees are uncomfortable conveying information about potential problems or issues to managers (Milliken, Morrison & Hewlin, 2003); to what extent might the structure and processes of multi-step procedures contribute to this reluctance? The analysis of dispute resolution procedures in Chapter 8 suggests that the absence of a specific commitment to justice and fairness principles, and structural deficiencies, are matters that may influence the reluctance of employee's to voice their concerns.

In the MetalCo case study, ET's responses to the allegations made against him appear to have emanated from his perception of the untrustworthy nature of his Manager and the dismissive and insensitive manner in which he believed he was treated. These responses are consistent with the issues raised in the research on organisational silence concerning

the role of supervisors, rather than a direct relationship with the structure and processes of the multi-step procedures that were utilised. However, the multi-step process does appear to have amplified the spiralling nature of the conflict. From the point at which the allegations were made against ET, he was effectively confined to a process that automatically escalated from step to step if a resolution was not reached. Given the breakdown in trust between ET and his Manager, ET's subsequent behaviour, the consequent complex conflict that occurred, and the limited 'voice management competencies' of the Manager and HR Consultant, a mutually satisfactory resolution was unlikely to have been achieved. Therefore, the inflexibility of this multi-step procedure appears to have been a significant deficiency. When confronted with ET's reluctance to respond positively to the first step of the process, the procedure obliged the Manager to escalate the conflict to the next step.

Given the complex combination of task and relationship conflict that needed to be dealt with, it seems evident that negotiation was not an effective conflict resolution method. However, the multi-step procedure did not provide for alternative processes, nor did the Manager or HR Consultant have the skills to employ different approaches. Arguably, the procedure lacked the flexibility to accommodate such factors as ET's personal circumstances, the complex nature of the conflict, and the relationship between the parties. As is evident from the analysis of dispute resolution procedures in Chapter 8 it appears that for voice to be effective a one dimensional conflict resolution model, such as the multi-step procedure, has inherent limitations in terms of structure and process. Given the nature of the issues involved in the MetalCo case study, an alternative conflict resolution model that incorporated multiple voice mechanisms may have provided a more constructive process.

Although the researcher was unable to locate any Australian research that examines the outcomes of multi-step conflict resolution procedures, USA research by Olson-Buchanan and Boswell (2008b) suggests that using multi-step grievance procedures results in negative, or at best, neutral consequences for individuals who lodge grievances. Consequently, an alternative to the multi-step approach is a multi-option

model of conflict resolution. Such a model would provide opportunities for multiple and alternative voice mechanisms, as well as opportunities to address underlying issues (Bendersky, 2003). Research in the USA indicates that American organisations are increasingly shifting away from multi-step processes and adopting a plethora of various organisational conflict resolution systems (Feuille & Cachere, 1995).

The history and analysis of multi-step procedures in enterprise agreements (Chapters 7 and 8), the survey of manager-subordinate attitudes concerning multi-step procedures (Chapter 9), and the MetalCo case study (Chapter 10), indicate that the capacity of employees to voice their concerns is affected by various factors including the structure and processes of multi-step conflict resolution procedures. Within the procedures, for voice to be effective, a clearer understanding of the various forms that voice may take is needed - from "grumbling to violent protest" (Hirschman, 1970, p. 161). Consequently, managers and supervisors need to be appropriately trained in identifying and understanding the factors that may influence employee voice behaviour. Additionally, however, the structure of existing multi-step procedures is not conducive to addressing a diversity of conflicts, issues, or individuals, emphasising the need for serious consideration of alternative models of conflict resolution in Australian workplaces that incorporate the capacity for multiple voice options (Pyman, Cooper, Teicher & Holland, 2006).

Research Question 3: In what way does the power relationship between managers and subordinates influence employee choice of conflict resolution procedure?

The extensive research on power relationships undertaken over the last fifty years or so provides compelling evidence that perceived power can shape the choices and preferences of individuals (e.g. French & Raven, 1959; Kipnis, 1972; Kelley & Thibault, 1978; Hecht & LaFrance, 1998; Ward & Keltner, 2001; Lammers, Stapel & Galinsky, 2010). The extant research on legitimate power - in which a manager is granted control over a subordinate - is equally extensive and provides examples of numerous opportunities that may be available to managers to influence subordinates, particularly in relation to choices concerning conflict resolution procedures (e.g. Kipnis & Schmidt,

1983; Karambaya & Brett, 1989), and the conduct of the procedures including the use of threats and punishment (e.g. De Dreu, Giebels & Van de Vliert, 1998; Fortin & Fellenz, 2008).

The survey of manager and subordinate attitudes concerning multi-step procedures in three organisations in Chapter 9 demonstrates significant differences concerning the conflict resolution choices available to these distinct constituencies. The application of regulatory focus theory (Higgins, 1997, 1998) and the approach/inhibition theory of power (Keltner, Gruenfeld and Anderson, 2003) provide clarity concerning the different responses and behaviours of managers and subordinates (See Chapter 4). In summary, approach oriented managers may exert significant influence on less powerful subordinates, who may respond with associated anxiety and restrained expression. Of particular significance is the proposition that these behaviours are triggered "without conscious awareness" (Keltner et al., 2003, p.267). Although sometimes referred to as a structural variable (Ng, 1980), power can also be regarded as a psychological property of an individual (Galinsky, Gruenfeld, & Magee, 2003). For example, power may be activated whenever indications of power are implied, either consciously or non-consciously (Chen, Chen-Lee, & Bargh, 2001; Galinsky et al., 2003). Once activated, the sense of power may influence individuals in predictable ways (Anderson & Galinsky, 2006).

Although the focus of discussion thus far has been concerned with the manager-subordinate relationship within the MetalCo case study, the HR Consultant was, in effect, the primary source of power concerning the action taken to respond to the allegations against ET. Significantly, the HR Consultant was not ET's manager. Furthermore, she did not manage the MSD Manager, yet was instrumental in both determining and managing the process that was undertaken. The MSD Manager sought her guidance and direction in terms of dealing with ET, and she readily accepted that responsibility. Throughout the course of the case study, the HR Consultant was confident and determined in her attitude concerning the action she stipulated the Manager was to follow. Although the Manager acted in a subsidiary role to the HR

Consultant during the implementation of these procedures, he was, nevertheless, a powerful presence in relation to ET. Consequently, there were two relatively powerful individuals managing the performance management and disciplinary procedures, although ET was unaware of the role of the HR Consultant. In contrast to the positions of power held by the Manager and HR Consultant, ET was largely powerless. He had isolated himself from his working colleagues, received no tangible support from the informal counselling session or the EAP, was unsure of the procedures being used, remained largely silent throughout the process and had abandoned representation from his trade union on the grounds that "no-one seemed interested in what I thought". In the context of the organisational status of the Manager, HR Consultant and ET, it is interesting to note the study undertaken by Thomas and Thomas (2008), which utilised the Dual Concern Model (Thomas & Kilmann, 2002) to assess the conflict management styles of senior managers and non-supervisory employees. Senior managers scored higher in the two most assertive styles - collaborating and competing - whilst the non-supervisory employees scored higher on the unassertive styles - avoiding and accommodating.

To appreciate the Manager and HR Consultant's actions and behaviours, research by Galinsky, Gruenfeld and Magee (2003) is instructive. In acknowledging the approach-inhibition theory of power, this study confirms that individuals with power exhibit greater propensity to act with initiative and spontaneity than individuals without power, often regardless of the social consequences of their acts. That is, people with power often disregard the emotional distress they evoke. To explain this finding the researchers theorised that individuals learn, perhaps through conditioning or observation, that environments reinforce people with power who take action. Accordingly, a natural association between power and action develops over time. This premise implies that perhaps the conflict cultures of an organisation shape the tendencies of powerful individuals to act assertively, often oblivious to the emotional consequences of their actions.

This association between power and action also resonates with the premise that managers are socialised, trained and rewarded to act in accordance with organisational goals. Consequently, they often enact behaviours that align to the needs and interests of the organisation only. Thus, from a managerialist outlook, the motivation for fairness assumes a purely instrumental character with trifling regard for the moral and ethical issues related to justice (Fortin & Fellenz, 2008).

