How Should Workplace Conflict Be Managed? Contrasting Pathways in the Literature


Document Version:
Publisher’s PDF, also known as Version of record

Queen's University Belfast - Research Portal:
Link to publication record in Queen's University Belfast Research Portal

Publisher rights
Copyright Labour Relations Commission 2015.

General rights
Copyright for the publications made accessible via the Queen's University Belfast Research Portal is retained by the author(s) and / or other copyright owners and it is a condition of accessing these publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy
The Research Portal is Queen’s institutional repository that provides access to Queen’s research output. Every effort has been made to ensure that content in the Research Portal does not infringe any person's rights, or applicable UK laws. If you discover content in the Research Portal that you believe breaches copyright or violates any law, please contact openaccess@qub.ac.uk.
Innovations in Conflict Management

Research Papers

Research Paper 1

How Should Workplace Conflict Be Managed? Contrasting Pathways in the Literature

Paul Teague,
Queen’s University Belfast

William K. Roche,
University College Dublin

Tom Gormley,
University College Dublin

Denise Currie,
Queen’s University Belfast

January 2015
Introduction

Nowadays workplace conflict does not receive much attention in the people management literature but, to the extent that it does, a strong consensus exists that organizations are likely to pay a high price if workplace problems are not solved effectively (Ury et al. 1988). At the extreme, days can be lost due to some form of industrial action but, more plausibly, sickness and absenteeism rates may increase, and management-employee relations may become strained if not embittered. Disharmony at the workplace may even impede organizations from creating adaptable structures to succeed in today’s challenging business environment. While there is wide agreement on the potentially damaging effects of conflict, there is no one view on what constitutes an effective conflict management system (Bingham & Chachere 1999).

The purpose of this paper is to set out and assess the contrasting pathways that can be found in the HRM literature about how to manage workplace conflict. We identify four pathways and each is examined in detail. One encourages that workplace conflict be addressed indirectly through the promotion of high levels of employee engagement and what is termed ‘organizational citizenship behaviour’. Another envisages line managers playing a stronger role in solving problems at work. A third approach emphasizes the adoption of strategic and innovative conflict management initiatives, usually involving some form of ADR practice, to maintain a low-conflict organizational environment. A fourth approach, labelled the ‘muddling through’ option, sees firms addressing workplace conflict through established practices, only introducing changes incrementally, mostly to address particular problems. However, before assessing these alternative approaches, we set out the context by outlining the established role of the HR function in addressing conflict in organizations.

HRM and Workplace Conflict

HR managers perform many functions inside organizations, but central amongst these is resolving workplace conflict. Traditionally, a key part of this task has been administering organizational disciplinary and grievance procedures (Folger & Cropanzano 1998). Although these procedures can take a variety of forms, they are designed to address both individual and collective forms of conflict in organizations. Organizational disciplinary and grievance procedures, whether involving individuals or groups of employees, normally include several formal steps, the first of which requires employees to put in writing a grievance or register in
some way a dispute. After submitting a formal grievance, the individual employee is normally formally represented: in unionized firms first by a trade union representative and then possibly by a trade union official if the grievance travels up the organizational hierarchy; in non-unionized firms the representative can either be a colleague or even a solicitor. Disputes affecting groups of employees are probably more common in unionized firms and are addressed, at least initially, at a first stage of procedure, by engagement between the employees immediately affected and management at the relevant level. On the management side, progressively higher levels of managers become involved if the grievance or dispute is not resolved at the first or intermediate stage of the procedure. The last stage of the procedure almost invariably involves a formal adjudication of the grievance or dispute – either within the organization, for example by a panel of some kind, or by some external agency such as a state conciliation, arbitration or adjudication agency.