Consistent with this characterisation of power, the HR Consultant was confident and determined in her manner: When approached initially about ET, she was single-minded and clear about the action to be taken and advised the Manager accordingly. Likewise, studies show that USA Supreme Court judges with the most power demonstrate less cognitive complexity when they contemplate policy options compared with judges with less power, who are more likely to contemplate the benefits, drawbacks, and complications of various choices (Gruenfeld, 1995; Gruenfeld & Kim, 2003). Power provides one mechanism to reduce deliberation and facilitate action (Galinsky et al., 2000), curbing doubt and hesitation (Gollwitzer, 1996; Moskowitz, Skurnik, & Galinsky, 1999). The HR Consultant's deliberative and focused action throughout the case study was directly related to her expertise in the area of human resource management; she attained her status and influence by virtue of *expert power*, which may be derived from experience, knowledge or expertise in a given area (French & Raven, 1959). This power triggered the approach oriented behaviour that formed the basis of her dominant attitude and deliberative actions, and consequently empowered the Manager to act as he did in carrying out her instructions.

Although the power attained by the HR Consultant and MSD Manager activated their respective behavioural approach systems, the converse applied to ET. Because he did not experience any sense of power he was unduly aware of the potential threats and punishment, such as the likelihood of demonstrative and demanding behaviour from his Manager. In this threatening context, ET's behavioural inhibition system was activated. He experienced loss of control, significant anxiety and a reluctance to express himself for fear of exacerbating the conflict. The activation of ET's behavioural inhibition

system compelled him to withdraw from the procedures that had been implemented by his Manager under the direction of the HR Consultant.

On the surface, there was an obvious paradox in ET's responses in that he perceived that he had been treated unfairly and disrespectfully by his Manager, yet his defensive responses reinforced the negative attitudes that the Manager and the HR Consultant had formed of his actions and behaviour. Activation of the behavioural inhibition system without conscious awareness may reconcile this apparent paradox; however, it is interesting to note research that highlights the plight of less powerful individuals concerning their perceived lack of entitlement. To illustrate, Lammers, Stapel and Galinsky (2010), found that low power individuals are stricter in judging their transgressions than in judging the transgressions of other people. They often evaluate themselves harshly and unfavourably. Thus, in contrast to powerful individuals, less powerful individuals fail to secure the resources they need because they do not feel entitled. Similarly, Georgeson and Harris (2006) found that powerless individuals internalise negative outcomes and consequently feel they deserved the penalties or punishments they received. Accordingly, although aware that he had been mistreated, ET may not have felt he was entitled to challenge this behaviour legitimately. The defensive response perhaps reflected this paucity of available options to resolve his distress.

In addition to the stark contrast between managers and subordinates concerning multi-step procedures identified in the survey of three organisations, the MetalCo case study similarly demonstrates the "strikingly different worlds" (Keltner, Gruenfeld & Anderson, 2003, p. 279) of managers and subordinates in their choice of conflict resolution procedures. While the influence of managers is evident through the initiation of the behavioural approach system, and its concomitant pursuit of action, goals and rewards, the behavioural inhibition system of subordinates is the equivalent of an alarm-threat system, invoking uncertainty, anxiety, heightened vigilance and avoidance (Keltner et al., 2003).

The implications for both managers and subordinates in terms of conflict resolution choice are evident from the contrasting responses to power given the dominant influence of managers. In this regard, both the survey and the MetalCo case study highlight the need for both the structure and management of multi-step conflict resolution procedures to reflect the potential influence of the power differential between managers and subordinates.

Research Question 4: In what way does workplace injustice and consequent conflict and stress influence an employee's choice of conflict resolution procedure?

As research has identified, if individuals feel that an authority is untrustworthy, subsequent actions - whether they are fair or unfair - tend to be evaluated negatively (e.g. De Cremer, 2004). Consequently, based on fairness heuristic theory (McCoun, 2005), ET had formed a judgement that the organisation's approach to conflict resolution was compromised and the Manager could not be trusted. Thus, ET's responses to the allegations and the subsequent procedures were likely to be negatively evaluated, as evidenced by the events of the case study.

ET believed that the performance management procedure was unfair. That is, he felt the procedure did not provide him with an opportunity to address his concerns. He also believed that the organisation could not be trusted to respond fairly to his needs and concerns. He also perceived that he had experienced an injustice because the MSD Manager had treated him dismissively and insensitively. Indeed, his perception of injustice was confirmed when a first written disciplinary warning was imposed on him following his outburst at the Manager during the performance management process.

Although these responses can be directly related to the allegations against him, a complicating factor is that ET had confided to the researcher that, for approximately 12 months prior to the allegations, he had been experiencing personal concerns about his work performance, anxiety concerning his age, and the possibility that he may be forced to retire. This complication raises the question of the extent to which ET had been experiencing prolonged stress prior to the allegations. Indeed, his confession to the researcher implies that the stress he was experiencing may have been a significant

contributor to the way he responded to the allegations. Given that neither the Manager nor the HR Consultant were aware of ET's personal concerns, they were arguably misled and therefore should not be held responsible for the way in which ET responded to their procedural initiatives. To evaluate this proposition, the nature and intent of the procedures utilised by the Manager and HR Consultant need to be explored.

The case study indicates that all MetalCo policies and procedures incorporate a statement of organisational values as a preamble, including Integrity, Compassion, Respect, and Excellence. The preamble suggests an ethical framework within which HR policies and procedures are to be applied. Given such a framework, it can be implied that the procedures were intended to respond to employee transgressions in a compassionate and caring manner. Such a manner would incorporate a process that extends beyond simply dissipating dissent and minimising conflict (Sheppard, Lewicki & Minton, 1992). Arguably, the organisational values underpin a commitment to a process that transcends the conventional logic of a three step process of conflict resolution which identifies a transgression/misdemeanour, applies a formal policy and presumes that an appropriate outcome will follow. Such a simple linear model of dealing with workplace conflict denies the need to include consideration of broader issues such as the organisational values themselves and underlying issues such as the dysfunction that was evident in ET's actions and behaviours. ET had, after all, demonstrated aberrant personal behaviour over a period of some nine to 12 months, yet no action had been implemented by ET's Leading Hand, the Leading Hand (Services), or the MSD Manager. Although the Manager and HR Consultant had subsequently identified the possibility that 'personal concerns' contributed to ET's work performance and behaviour, the only action taken was to advise him to consult with the EAP and require him to participate in an informal counselling session, which was, in fact, merely a confirmation of the allegations against him. Hence the primary responsibility for managing the allegations rested with the MSD Manager and the HR Consultant, neither of whom appear to have embraced the MetalCo values as an integral part of the procedures they utilised.

Given ET's experience of anxiety and stress in the nine to 12 months before the allegations, coupled with his heuristic judgement that the MetalCo conflict resolution procedures were unfair, and his perception that his Manager could not be trusted, he was unsurprisingly unco-operative and defensive. The coalescence of these factors cultivated a negative sequence of events: ET had perceived the procedures to be unjust; his trust in his Manager diminished; his capacity to resolve the stress arising from these circumstances was exacerbated by the prolonged stress he had been experiencing; and the resulting negative emotions impeded his capacity to process and exchange information effectively or solve problems. As a consequence, the sequence of events escalated the conflict without resolution. This complex interaction of injustice, conflict and stress highlights the difficulties for employees, as well as for managers and supervisors in some circumstances, concerning both the choice of available conflict resolution procedures and the ability to effectively participate in whatever conflict resolution procedure is utilised.

The researcher's observation of ET throughout the case study was that he was withdrawn and inhibited. However, in private discussion he exhibited variable moods, ranging through anger, resignation and despair, indicative of a significant level of stress. An impressive body of research has demonstrated that workplace injustice and associated conflict magnifies psychological strain (Tepper, 2001; Elovainio, Kivimaki & Vahtera, 2002; Elovainio, Vahtera, Virtanen, & Stanfield, 2003; Elovainio, Virtanen & Keltikangas-Jarvinen, 2003). The extent to which stress appeared to affect ET highlights the absence of any apparent understanding of the implications of the stress he was experiencing by either the MSD Manager or the HR Consultant.

Research highlights that responses to persistent or acute stress are diverse including a perceived loss of control and increased uncertainty (Giebels & Jannsen, 2005), threats to self-esteem (Baumeister & Leary, 1995; Dickerson, Gruenwald & Kemeny, 2009), a narrowing of attention (Combs & Taylor, 1952; Cohen, 1980), diminution of behavioural control (Driskell & Salas, 1991), and a sense of being overwhelmed, coupled with a diminished capacity to solve problems. In ET's case, he had been

experiencing personal uncertainty and anxiety for a considerable period of time prior to the allegations being presented to him. Consequently, his pre-existing stress may have been exacerbated by the allegations and subsequent action taken by the Manager. Thus, it is highly likely that he would experience considerable difficulty in determining which courses of action he should pursue to fulfil the demands of the Manager, and in particular, how he should respond to the conflict resolution procedure that had been implemented.

Recent developments in neuroscience may extend our current level of knowledge in explaining the causes and effects of injustice and associated stress responses. Beugre (2009), for instance, has proposed a model of neuro-organisational justice that explains the role of the brain in how individuals form fairness judgements and react to fair and unfair situations. The practical application of this approach unearths numerous avenues of inquiry, including better understanding the neurological stress responses that may influence both an individual's choice of conflict resolution procedure and the capacity to deal effectively with the relevant procedure. This matter implies that a more integrated approach is necessary between the disciplines of organisational justice, stress, management, human resource management and neuroscience.

Factors influencing employee choice of conflict resolution procedures

In analysing the four research questions this chapter draws upon the four empirical research studies within the thesis: the two content analyses, the survey of three organisations and the MetalCo case study. This chapter also includes information and inferences that were drawn from the observations of the researcher and interviews conducted throughout the case study. The four empirical studies provide converging evidence that, because of the "strikingly different worlds" (Keltner et al., 2003, p. 279) of managers and their subordinates, subordinates may be unable to make appropriate choices concerning multi-step conflict resolution procedures, and to effectively participate in whatever procedure is adopted. The four studies identify the following factors that could influence employees in the conflict resolution choices available to them.

Workplace Justice

A considerable body of research confirms the impact of perceived justice and fairness on a variety of attitudes and behaviours of employees (e.g. Cohen-Carash & Spector, 2001; Colquitt, Conlon, Wesson, Porter, & Ng, 2001). Indeed, justice considerations arise in almost all social situations in which people interact with each other (Folger, 1984). Consequently, the influence of justice and fairness in the workplace indicates that how justice judgements are formed should occupy a prominent place in conflict resolution and management development training programs. Despite such an assumption, the analysis of dispute resolution procedures in Chapter 8 suggests that justice has not been accorded a high priority by the workplace parties. Similarly, the MetalCo case study demonstrates that the Manager and HR Consultant did not appear to be aware of the implications of justice considerations in their management of the conflict concerning ET.

The case study is a clear example of the extent to which perceptions of injustice may evoke a cycle of distrust, stress, and conflict. Effective interventions necessary to deal with such a cycle of events require managers and supervisors to be fully informed of the concept of workplace justice, and to understand the factors that may lead to perceptions of injustice by subordinates.

Voice

In spite of the original and historic intention of voice as a means of providing employees with opportunities to express their opinions concerning a perceived conflict or grievance, the MetalCo case study illustrates the circumstances in which the provision of voice may be problematic. The case study highlights the ambiguity and potential hostility that may exist concerning the nature and purpose of voice. The Manager and HR Consultant appeared to apply the formal process of the respective MetalCo procedures whilst adopting a frame of mind that was focused on minimising risk for the organisation. Although central to the concept of workplace justice, voice is open to abuse, as MacCoun (2005, p.24) emphasises "... our poignant desire for voice and dignity ... (leaves us) ... potentially vulnerable to manipulation and exploitation ..." (See Lind, Kanfer & Early, 1990, concerning the 'fair process effect').

Given that the conflict that occurred within the case study arose from a complex interaction of allegations and rebuttals concerning performance management and discipline, perceptions of injustice, the consequences of stress, and a breakdown in the manager-subordinate relationship, the importance of voice on the part of ET was a critical factor in seeking to resolve the conflict. The evidence of the case study indicates, however, that the Manager and HR Consultant appeared to be more concerned with formal procedure than a commitment to effective voice.

The history and analysis of multi-step procedures in enterprise agreements (Chapters 7 and 8), the survey of manager-subordinate attitudes concerning multi-step procedures (Chapter 9), and the MetalCo case study (Chapter 10), indicate that the capacity of employees to voice their concerns is affected by various factors including the structure and processes of multi-step conflict resolution procedures. In light of the importance of voice, the extent to which it is available and effective is likely to be affected by the knowledge and understanding of managers concerning workplace justice, their voice management competencies, and the availability of multiple voice options.

Manager-Subordinate Power

The survey of three organisations (Chapter 9) and the MetalCo case study (Chapter 10) demonstrate the extent to which the power relationship between managers and subordinates - both hierarchical power and expert power - may influence employee choice of conflict resolution procedure. Although the survey identifies significant differences in the attitudes of managers and subordinates concerning multi-step procedures, the application of regulatory focus theory and the approach-inhibition theory of power provides an understanding of the likely actions and behaviours of managers and subordinates. The case study extends the theoretical possibilities by providing evidence of the practical application of the behavioural responses of both managers and subordinates. The MSD Manager demonstrated classical approach oriented behaviour in the way he objectified ET and treated him in a dismissive manner. Similarly, the HR Consultant's approach oriented behaviour appeared to be more concerned with the needs and interests of the organisation than with the ethical issues related to justice. Conversely, ET's inhibition oriented behaviour led him to effectively withdraw from the

procedures that had been initiated and adopt a negative and destructive demeanour. These dominant influences, which occur "without conscious awareness" (Keltner et al., 2003, p.267), demonstrate the extent to which the power differential between managers and subordinates may influence both their respective choices of conflict resolution procedures and their capacity to effectively participate in whatever procedure is utilised.

Workplace Stress

The burgeoning literature concerning the relationship between conflict and stress (Greenglass, 1996; Dormann & Zapf, 1999; Frone, 2000; Hahn, 2000; De Dreu, van Dierendonck & Dijkstra, 2004; Spector & Bruk-Lee, 2007) highlights the importance of ensuring that this relationship is accorded due recognition in relation to workplace conflict. The MetalCo case study demonstrates the neglect of the implications of stress in dealing with a complex conflict. Although ET exhibited unusual behaviour, neither the MSD Manager nor the HR Consultant appeared to understand the potential influence of stress on ET's responses to his situation. The stress literature identifies the possible responses to persistent or acute stress, including perceived loss of control, increased anxiety, a sense of being overwhelmed, and a diminished capacity to solve problems (Cohen, 1980; Baumeister & Leary, 1995; Giebels & Jannsen, 2005). Clearly, ET's capacity to participate in the procedures that had been initiated was seriously diminished, as was his ability to choose an appropriate response to the procedures.

Although there is an extensive body of research on the nexus between injustice, conflict and stress (Tepper, 2001; Elovainio, Kivimaki, & Vahtera, 2002; Elovainio, Vahtera, Virtanen & Stanfield, 2003), only recently have developments in neuroscience uncovered several interesting avenues of inquiry concerning the role of the brain in the way in which individuals form fairness judgements and react to fair and unfair situations (Beugre, 2009). The blending of justice, conflict, and stress, coupled with the emerging research in neuroscience, highlights the need to develop a more integrated approach across the disciplines of organisational justice, stress, management, human resource management and neuroscience.

Conflict culture

Although conflict cultures have not been studied extensively (Gelfand et al., 2008), this study highlights that this matter deserves more emphasis. Both the MetalCo case study and the survey of three organisations reinforce the importance of the perception of conflict as a critical aspect of an organisation's conflict culture. An approach by managers and HR practitioners that is based on a negative attitude to conflict is more likely to elicit a competitive context, culminating in closed-minded disinterest and rejection of an opponent's ideas and information (Tjosvold, 1998). Similarly, a negative perception of conflict by subordinates is likely to escalate the differences between the parties and result in destructive conflict as distinct from constructive or co-operative conflict. This aspect of the study highlights the relationship between conflict culture and the beliefs and attitudes of managers and subordinates, and the extent to which this confluence of factors may influence both the choices of conflict resolution procedures that may be utilised, and the manner in which the procedures may be conducted.