In unionized firms, as well as operating formalized procedures, HR managers usually also seek to resolve workplace problems informally by liaising with trade union representatives: informal interactions of this kind allow small-scale niggling problems to be smoothed out and occasionally can even avert looming large-scale industrial unrest (Legge 1995). Before the emergence of HRM in the early eighties, co-mingling with trade unions to maintain organizational order and stability was commonly seen as encouraging personnel managers, as they were mostly known then, to adopt a phlegmatic attitude to workplace conflict. Disagreement and conflict inside organizations were considered almost inevitable as the interests of employees were seen as only occasionally coinciding with those of management. Moreover, many personnel managers considered workplace conflict as sometimes necessary and even healthy as it allowed the air to be cleared between management and employees (Lewin 2001). Being directly involved in the hurly-burly of workplace conflict virtually on a daily basis sometimes resulted in personnel managers becoming semi-detached from other parts of management. As a result, personnel managers remained at a distance from corporate decision-making on business strategy. Sometimes they were even treated with suspicion by senior managers who were concerned that they had got too close to trade unions: Batsone (1980) suggested that at times they were seen as the ‘enemy within’.
Over the past two decades major efforts have been made by the HRM profession to cast off its image as being one step removed from mainstream management. The drive has been to make HRM more strategic in orientation (Wood 1999). Just how HRM can be made more strategic has been the subject of wide discussion (Boselie, Dietz & Boon 2005). There has been much talk not only of the profession adopting new values, but also of new organizational architectures being created for the HR function, with the widely touted ‘business partner’ model dominating discussions (Ulrich 1997). In addition, new people management policies have emerged in important areas such as rewards, performance management, recruitment and selection and so on (Wright & Boswell 2002). Curiously, the burgeoning literature on strategic human resource management has had relatively little to say about the management of workplace conflict. Thus, it is not at all apparent what role a refashioned HRM function should play to promote a low-conflict organizational culture. Has the modernization of HRM by-passed conflict management, leading firms to stay with tried-and-tested methods for the resolution of grievances and disputes? Or has strategic HRM had an impact on the way organizations address workplace problems and, if so, in what ways? Little explicit has been written in the HR literature on these key questions, but four alternative approaches can be identified and these are discussed below.

**Employee Engagement and Workplace Conflict**

One approach to workplace conflict management that emanates from the new strategic HRM literature seeks to minimize disputes and grievances by moulding the social system of the organization to encourage high levels of employee engagement that in turn lead to organizational citizenship behaviour. Although defined in different ways, studies of organizational citizenship behaviour tend to focus on broadly similar issues. Thus, Podsakoff *et al.* (2000) identify seven recurring themes in the related literature: helping behaviour; sportsmanship; organizational loyalty; organizational compliance; individual initiative; civic virtue; and self-development. As can be gleaned from these themes, organizational citizenship behaviour is about employees coming to view their own career advancement as being intertwined with the success of their employing organization. Thus, it is about employees who willingly help each other, tolerate day-to-day workplace hassles, support and, where required, defend the mission of the organization, internalize organizational rules and procedures, ‘go above and beyond the call of duty’ to advance organizational performance, and strive to develop their own attributes and abilities.
Thus, organizational citizenship behaviour manifests itself in employees having a positive commitment to the organization and displaying on-going discretionary efforts to help the organization achieve its goals. A key goal of strategic HRM is to elicit this behaviour through following a variety of employee engagement policies (Ulrich 1997). Employee engagement policies are highly fashionable and a large literature has emerged on the topic (see Arrowsmith & Parker 2013; MacLeod & Clarke 2009; Sparrow 2013; Truss et al. 2013). These policies seek to engender a belief system in the organization that orients employees towards the mission of the organization by defining it for them and identifying its salient features. A battery of interlinked practices and processes are pursued to create cognitive lenses through which employees come to understand the organizational values and behaviour they are expected to uphold (Bowen & Ostroff 2004). The strong emphasis currently placed on coaching and mentoring at the workplace is essentially about managers interacting with employees to encourage them to improve their own capabilities and work efforts so that continuous improvements can be realized in the organization (Anderson et al. 2009). Similarly, the shift towards competency models in human resource development is motivated to provide employees not simply with narrow technical or cognitive skills, but also with a set of behavioural capabilities that are aligned with organizational objectives (Wright & McMahan 2011). The goal is to create a symbiosis between organizational purpose and what employees find meaningful in their day-to-day work tasks.

Many organizations may not pursue employee engagement policies in an integrated manner (MacLeod & Clarke 2009) but it is proving to be a hugely influential approach to managing people. While much of the employee engagement literature has little to say explicitly about the management of workplace conflict, it is not unreasonable to suggest that a strong preference exists for addressing workplace conflict by minimizing its incidence. By stressing the virtues of common purpose and working together, the intention of employment engagement strategies, either implicitly or explicitly, is to build an organizational culture that repudiates conflict: workplace conflict is seen as getting in the way of building organizational loyalty and commitment and thus to some extent deviant, a random walk from the steady state position of mutual cooperation. To reinforce the message of the undesirability of conflict, many HR managers may even be reluctant to use the term. Using language associated with conflict may be seen as creating a more permissive organizational environment for its emergence. Although the intention is to squeeze out conflict, many organizations pursuing employee engagement policies
are likely to have formal procedures to address conflict when it does arise. But using these is seen very much as the last resort, only to be brought into play when all else has failed.