Multi-step procedures

The MetalCo case study provides a stark example of a conflict with several complex strands that were not adequately examined. Given the lock-step nature of the multi-step procedures that were utilised, the complicated nature of the conflict was not addressed and as a consequence the conflict intensified as it escalated from step to step. In part, the complex nature of the conflict was not addressed because it was defined only in terms of ET's capacity to meet the requirements of his position description, and the need for him to address his aggressive behaviour. Consequently, both the way in which a conflict is defined, and the inherent inflexibility of multi-step procedures, appear to be significant deficiencies in enabling complex issues to be fully explored. There are, however, additional matters that need to be considered in relation to the effective use of multi-step procedures, including the extent to which the parties share common goals concerning the conduct of the procedures. As indicated earlier, there is something of a paradox in terms of the attitudes of managers and subordinates concerning dispute resolution procedures. The analysis of multi-step dispute resolution procedures in Chapter 8 indicates agreement between the respective parties - union-management and employee-employer

– concerning the dispute resolution provisions in workplace agreements. Yet, the evidence of the survey of three organisations indicates limited commonality between managers and subordinates concerning the way multi-step procedures should be used. The analysis of multi-step procedures also suggests there are numerous structural and procedural factors which limit the capacity of multi-step procedures to address a diversity of complex issues. Consequently, there appears to be a need for a detailed examination of alternative models of conflict resolution that incorporate the capacity for multi-option - as distinct from multi-step - and multi-voice options.

Conclusion

In addressing the four research questions that underpin the thesis this chapter explores the four emplirical research studies – the content analyses in Chapters 7 and 8, the study of three organisation in Chapter 9, and the MetalCo case study in Chapter 10 – which variously drew upon the literature reviews to assist in identifying key issues and commonalities. In so doing, the chapter explores various theories and concepts including human respource management, workplace justice, employee voice, employee heath and welfare, power and conflict culture. The specific nature of the four research questions limit the extent to which all of the diverse theories and concepts explored within the thesis are integrated within this chapter. Consequently, there are a number of matters arising from the literature that require further, more detailed research. These matters are discussed in the Conclusion and Recommendations in Chapter 12.

In relation to the factors which may influence both employee choice of conflict resolution procedures and effective participation in the conflict resolution process, this chapter has identified the following:

1. The influence of employee perceptions of workplace injustice, and a lack of understanding and awareness, particularly by managers-supervisors of the implications of workplace justice concerning conflict resolution;

2. Deficiencies in the provision of employee voice options, including the voice management competency of managers-supervisors;

3. The significant imbalance that exists in manager-subordinate power relationships, and a lack of understanding and awareness, particularly by managers/supervisors of the implications of power concerning conflict resolution;

4. The influence of stress arising from perceptions of injustice and consequent conflict, and a lack of understanding and awareness, particularly by managers-supervisors of the implications of stress concerning conflict resolution procedures;

5. The prevailing organisational conflict culture, including the way conflict is explicitly or implicitly defined within an organisation;

6. The limitations of multi-step conflict resolution procedures;

Individually, these factors may influence an employee's choice of conflict resolution procedure and the extent to which the employee may participate in the process. In any combination, or collectively, the factors have the potential to not only impede a conflict resolution process but also escalate a conflict and seriously undermine manager-subordinate relationships.

There are numerous research and organisational implications that arise from these factors and they are discussed in more detail in Chapter 12.

CHAPTER 12

CONCLUSIONS AND RECOMMENDATIONS

Introduction

The findings of this study identified six factors which may individually, or in combination, affect employee choice of conflict resolution procedures. Given the nature and range of these factors, identified in the previous chapter, there are a number of conclusions to be drawn from the study. The objective of this chapter, therefore, is to explore the conclusions and set out recommendations concerning both research and organisational issues.

Research Implications

Although the study does not rank the factors in any order of priority or significance it is arguable that conflict culture is an all pervading influence which provides the framework that enables other factors to emerge. On that basis, and given the limited research that has been undertaken regarding conflict cultures (Gelfand, Leslie & Keller, 2008), there is a compelling urgency concerning the need to develop both qualitative and quantitative methodologies to enable the development and validation of measures of organisational conflict culture. As indicated earlier, there is a complicated web of inter-related matters requiring attention including "top-down" (Gelfand et al., 2008, p.147) and "bottom-up" (Gelfand et al., 2008, p.154) processes, along with leadership, industry context and potentially broader economic and industrial issues. Empirical research is needed to more closely examine the way in which conflict cultures evolve and the extent to which they influence the structure, management and conduct of conflict resolution procedures.

Despite the importance of conflict culture, the study also identifies workplace justice, the power relationship between managers and subordinates and the justice-conflict-stress

nexus as three crucial issues also requiring attention. The practical implications of each of these factors are discussed below; however, in terms of research implications their potential influence on conflict and broader organisational issues suggests the need for a more integrated research approach than has been the case to date. Notwithstanding the extensive literature that exists on workplace justice, power and stress there is a need to develop an integrated research initiative to ensure that their individual and collective influences can be better understood, particularly in relation to conflict resolution.

The interdisciplinary approach adopted in this study has provided an opportunity to explore a diverse range of research in a number of academic disciplines concerning workplace conflict – management, industrial relations, human resource management, law, organisational psychology and related aspects of the psychological literature, and neuroscience. As a consequence of the conventional academic approach of treating academic disciplines separately, there is an understandable tendency for research concerning workplace conflict to focus on differing perspectives and differing research questions (Olson-Buchanan & Boswell, 2008b). For example, the psychological literature appears to be predisposed towards the behavioural aspects of individuals or groups of individuals, while industrial relations scholars seem to focus on bargaining and negotiation issues and legal scholars inevitably focus on litigation and the legal process. The subsequent difficulty, particularly for individuals and organisations seeking an integrated and coherent approach to the many complex issues associated with workplace conflict, is that they are invariably confronted with myriad research initiatives across a range of academic disciplines. In seeking to address this problem, this research utilised a practical case study approach as the centre-piece of a mixed methods research design which was underpinned by a range of interdisciplinary research. This provided a detailed understanding of the practical and theoretical implications of various factors that may influence employee choice of workplace conflict resolution procedures. In acknowledging that there are numerous matters arising from this study requiring further, detailed research it is hoped that subsequent researchers will continue to draw from a range of disciplines to provide the most effective insight into the implications of the multifaceted world of workplace conflict.

Although the study identifies a number of possible research areas, there is one important matter that has potentially significant implications for the justice-conflict-stress nexus. Recent developments in neuroscience concerning the relationship between the brain and workplace justice (Beugre, 2009; Dulebohn, Conlon, Sarinopolous, Davison & McNamara, 2009; Tabibnia, Satpute & Lieberman, 2008; Tabibnia & Lieberman, 2007; Singer, Seymour, O'Doherty, Stephan, Raymond & Firth, 2006) represent key developments that have the potential to improve our knowledge and understanding of the physiological, psychological and behavioural responses to perceived injustice. Coupled with established research concerning the neurobiology of stress, which assists in developing improved knowledge and understanding of the extent to which stress may compromise an individual's capacity to respond to injustice and conflict (McEwan, 2009, 2004, 1998; McEwan & Sapolsky, 1995; Ganzell, Morris & Wethington, 2010; McEwan & Gianaros, 2010; Rodrigues, LeDoux & Sapolsky, 2009), there is a need to ensure that on-going developments in neuroscience concerning workplace justice and stress are incorporated within the development of any future workplace conflict research agenda.

A related matter requiring a more concentrated research effort is the power relationship between managers and subordinates. Although there is extensive research on the broad issue of power, the specific question of the extent to which managerial power may influence or affect the management and conduct of conflict resolution procedures has not been adequately examined (Walker & Hamilton, 2011). The use of regulatory focus theory (Higgins, 1997, 1998) and the approach-inhibition theory of power (Keltner, Gruenfeld & Anderson, 2003) in this study provides a key starting point for a more detailed analysis of the nature and extent of the influence of power concerning managers and subordinates within the conduct of conflict resolution procedures. Additionally, as is evident in the MetalCo case study the *expert* power of the HR Consultant is a further example of the potential influence of power in the management and conduct of conflict resolution procedures, particularly as it relates to the HR function within organisations. The influence of power as it relates to conflict resolution procedures takes on greater significance in light of changing patterns of employment and broader statutory,

institutional and societal issues, including the individualisation of the employment relationship (O'Donnell & Mitchell, 2006).

In addition to providing a unique insight into the factors influencing employee choice of conflict resolution procedures the study demonstrates that the factors may affect the capacity of employees to participate on an equal basis with managers in whatever conflict resolution procedure is chosen. Although this associated outcome requires more detailed examination, it emphasises the potential influence of the factors concerning a range of conflict related matters. For example, while the focus of this study has been directed to the factors that may influence employee choice of conflict resolution procedures, the attitudes of managers as indicated in the survey of three organisations, and the actions and behaviour of the Manager and HR Consultant in the case study, reinforce the need to address the influences that affect management attitudes and conduct concerning conflict resolution procedures.

The findings of this study are particularly critical of the continued reliance of the workplace parties on the multi-step model of conflict resolution. The evidence from the analysis of dispute resolution procedures, the survey and the case study, suggests that the multi-step model, in the form in which it is represented in this study, is not capable of meeting the demands of the diverse and potentially complex array of conflicts that may occur in any workplace. Consequently, it is apparent that there is a need to explore alternative models and systems of conflict resolution. That is not to suggest, for instance, that consideration be given to mediation or other mechanisms that may fall within the broad framework of alternative dispute resolution (ADR), as they are conflict resolution processes, which in themselves will not address the complexity of the issues identified in this study. The study confirms the need for an approach which provides for improved and integrated knowledge and understanding of employee perceptions of injustice, the manifestations of unequal power, the potential behavioural responses of stress, and increased opportunities to address the underlying causes of a conflict. These matters will not be addressed by conflict resolution processes such as mediation or other ADR

processes, rather, there is a need to examine alternative conflict resolution models or systems, within which conflict resolution processes may be incorporated.

Addressing the range of issues identified in this study suggests there is a need for a thorough review of conflict resolution in workplaces based on an acknowledgement of the limitations of the now well-worn multi-step approach to conflict resolution, and the development of creative alternative models or systems that may be relevant to the needs of Australian workplaces. Contrary to the Australian experience, Olson-Buchanan and Boswell (2008b) argue that the practice and research of organisational conflict resolution systems in USA workplaces has evolved significantly over the past century. Consequently, there is a burgeoning literature concerning the development of alternative conflict resolution models and systems which is based on the notion that no single model or system is universally appropriate (e.g. Brett, Goldberg, & Ury, 1990; Lynch, 2001; Robinson, Pearlstein & Mayer, 2005; Reuben, 2005; Bingham, Hallberlin, Walker, & Chung, 2009; Constantino, 2009; Rowe, 2009). The alternative approaches go beyond specific conflicts or conflict resolution mechanisms, and instead take a broader look at how it may be possible to deal with the different types of conflicts that an organisation may experience over time. These approaches are variously developed under the rubric of dispute system design (e.g. Robinson et al, 2005) and integrated conflict management systems (e.g. Rowe, 2002).

Of the numerous research initiatives that may arise from this study, it seems evident that the literature concerning dispute system design (e.g. Robinson et al., 2005) and integrated conflict management systems (e.g. Rowe, 2002) foreshadow a key direction for subsequent research. Such research will not, however, be without its difficulties. Organisations vary in their complexity and differ in many ways including their mission, values, culture, legal and industrial relations framework and economic and industry imperatives. All of these factors may influence the development and design of alternative conflict resolution models and systems. Given the difficulties, there is a need to urgently review the available literature and begin to identify the basis upon which

Australian workplaces may develop and initiate conflict resolution models or systems relevant to their unique needs.

In terms of subsequent research that may broaden our understanding of the factors affecting choice, there are two matters which arise from the role of the HR Consultant in the MetalCo case study. First, given the comments of the HR Consultant that she was concerned at the possibility of some form of litigation, and was thus motivated to minimise any risks to the organisation, it may be useful to examine the basis upon which organisations adopt particular attitudes, and policies and procedures, on the basis of a real or exaggerated fear of litigation. The 'shadow of the law' appears to be an unacknowledged influence in the way in which conflict resolution procedures are developed and managed.

Second, given that the MetalCo case study suggests that the HR Consultant was the most significant influence concerning the choice, application and management of the conflict resolution procedures that were used it is suggested there is a need to examine the influence of HR in relation to the development of conflict policies and procedures, and their implementation and management. The paradox in the MetalCo case study is that the HR Consultant was clearly extremely influential in the overall conduct and management of the procedures, yet there is evidence to suggest that she was, at the same time, seriously deficient in terms of such matters as providing competent voice management, or having any apparent appreciation of the implications of employee perceptions of injustice, the power differential between herself, the MSD Manager and ET, and the implications of the anxiety and stress that ET was experiencing. The HR function has a unique and often dominant role in the manner in which most organisations deal with workplace conflict, yet that role does not appear to have been exposed to any form of scrutiny – HR accountability is a matter that should be addressed in the context of any initiatives that are taken in relation to dispute systems design and integrated conflict management systems.

Organisational Implications

Although the discussion of research implications suggests there are numerous matters concerning workplace conflict resolution requiring attention, there are also a number of issues that should be addressed at the organisation level.

The core issue within which organisational issues need to be addressed appears to be the "strikingly different worlds of managers and subordinates" (Keltner, Gruenfeld & Anderson, 2003, p.279). Although this term was initially used in relation to an examination of manager-subordinate power relationships, it is evident that it is equally applicable in terms of a number of matters examined in the study. For example, the attitudinal differences between managers and subordinates concerning preferences for conflict resolution procedures in the survey of three organisations seem to be symptomatic of their different worlds. The differences are further demonstrated in the MetalCo case study concerning attitudes to perceptions of injustice, the influence of power, the provision of opportunities for voice, the influence of stress and perceptions of the conflict culture. It appears that the "strikingly different worlds" of managers and subordinates, as the term applies to the factors in this study, is potentially a toxic influence, likely to affect not only choice of conflict resolution procedures, but broader aspects of conflict resolution as well.

In seeking to integrate the different worlds of managers and subordinates, this study suggests there is a critically important preliminary matter that needs to be addressed by organisations. It arises from the popular conception that conflict is detrimental to a fictional normal harmonious state within an organisation, and must be avoided, resolved or at least managed (Schulz-Hardt, Mojzisch & Vogelgesang, 2008). The negative perception of conflict appears to have been a major issue in the MetalCo case study, which resulted in all parties involved adopting antagonistic and hostile positions. As a threshold issue in the development of a conflict culture that seeks to integrate the different worlds of managers and subordinates, it is suggested that organisations need to examine the extent to which they can accommodate the definition of conflict in terms of Deutsch's (1973) theory of co-operation and competition as discussed in Chapter 2. It is not suggested that such an initiative will eradicate differences between managers and

subordinates in relation to workplace conflict, it may however provide a common understanding of the extent to which it might be possible, in certain circumstances, for the workplace parties to perceive conflict as a potentially positive opportunity, rather than as a situation in which antagonistic and adversarial positions are adopted as a matter of course. The creation of a common understanding between managers and subordinates that conflict is acceptable and potentially positive, or negative, is arguably one of the key steps in creating a conflict culture that may enable a constructive approach to the resolution of conflict.

Additional initiatives that may be taken to unite the worlds of managers and subordinates will be to develop improved awareness and understanding, particularly by managers and supervisors, of the implications of workplace injustice, the manager-subordinate power differential, and the consequences of the injustice-conflict-stress nexus. These initiatives will require the development of carefully constructed awareness and training programs. It is suggested, however, that the effectiveness of such programs will be affected by the extent to which they are developed as integrated components of the development of a conflict culture that seeks to address the complex issues within the different worlds of managers and subordinates.

Another matter that needs to be addressed at the organisational level arises from the finding in this study that there appear to be significant deficiencies in the provision of employee voice options, including the voice management competency of managers and supervisors. Clearly, both of these issues relate to the need for organisations to review existing multi-step procedures and examine alternative models or systems that are relevant to their particular needs. As indicated in the research implications, this study is particularly critical of the continued use of the multi-step model, and there is ample evidence to suggest that in continuing to utilise the multi-step model organisations may be denying employees' fairness and justice in their participation in the resolution of workplace conflict.