Thus, the main message from this part of the literature is that the task of HR managers is neither to stay with tried-and-tested conflict procedures nor to adopt innovative conflict management strategies, but to pursue a range of interrelated policies that radically reduces the incidence of workplace conflict. The strategy is to cultivate a positive attachment between employees and the organization so that conflict is pushed to the margins of workplace life. It is an approach to conflict management that is most likely to be suited to non-union organizations. For the most part, procedures for handling grievances and disputes in non-union firms are traditionally less formalized than in unionized firms. This is probably still true. Unionized firms tend to have ‘deeper’ formalized conflict management systems than non-unionized firms: on the one hand, unionized firms are more likely to possess a greater number of conflict management procedures and, on the other hand, non-union firms are probably more accepting of informal methods to resolve disputes at the workplace. As a result, the organizational environment in non-union firms is more conducive to a strategy of socializing conflict out of the workplace. More formidable institutional obstacles stand in the way of such a strategy in unionized firms.

**Line Managers and Workplace Conflict Management**

A second approach to managing workplace conflict arises from the hypertrophy of the line manager’s role in implementing HR policies. Line managers are now considered pivotal to the effective implementation of a range of HR policies. This elevation of the line manager’s role in the HR function is due in no small measure to the growing influence of the ‘business partner model’ of people management, developed by Ulrich (1997). The aim of this model is to make HRM more strategic in orientation to get closer to the main decision-making arenas inside the organization and as a result nearer to other areas of management. Apart from recasting the traditional values of the profession, the model radically changes the architecture of the HR function inside organizations. In particular, a double organizational movement is envisaged to facilitate the emergence of strategic HRM. One involves senior HR managers being incorporated into the core strategic decision-making bodies of the organization. The other involves delegating responsibility for implementing a battery of HRM policies to other tiers of management, particularly line managers and supervisors. Without delegating HRM tasks, the HRM team is
unlikely to gain the space and time to cultivate a strategic role (Gratton et al. (eds) 1999). Thus, the flipside of HRM becoming more strategic is line managers and supervisors assuming a larger HR role. Increasing the HR role of line managers opens up the possibility of them acquiring greater responsibility for addressing workplace conflict (Brewster & Söderström 1994).

The role of line managers in resolving problems at work is not set out systematically anywhere and thus needs to be pieced together from different parts of the literature. This exercise builds a persuasive enough case for their involvement in managing workplace conflict. First of all, line managers can help prevent workplace conflict by performing a mentoring and coaching role. This involves line managers interacting positively with employees to help them develop their skills and competences and to support them more broadly in finding their way in the job and organization. Coaching and mentoring activity provides line managers with the opportunity to identify whether employees are unhappy with any aspects of the organization or if they are encountering other workplace problems. Line managers can also address workplace conflict by engaging in ‘sense-making activity’ (Weick et al. 2005). Sense-making is the way managers come to understand the strengths and weaknesses of the organization and its employees. It involves line managers doing two things. One is identifying those activities and processes that encourage trust and cooperation at the workplace. The other is making early effective interventions to stave off conflict: line managers are in the position to read unfolding events so that they can react quickly to potential problems that are brewing (Rouleau 2005). Thus, line managers help prevent workplace conflict by performing a coaching and mentoring role inside the organization.

Line managers can also play an active role in the resolution of workplace conflict. A consensus exists in the specialized literature that it is preferable to solve workplace problems as close as possible to the point of origin (Ury et al. 1988). Because they interact with employees on an ongoing basis, line managers and supervisors are ideally positioned to perform such a problem-solving role. By intervening quickly after a problem arises, line managers are best placed to broker an informal settlement to a conflict or problem that is hopefully to the satisfaction of all involved parties. Of course, line managers will not always be able to perform this role as the nature of the conflict may be of such magnitude or complexity that the immediate involvement of senior managers may be required. In fact, being able to differentiate between problems of
relative severity is an important skill that line managers should possess. Thus, line managers can potentially play important formal and informal roles in the management of workplace conflict (Teague & Roche 2012).