Finally, there is a specific issue from the MetalCo case study which reinforces the need for organisations to ensure that conflict resolution procedures are dealt with in a way

that combines the technical processes of conflict resolution with an empathetic response to employees who may be experiencing considerable anxiety and stress. This issue arises from the referral of ET to the Employee Assistance Program (EAP).

Although the HR Consultant's concerns for ET were presumably sincere, the referral has the hallmarks of a decision to off-load a problem that neither the Consultant nor the Manager had the desire or competency to deal with. Having made the referral, the assumption appears to have been that any obligation concerning ET's 'personal concerns' had been dealt with. As is evident from the analysis of the case study, it is not feasible to isolate ET's 'personal concerns' from any other aspect of the conflict resolution process. Consequently, there are two matters that seem to require further inquiry. (1) An examination of the efficacy of EAP referrals, including the nature of the relationship, and the level of communication between an EAP provider and the related organisation, particularly the HR function. This relationship presents some difficulties concerning privacy issues; however, it is evident that it is a matter requiring examination; (2) The extent to which managers and supervisors, and HR practitioners, may need to be trained to more effectively deal with any personal issues that may emerge in a conflict. In the MetalCo case study, the purported 'informal counselling' was the initial step at which ET's 'personal concerns' could have been addressed; unfortunately, it appears there was a complex range of reasons why that did not happen, including the assumption that 'personal issues' were the province of the EAP, the fact that neither the HR Consultant nor the Manager appeared to have the requisite skills, the belief that the conflict needed to be dealt with in accordance with the relevant procedures, and the negative culture towards conflict, and consequently towards ET, within the Department.

This issue is reflective of the confusion and uncertainty that seems to have pervaded the approaches adopted in the MetalCo case study. On the basis of a revised approach to the way conflict is perceived, the provision of a multi-option, multi-voice conflict resolution model, coupled with improved skills in voice management, the introduction of appropriate training programs and improved awareness and understanding of the factors

identified in this study by the Manager and HR Consultant, the likelihood of the circumstances that occurred in the MetalCo case study would be diminished significantly.

Recommendations

Research Issues

The conventional academic approach to workplace conflict is to address it in terms of individual disciplines which explore separate and largely disconnected research questions. This study suggests that the academic fraternity for too long has undervalued the importance of workplace conflict and its related issues and it is now necessary to establish an integrated approach which will enable a range of key issues to be examined.

Given the extent and nature of potential research issues concerning workplace conflict, it is evident there is a significant prospective research agenda which encompasses a range of academic disciplines. In light of the diverse disciplines that need to be involved, it is recommended that a broad based interdisciplinary research team be established which includes industry representation. The integration of academic and industry inventiveness is as important as the need to ensure the involvement of various academic disciplines.

The proposed research team would be a stand-alone entity with a clear mandate to focus on workplace conflict and related issues. Such a team could develop an appropriate research strategy that identifies both the range of issues requiring attention and an order of priority to enable the relevant research to have maximum effect in supporting industry based initiatives.

Organisational Issues

Workplace conflict is ubiquitous in Australian workplaces: it has the capacity to affect a wide-range of issues including manager-subordinate relationships, employee health and well-being, organisational effectiveness and productivity, employee absence and illness rates, and significant financial costs. It is surprising therefore that, as the analysis of dispute resolution provisions in Chapter 8 indicates, there has been little initiative by the workplace parties to review existing dispute resolution procedures and explore creative alternatives. It is recommended, therefore, that individual organisations take action to

address the current approaches to the way they deal with workplace conflict. This recommendation does not propose a simple review of existing policies and procedures, or the introduction of the latest fad in conflict resolution. Rather, it proposes the development of a detailed conflict resolution strategy which is based on a thorough analysis of workplace conflict within an organisation.

The development of the strategy would require the collection and analysis of a range of workplace data that would assist in formulating a framework within which an organisation could approach workplace conflict in a comprehensive manner. The strategy would provide the context within which the conflict culture of the organisation would emerge; this would necessitate the development of a clear definition of conflict, the articulation of a set of clear objectives and goals concerning conflict resolution, including justice and fairness principles, and the subsequent identification and design of a conflict resolution model or system that will meet the objectives of the strategy. As a consequence, it will only then be possible for the organisation to develop appropriate conflict resolution policies and procedures, and establish the basis upon which it may be possible to introduce relevant dispute resolution procedures in future workplace agreement negotiations.

It is anticipated that initiatives undertaken by individual organisations will be supported by the research carried out by the interdisciplinary research team referred to in the research recommendation above.

Limitations

This study is not without its limitations. First, in conducting a content analysis of aspects of the historical development of multi-step dispute resolution procedures it was possible to identify the evolution of multi-step procedures and the extent to which they have been supported by legislative mandate. It was possible, therefore, to confirm the prevalence of multi-step procedures, and identify a range of political, legal and industrial influences that may have influenced the attitudes of managers, supervisors and employees concerning dispute resolution generally. In seeking to ensure that the findings from this aspect of the study could be supported, an associated content analysis of dispute

resolution provisions was undertaken of a random sample of workplace agreements certified by the Australian Industrial Relations Commission (AIRC) during 2005/2006. While a combination of union and non-union dispute resolution provisions were analysed, it is acknowledged that a wider range of dispute resolution provisions may have provided a more detailed examination of the utilisation, structure and processes of dispute resolution procedures.

A second limitation relates to the survey of three organisations. While the survey provided an important insight into the attitudes of managers and subordinates concerning multi-step conflict resolution across three separate workplaces in three separate industries, an increased number of participants across a wider range of workplaces and industries may have provided an opportunity for a more detailed assessment, enabling a contrast of attitudes across different industries. Given that the analysis of the data from the survey utilised regulatory focus theory (Higgins, 1997, 1998) and the approach/inhibition theory of power (Keltner et al., 2003) an increased number of workplaces and participants may have had particular relevance in examining the extent to which power may influence the actions and behaviours of managers and subordinates concerning attitudes to multi-step conflict resolution procedures.

A third limitation concerns the case study. Given the observer status of the researcher, the case study provided a rich source of data, which, coupled with the content analyses and survey of three organisations, enabled a nuanced analysis of insights concerning the workplace conflict. Additional case studies, which addressed different types of workplace conflict and different approaches to conflict resolution, may have enhanced the analytical generalisations arising from this research.

Despite these limitations the findings achieve the initial aim of the study to provide specific insights for managers, supervisors and employees concerning the range of factors that may influence the way in which employees respond to workplace conflict and related conflict resolution procedures. To that extent, the study not only contributes to our knowledge and understanding of the factors that may influence employee choice of conflict resolution procedures, but also provides for:

- managers, supervisors and employees to be better placed to identify key impediments in conflict resolution procedures, and propose changes which will more adequately reflect the diverse responses of employees to workplace conflict;

- improved knowledge and understanding to provide insights into alternative ways of assessing, evaluating and addressing workplace conflicts;

- the development of a subsequent research focus which will enable further, detailed analysis of the issues raised in the study;

- a reappraisal of the segmentation of literature concerning workplace conflict, which may lead to improved integration of theories across academic disciplines.

Conclusions

In identifying six factors that may influence employee choice concerning available conflict resolution options, this study provides an important understanding of the complex cycle of events that may arise from a perception of injustice and consequent conflict, stress and the deterioration of trust between a manager and subordinate, leading to an escalation of conflict. Although the focus of the study is concerned with identifying the factors that may influence employee choice, the research and organisational implications are significantly wider than just the question of choice.

The study has demonstrated that there has been little innovation in both theory and practice concerning conflict resolution in Australian workplaces. Indeed, the study reinforces the need for a review of the conventional approach to workplace conflict that is patterned on a linear multi-step model which appears to be motivated by a limited objective to dissipate dissent and minimise conflict. The study confirms the integral relationship between the structure and processes of conflict resolution procedures and the individual factors identified in the study. Individually, each of the factors has the potential to thwart the best intentions concerning conflict resolution; in any combination, they are capable of escalating an existing conflict and introducing destructive elements which are likely to exacerbate existing problems concerning management-subordinate

relationships. Individually or collectively the factors represent key influences that may affect the conflict resolution choices available to employees.

Future research should build on the ideas that have been identified in this study to ensure that Australian workplaces are better equipped to address the complex organisational and individual issues that affect managers and subordinates as they address the inevitability of workplace conflict. Addressing the issues raised in the study will be challenging, but doing so will make a significant contribution to the effectiveness of conflict resolution in Australian workplaces.