But getting line managers involved in conflict management is not all plain sailing. More and more, line managers are being asked to perform two hard-to-reconcile roles inside organizations. As a result of the seemingly endless drive to improve business performance, line managers are facing immense pressure to ensure that staff they supervise deliver performance targets. Invariably, this involves line managers exhorting employees to intensify their work efforts. At times, they may also be obliged to conduct performance appraisals with a built-in forced distribution mechanism that requires a certain percentage of employees (normally five per cent) being classified in the ‘poor’ or ‘underperforming’ category. These matters are frequently the source of conflict and disputes in organizations. Thus, line managers can be placed in the invidious position of being both the promulgator of workplace problems and the resolver of such problems when they arise. Clearly, the envisaged role for line managers in the resolution of workplace conflict is in practice far from straightforward (see Teague & Roche 2012).

Reinforcing this observation are a number of studies that suggest line managers may not implement HRM policies optimally, which does not augur well for their playing a more active role in the resolution of disputes (Cunningham & Hyman 1999). In broad terms, the problems associated with line managers performing a HRM role can be addressed under three headings – delegation, alignment and monitoring. Consider first the delegation problem. To be in a position to perform a conflict management role, line managers must first be delegated responsibility from the HRM department. A number of studies on the delegation of HRM functions to line managers suggest that the process is fraught with difficulties. In many instances, line managers consider the implementation of HR policies of secondary importance as they strive to accomplish their operational tasks. As a result, line managers may neither have the motivation nor commitment to spend the time necessary to implement HR policies effectively (see Maxwell & Watson 2006; McGovern et al. 1997). Other studies suggest that line managers may not share the same outlook and even culture as HR managers and therefore do not implement HR policies in the manner that was intended (Wright et al. 2001; Purcell & Hutchinson 2007). Thus, problems with the delegation process can result in line managers implementing HR policies in a distorted manner.
The second problem that can disrupt the effective delivery of HR policies can be loosely termed the alignment problem, which has a number of dimensions. The first is that support systems need to be put in place so that line managers can perform a conflict management role effectively. To act as the frontline of an organization’s conflict management arrangements, line managers need a range of problem-solving skills and competences: they have to be good listeners and communicators; they need the ability to survey all possible solutions to a problem; they need to act in a manner that secures the trust of those involved in the conflict. Without these skills, they are unlikely to perform a conflict management role satisfactorily even if they are committed to doing so (Whittaker & Marchington 2003). It is unlikely that line managers will acquire these skills unless they have access to formal training programmes. Another aspect to the alignment problem is creating an incentive structure that encourages line managers to take seriously their conflict management responsibilities (Harris 2001). Usually, this incentive structure is seen as building conflict management into their performance appraisal so they realize that they will be held accountable for their actions in the area (Hales 2005).

Monitoring is the third matter that can have an important influence on whether or not line managers deliver conflict management policies properly. It is widely recognized that HRM will only become part of the decision-making apparatus of the organization if it can credibly and convincingly show how people management practices positively impact on the organization. Thus, the HRM department must engage in evidence-based management which involves the collection of data and metrics about how HRM practices advance organizational performance. As a result, HRM policies must be subject to a process of monitoring and evaluation to assess which are working effectively and which are failing to accomplish the tasks they were put in place to do. This monitoring role is relevant in the context of delegating the responsibility of workplace conflict management to line management. Without evaluation and monitoring, the real danger is that the HRM centre will have little knowledge about whether line managers are implementing conflict management practices efficiently or consistently. Thus, monitoring brings order and transparency to the delegation process. It allows the HRM centre to make considered judgments about the quality of the conflict management role being performed by line managers. But some studies suggest that this process operates in an informal, *ad hoc* manner in organizations (Whittaker & Marchington 2003).
Thus, the literature is pointing in two directions with regard to the role of line managers in the resolution of workplace conflict. On the one hand, a strong case can be found for line managers playing a role in addressing problems at work. On the other hand, the general thrust of the literature on the implementation of HR policies by line managers strongly suggests that performing this conflict management role is unlikely to be problem-free. At the very least, what this suggests is that the HR function has to put in place comprehensive supporting arrangements to allow line managers reach optimal performance when carrying out their conflict management role. Yet a recent study found that firms on the whole provided line managers with too little training on the topic and did not monitor adequately the effectiveness of their conflict management policies (Teague & Roche 2012). Thus, it is not at all clear that HR systems are being designed to facilitate effective problem-solving by line managers.