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APPENDIX ONE

Survey of three organisations – communication to participants

Two letters were distributed to managers and employees in the three organisations that conducted the survey. Details of the letters are as follows:

Initial letter

To all employees (in relevant section/area/department)

(The organisation) has approved the conduct of a PhD research survey within (the relevant section/area/department) being undertaken by Don McKenzie from Monash University.

The research is directed at identifying individual views relating to the way in which workplace conflicts are dealt with, or should be dealt with. The study is intended to provide a broad appreciation of employee and management views, and contribute to the on-going development of workplace conflict resolution procedures in workplaces generally.

You are invited to participate in the conduct of the survey.

Participation is voluntary and it should be noted that all information arising from the survey will remain confidential. No data relating to any individual or specific workplace will be published.

The results of the survey will form the basis of a composite of information which will be used in the publication of a research thesis and subsequent articles in academic journals. Mr. McKenzie has offered us the opportunity of receiving a customised report which presents the finding of the study, and we have accepted that offer.

It is anticipated that it will take approximately 30 minutes to complete the survey. It can be completed at any place.

Surveys are available from >>>>>>>>>>>>>. Completed surveys are to be placed in the self-addressed envelope and returned to Monash University.

The participation of as many employees as possible will enhance the results of the survey. Consequently your participation is encouraged.

Should you have any queries concerning the survey please do not hesitate to contact >>>>>>>>>, on (contact number), who is liaising with Don McKenzie. You may also contact Mr. McKenzie, should you wish to do so on (contact number) or (email address).

Signed

Relevant HR Manager

Follow-up letter

To all employees in (relevant section/area/department)

Further to information provided to you concerning a research survey being conducted by Don McKenzie for a PhD at Monash University, please note that there is still time to participate. The survey relates to a study which is being undertaken within the (organisation) concerning workplace conflict resolution.

It should be noted that all completed surveys are to be returned via self-addressed envelopes no later than (date).

Whilst participation in the survey is voluntary the results will be enhanced by ensuring that as many employees as possible complete and return the surveys.

Should you have any queries concerning the survey please do not hesitate to contact >>>>>>>>, on (contact number), who is liaising with Mr. McKenzie. You may also contact Mr. McKenzie should you wish to do so on (contact number) or (email address).

Signed

Relevant HR Manager

APPENDIX TWO

Survey of three organisations – the survey

The survey distributed to employees in the three organisations requested that participants respond to the seven questions by indicating their preferences on a scale of 1 – 6 as shown:

Consider the two options and **circle a number** on the scale which represents the extent to which you support one view or the other.

Your perceptions/views of the following matters are important. Please ensure that you circle a number for each option regardless of your knowledge or experience of conflict resolution.

	1	2	3	4	5	6	
Option (a)							Option (b)

Conflict resolution procedures:

1 (a) Informal procedures (e.g. informal discussions with work colleagues or managers) are generally more effective in resolving conflicts than using the formal conflict resolution procedures in an Enterprise Agreement, Grievance Procedure or similar processes; or

1 (b) The formal conflict resolution procedures in an Enterprise Agreement, Grievance Procedure or similar processes are generally more effective in resolving conflicts than the use of informal procedures (e.g. informal discussions with work colleagues or managers).

2 (a) In the event that a conflict is not resolved within the multi-step procedure, the conflict should be referred to the Australian Industrial Relations Commission (AIRC); or

2 (b) In the event that a conflict is not resolved within the multi-step procedure, the conflict should be referred to a conflict resolution provider as determined by the conflicting parties.

3 (a) A conflict that is not resolved within the multi-step procedure should be referred to arbitration; or

3 (b) A conflict that is not resolved within the multi-step procedure should be referred to a conflict resolution provider for the purpose of conciliation or mediation.

4 (a) The multi-step procedure should be used to deal with all types of conflicts within the workplace; or

4 (b) The multi-step procedure should be one of a number of workplace procedures used to deal with different types of conflicts within the workplace.

Structure:

5 (a) There should be as few steps as possible in a multi-step conflict resolution procedure; or

5 (b) There should be no limit to the number of steps that may be used in a multi-step conflict resolution.

6 (a) Every attempt should be made to resolve a conflict at the earliest step possible; or

6 (b) It does not matter at what step a conflict is resolved.

Punishment:

7 (a) Initiating a conflict resolution procedure (e.g. lodging a formal grievance) could attract some form of 'punishment' for the person initiating the procedure from within the workplace.

7 (b) Initiating a conflict resolution procedure (e.g. lodging a formal grievance) will not result in some form of 'punishment' for the person initiating the procedure.

APPENDIX THREE

Survey Results

Following completion of the survey a series of independent-samples t-tests were conducted to ascertain whether attitudes towards the conflict resolution procedures differ between managers and subordinates. For all questions, responses varied from 1 to 6, with a midpoint of 3.5.

First, subordinates ($\overline{X}$ = 3.37, SD = 1.54); are more likely than managers ($\overline{X}$ = 2.61, SD = 1.28) to prefer formal rather than informal procedures, t (74) = 2.27, p = .026. Similarly, subordinates ($\overline{X}$ = 3.02, SD = 1.73) are more likely than managers ($\overline{X}$ = 4.19, SD = 1.66) to prefer that unresolved conflicts be referred to the AIRC; t (74) = 2.95, p = .004. Likewise, subordinates ($\overline{X}$ = 3.58, SD = 1.66) are more inclined than managers ($\overline{X}$ = 4.42, SD = 1.46) to prefer that unresolved conflicts be referred to arbitration rather than conciliation/mediation, t (74) = 2.28, p = .025. In addition, subordinates ($\overline{X}$ = 3.42, SD = 1.80) are more likely to prefer the restricted use of multi-step procedures than managers ($\overline{X}$ = 4.61, SD = 1.48); t (74) = 3.40, p = .003.

Second, the extent to which individuals prefer more, compared to fewer, steps did not differ significantly between managers ($\overline{X}$ = 2.61, SD = 1.38) and subordinates ($\overline{X}$ = 2.38, SD = 1.15); t (74) = .805, p = .424. Likewise, attitudes towards whether the conflict should be resolved as early as possible did not differ between managers ($\overline{X}$ = 1.94, SD = 1.61) and subordinates ($\overline{X}$ = 1.62, SD = 1.25); t (74) = .954, p = .343.

Finally, subordinates ($\overline{X}$ = 4.00, SD = 1.89) are more inclined than managers ($\overline{X}$ = 5.00, SD = 1.21) to feel that retribution or punishment is likely to ensue if they lodge a grievance, t (74) = 2.59, p = .011.

APPENDIX FOUR

Dispute resolution procedures – Union agreements

Industry	Agreement Title	AG
Metal	Kaefer Integrated Services (Altona Area) Agreement 2006 – 2008	848846
Vehicle	Toyota Australia Workplace Agreement (Port Melbourne, Sydney & Regions) 2005	841019
Oil & Gas	Woodside Petroleum (WA Oil) P/L – MUA 'Cossack Pioneer' Certified Agreement 2006	847923
Clothing	Yakka P/L – TCFUA Certified Agreement	847651
Local Government Administration	City of South Perth Outside Workers Enterprise Agreement 2006 – 2009	846884
Metal	O-I Adelaide Certified Agreement (Maintenance) 2006	847487
Storage Services	Bunnings Victorian Distribution Centre – NUW Certified Agreement 2006 – 2009	845616
Metal	Cigweld P/L (Preston) Agreement 2006	865513
Furnishing	Carpetworld Commercial P/L & CFMEU (FFTS Branch) Enterprise Bargaining Agreement 2006	846940
Health & Welfare	Cairns Community Legal Centre inc. Agreement 2006	846611

Clerical	IGA Distribution Clerical and Administrative Employees Agreement	848367
Entertainment & Broadcasting	ANU Film Group Inc. Cinema Agreement 2006	846702
Port & Harbour Services	Fremantle Ports Operations and Services Agreement 2006	848612
Public Transport	Metro Tasmania Bus Operators Enterprise Agreement 2006	847727
Journalism	John Fairfax Group Journalists Certified Agreement 2006	848187
Airline Operations	Air New Zealand Certified Agreement 2005	842258
Educational Services	Box Hill Institute of TAFE PACCT Staff Agreement 2005-2008	846849
Liquor & Accommodation	BOAGS Brewery Site Agreement 2006	847669
Banking Services	Adelaide Bank Employees Enterprise Agreement 2005	841681
Building, Metal and Civil Construction	Chevron Construction Company P/L trading as Basic Construction Services & CFMEU Certified Agreement 2006	865571
Building Metal & Civil Construction	X Treme T/as X Treme Coating Solid Plastering and the CFMEU Building & Construction industry Enterprise Agreement 2005 -2008	865375
Building Metal & Civil Construction	Systematic interiors P/L and the CFMEU Building and Construction industry Enterprise Agreement 2005 – 2008	865446
Building Metal & Civil Construction	All Suburbs Timber Floors and the CFMEU Building and Construction industry Agreement 2005 -2008	865476
Building Metal & Civil Construction	ADT Cabinets P/L and the CFMEU Building and Construction Industry Enterprise Agreement 2005 – 2008	865448
Building Metal &	Ace Concrete Sawing P/L and the CFMEU Building and	

Civil Construction	Construction Industry Enterprise Agreement 2005 – 2008	848874
Building Metal & Civil Construction	Sakpo P/L and the CFMEU Certified Agreement 2006	865570
Building Metal & Civil Construction	Nellakir (Aus) P/L and the CFMEU Building and Construction Industry Enterprise Agreement 2005 -2008	848893
Building Metal & Civil Construction	TCT Construction P/L Enterprise agreement 2006 – 2009	847059
Building Metal & Civil Constructions	Como Tilers P/L and the CFMEU Building and Construction Industry Enterprise Agreement 2005 – 2008	845325
Building Metal & Civil Construction	Baulderstone Hornibrook Building Australian Capital Territory Enterprise Agreement 2006 – 2008	848182
Electrical Contracting	ETU and (EPM & C P/L) Enterprise Agreement 2004 – 2007	848476
Electrical Contracting	Agnew Electrics – ETU Enterprise Agreement 2004 – 2007	844190
Electrical Contracting	ETU and (Brita Neon & Plastic Signs P/L) Enterprise Agreement 2004 – 2007	844319
Electrical Contracting	MJD Electrical P/L – ETU Enterprise Agreement 2004 – 2007	842526
Electrical Contracting	(B+M Towers P/L) Powerline Enterprise Agreement 2004 – 2007	842109
Electrical Contracting	Balec P/L Enterprise Bargaining Agreement 2004 – 2007	846510
Electrical Contracting	O-I Technical Services Melbourne Furnace Refurbishing/Turnaround, Enterprise Agreement 2007 – 2010	848404
Electrical Contracting	Electrical Construction and Maintenance Australia P/L CBH Albany Terminal Grain Handling Upgrade Electrical Certified Agreement 2005	847955

Electrical Contracting	Elite Electrics and Automation Services P/L t/as Laser Electrics Burwood Enterprise Bargaining Agreement 2004 – 2007	845825
Electrical Contracting	Dalrymple Bay Coal Terminal Expansion Project Partnership Agreement 2005 – Guard Rail Installation	845850
Insurance	Superpartners Enterprise Agreement 2006	847170
Insurance	United Super Enterprise Agreement 2005	842500
Insurance	Zurich Australia Enterprise Agreement 2006	847480
Insurance	Victorian Work Cover Authority Certified Agreement 2005 - 2008	846833
Insurance	Unisuper management P/L Certified Agreement 2006 – 2008	845901
Insurance	NRMA Motoring & Services Customer Contact and Response Centre Enterprise Agreement 2005	843847
Insurance	Members Equity Bank Enterprise Agreement 2006	847393
Insurance	Host-Plus Enterprise Agreement 2005	840996
Insurance	CMSF Certified Agreement	845217
Insurance	BUPA Australia Enterprise Agreement 2006	845902
W/Sale & Retail	The Reject Shop Agreement 2005	840640
W/Sale & Retail	Hungry Jacks Employees, SDA Enterprise Agreement 2006	847494
W/Sale & Retail	SDA and Country Road Clothing P/L Laverton Distribution Agreement 2005	848175
W/Sale & Retail	Nestle Aust. Ltd – NUW – Merchandisers Enterprise Agreement 2006 – 2009	849076
W/Sale & Retail	Bunnings (Non-Warehouse Stores)/SDA Agreement 2005	842606
W/Sale & Retail	Action Supermarkets P/L Fresh Produce Distribution Centre Enterprise Agreement	845010
W/Sale & Retail	Gordon & Gotch National Agreement 2005	846205

W/Sale & Retail	Dick Smith Electronics Distribution Centre Enterprise Agreement 2005 – 2006	842613
W/Sale & Retail	Australian Pharmaceutical Industries (Victoria & Tasmania) & NUW Certified Agreement 2006	846836
W/Sale & Retail	The Coles Myer Logistics Canningvale Distribution Centre Enterprise Agreement 2006	847511

Dispute Resolution Procedures – Non-union Agreements

Industry	Agreement Title	AG
Private Transport	APCO Service Stations P/L Class 40 & 'B' Double Drivers Certified Agreement	846813
Liquor & Accommodation	Cat Club P/L Certified Agreement 2006	846630
Fast Food	Alexander Lea P/L Certified Agreement 2006	865186
Wholesale & Retail Trade	Christmas Australia P/L Certified Agreement 2006	848917
Educational Services	Bacchus Marsh Grammar School Certified Agreement 2005	846119
Wholesale & Retail Trade	Bakers Delight Allambie Heights Certified Agreement 2005	846600
Fast Food	Bapinba P/L Certified Agreement 2005	846096
Restaurants	Blackhog P/L	846150
Private Transport	Centurion TransportCo P/L Perth Certified Agreement	846230
Agricultural	Cherryhaven Certified Agreement 2005	842761
Educational Services	Billanook College Ltd (Clerical & Administration) Certified Agreement 2005	842631
Travel	BOATC Enterprise Agreement 2005	8442874
Private Transport	Blackneys Enterprise Agreement 2005	841843
Wholesale & Retail Trade	Allied Brands Services P/L Certified Agreement 2006	847187
Fast Food	Alle Advance P/L Certified Agreement 2006	847212
Restaurants	Balance Business Investments P/L Certified Agreement 2006	849002

Liquor Accommodation	Y.B.O.S P/L Certified Agreement 2006	849074
Food Beverages & Tobacco	Sanitarium Health Foods Company Certified Agreement 2005	844854
Educational Services	Alphington Grammar Clerical/Administrative Employees & First Aid officers Certified Agreement 2005	844803
Shipbuilding	The Incat Tasmania Pty Ltd. Industrial Agreement 2005	839434
Not otherwise assigned	C J Ord River Sugar Pty Ltd.	841895
Not otherwise assigned	CAFL Social Club	839434
Gardening Services	Sapar Landscapes Certified Agreement 2005	841974
Cleaning Services	Mills Cleaning (Superannuation) Certified Agreement 2005-2006	841119
Liquor & Accommodation	Brown Bros. Milawa Vineyard Agreement 2005	843814
Liquor & Accommodation	Bended Yarra Pty Ltd. Certified Agreement 2006	848055
Fast Food	2Sadfish Pty Ltd. Certified Agreement 2006	846171
Insurance	The AAI Certified Agreement 2006	846817
Insurance	Vero Insurance Certified Agreement 2005	845548
Insurance	The AAMI Enterprise Agreement 2005	843014
Insurance	Promina Certified Agreement 2006	847481
Insurance	Allianz Australia Business Partnership Agreement 2006	847209
Electrical Contracting	Chubb Electronic Security Certified Agreement 2005 – 2008	843408

Electrical Contracting	Diebold Aust. P/L – SST Customer Service Engineers Certified Agreement 2005	845958
W/Sale & Retail	Daydale Pty Ltd. Certified Agreement	849073
W/Sale & Retail	Allied Brands Services P/L Certified Agreement 2006	847187
W/Sale & Retail	Scottsaim P/L Certified Agreement 2006	847064
W/Sale & Retail	Friarun P/L Certified Agreement 2005	842589
W/Sale & Retail	Nike Aust. P/L Certified Agreement	865139
W/Sale & Retail	Dealore P/L Certified Agreement 2005	845929