**ADR and Workplace Conflict**

Whereas the first two approaches seek to either squeeze conflict out of the organization or address it largely informally, a third approach calls for organizations to recognize the inevitability of workplace conflict and to institutionally embed its management in a range of innovative practices (Rowe & Bendersky 2003). This approach, which is most influential in the USA, argues in particular for the diffusion of innovative conflict management strategies based on ‘alternative dispute resolution’ (ADR) principles. The term ADR, as applied to the world of work, is used normally to denote procedures and mechanisms for conflict resolution that provide alternatives either to litigation or resort to administrative tribunals established under statute in such areas as equal opportunities and employment discrimination. The term also came to be associated with specific sets of procedures and mechanisms in non-union organizations such as workplace mediation, fact-finding, ombudsmen, arbitration and review panels comprising managers or peer employees. These mechanisms are sometimes bundled together in integrated ‘conflict management systems’, in which multiple forms of ADR, or so called ‘interest-based’ practices, take precedence over ‘rights-based’ fall-back procedures, such as formal grievance processes (Bendersky 2007, 2003; Costantino & Sickles-Merchant 1996; Roche & Teague 2012; Ury et al. 1988).

Procedures such as these, whether made available discretely or in systems, however, are not the preserve of non-union firms and have become more common also in unionized employments
particularly in the US public sector. Used in this sense, the term ADR has typically denoted ways of handling conflict and disputes involving *individual employees* and often in the context of grievances and disputes surrounding individual employment rights. More recently the term has gained currency to denote also forms of dispute resolution which operate in conjunction with judicial processes. Here again the focus has been mainly on forms of ADR concerned with individual grievances (see Purcell 2010), but collective conflict and specifically disputes that arise in connection with collective bargaining also fall within the scope of this definition (Clark *et al.* 2012). These forms of ADR, which seek to eschew or postpone formal judicial or quasi-judicial hearings, may involve judges or other court-appointed officers or external experts. Thus a distinction is now recognized between ‘judicial ADR’ and ‘non-judicial ADR’ – the latter term covering mechanisms for conflict resolution in the workplace, and sometimes extending to mechanisms of long vintage that fall outside the purview of legal regulation (Purcell 2010).

The term ADR is also now being applied to innovations in conflict management and resolution involving collective conflict in the workplace. Central here are innovations in collective bargaining and associated new dispute resolution mechanisms, such as ‘interest-based bargaining’, ‘collective mediation’, fact-finding, the early facilitation of negotiations by an independent conciliator (a practice sometimes referred to as ‘assisted bargaining’ (ACAS 2009), brain-storming and related problem-solving techniques, mediation by a party who may also be empowered to arbitrate (‘med-arb’), mini-trials, arbitration proper and the proactive handling of change management. Some of these techniques may also be applied to group-based conflict in non-union firms, although non-union firms, especially of US origin, may resist recognizing conflict as a group phenomenon in any respect and may seek to disaggregate group conflict into individual grievances and deal with them only on that basis (Doherty 2011). Conflict management systems encompassing multiple forms of group or collective ADR are also contemplated in the literature, although less commonly than in the case of systems of this kind that address individual employment conflict (see for example Ury *et al.* 1988). The emergence of various forms of ADR in unionized firms aligned with collective bargaining provides a contrast not alone with resort to courts but also with long-standing dispute resolution processes, based on linear, multi-step stages that commonly culminate in resort to external third-party agencies or again to the courts. Table 1.1 (overleaf) seeks to represent the main conceptual domains of ADR in its current usage in the world of work.
### Table 1.1: Conflict Management Practices

<table>
<thead>
<tr>
<th>Conflict Involving Individuals</th>
<th>Conventional</th>
<th>ADR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Formally written grievance &amp; disciplinary procedures involving progressively higher levels of management in resolving disputes</td>
<td>• Open-door policies</td>
</tr>
<tr>
<td></td>
<td>• ‘Speak-up’ &amp; related systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mediation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ombudsman</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• External and internal experts/mediators</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Review panels of managers or peers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Employee advocates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Arbitration</td>
<td></td>
</tr>
<tr>
<td>Conflict Involving Groups</td>
<td>• Formally written disputes procedures involving progressively higher levels of management in resolving disputes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Resort at final stage where deadlock remains to state-provided agencies for conciliation and adjudication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ‘Assisted bargaining’/mediation within procedure to avoid impasse</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ‘Brainstorming’ &amp; related techniques</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ‘Interest-based bargaining’ with facilitation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Private arbitration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Intensive communications surrounding change management</td>
<td></td>
</tr>
</tbody>
</table>

One of the key strands of the US literature on ADR is what will be referred to as the ‘strategic paradigm’. In both the prescriptive and analytical literature on ADR there is a strong emphasis on how organizations should, or in practice even do (in any case in large firms), develop conflict management approaches and practices in a strategic manner by aligning these with organizations’ competitive strategies and internal and external environments. Thus, the classic study in the field presented a series of stages that organizations might engage in to understand workplace conflict and design dispute resolution systems (Ury et al. 1988). A highly influential prescriptive study is replete with strategic concepts essential for ‘designing conflict management...
systems’, such as engaging in ‘whole and open systems thinking’, understanding conflict management as a ‘change intervention’, and as an aspect of a ‘learning organization’ (Costantino & Sickles-Merchant 1996). The same study proposes a sequence of stages in the ‘design system effort’ that includes an ‘organizational assessment’ the ‘construction of a design architecture’, implementation and evaluation (Costantino & Sickles-Merchant 1996). Another classic speaks in the same way of the rising incidence of ‘new strategies for conflict management’ and presents a model of strategic approaches to conflict management in organizations (Lipsky et al. 2003: ch.4).

This approach has been extended into a recent study of conflict management practices in US Fortune 1,000 firms. Here the adoption of ADR practices and conflict management systems is seen as a ‘function of proactive and strategic decisions and not simply a reaction to external and internal pressures’ (Lipsky et al. 2012: 5). In the same way, organizations are seen as ‘not merely pushed or pressurized into adopting innovative conflict management practices’ but ‘rather an organization’s conflict management approach is also a function of proactive, strategic decision-making factors’ (Lipsky et al. 2012: 5).

**Trends in ADR and their antecedents**

Whatever processes may be involved in their adoption, virtually all commentaries in the literature point to a sharp rise in recent decades in the incidence of ADR practices focused on resolving individual employment grievances and disputes. Notwithstanding this, it is also commonly observed that rates of resort by employees to particular forms of ADR are modest overall. Some of the factors responsible for this trend are also well identified, in particular an expansion in the volume of legislation conferring employment rights on people at work allied with a commensurate growth in people’s determination to vindicate these rights. The result of these underlying developments has been a rise – dramatic in some countries – in the volume of cases referred to administrative and industrial tribunals and the courts, and a ratcheting up of the costs involved in the administration of tribunals and courts dealing with employment disputes. These costs fall both on states and on the litigants involved in disputes. A formalization of legal processes and a growing trend towards legal representation are widely reported. Damages awarded can also be substantial, especially in the United States. As Colvin (2012) has noted, the ‘Gilmer’ and ‘Circuit City’ judgments of the US Supreme Court have significantly contributed to the growing use of non-judicial ADR by allowing employers to specify in employment contracts...
that workplace dispute resolution processes must be used to settle any employment disputes that may arise. Another factor behind the rise of individual employment claims and disputes and the growing use of ADR is the decline in unionization and union power in workplaces. As a consequence of declining unionization a growing number of employees may have little choice other than to pursue workplace grievances, even grievances that may essentially be collective in their genesis and nature, as individual claims. In some countries, especially the UK, it has been observed that the decline of unionization and collective bargaining has been associated with the transfer of workplace conflict from strikes and other collective expressions of conflict to a range of individual manifestations of conflict (Dix et al. 2009). On the management side, the advent of HRM as an influential paradigm is also seen to be an important influence on the growth of ADR mechanisms of various kinds for handling individual conflict (see Lipsky et al. 2003). Innovative forms of dispute resolution may indeed represent an extension into the realm of conflict management of the basic principles and postulates informing HRM policies more generally in firms. A strategy of engaging in ‗union substitution‘ also sometimes seems to be a potent influence on the use of individual forms of ADR, especially in the US.

The advent of collective forms of ADR reflects somewhat different, if also sometimes overlapping, sets of influences. There has been a secular decline in levels of industrial conflict and especially in the volume of strike activity in many countries. The emergence of innovative mechanisms for resolving collective conflict and disputes is not in any direct or simple way related therefore to concerns about industrial conflict and its consequences. Collective agreements in some countries, for example the UK and Ireland, are not generally regarded as legally binding and so no financial penalties arise in the event of breaches of collective contracts. Even in countries where collective bargaining agreements carry legal force, sanctions or penalties have not been reported as an influence on innovations in conflict resolution. The key driver behind the growth in collective ADR is the search for speedier and more flexible forms of dispute resolution and negotiation than available through traditional dispute and grievances procedures, or through established modes of negotiation or external conciliation, adjudication and arbitration (Lipsky et al. 2003). Related to this is a growing concern on the part of employers, embraced with varying degrees of enthusiasm by unions, to foster a more co-operative climate of employment relations. This objective is seen to be well served by moving away from traditional procedures for conflict resolution, which may be viewed as an institutional
expression of low-trust and adversarial postures on both sides. Such developments may reflect deeper forces such as globalization and growing economic openness, new competitive priorities focused on innovation and quality enhancement and allied innovations in manufacturing technologies, service delivery and work organization. The rise of employer-union workplace partnership initiatives, reported as a significant trend in some Anglo-Saxon countries from the 1990s, has also been associated with the advent of new forms of collective ADR-like interest-based bargaining, problem-solving fact-finding and mediation (Kaminski 1999; Kochan et al. 2009).

Colvin (2012) reports in the case of the US that greater diversity exists in ADR in procedures for conflict resolution in non-union companies than in unionized companies, where quite standard procedures still dominate the picture. This is likely to be in line with the pattern for other countries. Purcell’s (2010) study of individual ADR in European countries reports considerable cross-national variation in both forms and frequency around a secular rise in the incidence of ADR. The dispute resolution profiles or systems of different countries, especially as they involve ADR, and the forces accounting for diversity, have yet to be studied systematically, but Colvin (2012) urges an approach to ADR which treats the practices involved, and trends therein, as reflective of broader systemic features and trends with respect to countries’ conflict resolution arrangements.

Colvin (2012) reveals that the US may well have one of the most individualized dispute resolution systems of all advanced economies in that non-union procedures and practices affect significantly more employees – estimated as twice as many – as the grievance systems associated with collective bargaining. Other countries may be headed in a similar direction, as evident, for example, from Benson’s (2012) portrayal of Japan. In the Japanese case, the long recession since the 1990s combined with a decline in unionization and collective bargaining has led to a growth in forms of dispute resolution – both non-judicial and judicial – above the level of the workplace, as well as to a growth in individual employment grievances and disputes. In the Irish case, Roche & Teague (2012) report a higher incidence in firms of forms of non-judicial group and collective ADR in Ireland than individual ADR practices and mechanisms. This reflects on the one hand the absence of mandatory firm-level individual dispute resolution, such as initiated in the US by the Gilmer and Circuit City judgements, and the much lower overall awards of statutory tribunals.
dealing with unfair dismissals, redundancy, equality and other employment rights. It also reflects on the other hand the relatively higher level of unionization in the Irish case and the competitive pressures on unionized firms to find speedier and less adversarial ways of resolving disputes. Clark et al. (2012) compare the UK and France and show how different modes of conflict resolution, including ADR, are rooted in different legal and administrative traditions: the justice system in France and arms-length independent government agencies in the UK. McAndrew (2012) traces the development of collective ADR in New Zealand in the changing laws surrounding collective bargaining and their wider context in New Zealand politics. Finally, Forsyth (2012) attributes the continuing dominance of public agencies in dispute resolution in Australia and the limited incidence of workplace-level ADR to the historical and current features of Australia’s national dispute resolution traditions and laws.

**Outcomes of ADR**

Whether assessed discretely, or bundled together in integrated conflict management systems, ADR practices are commonly associated in the literature with a range of outcomes. Mediation is found to have a series of positive effects for both employers and employees (for a review of the international evidence see Latreille et al. 2012). A variety of other forms of ADR used in the US and Australia for handling disputes involving individuals have been assessed as benefiting employees and their employers (Ewing 1989; Van Gramberg 2006). In the case of outcomes of primary importance for employers, ADR-led conflict management systems, focused in the main on resolving individual employment conflict, have been associated by commentators with higher productivity, lower conflict-related costs, more adaptive organizations and higher organizational morale and commitment (Bingham & Chachere 1999; Lynch 2001). Links with lower absence and lower labour turnover rates have also been cited, as have links between ADR-led conflict management systems in non-union firms and union avoidance (Bingham & Chachere 1999; Lipsky & Avgar 2004). They have also been associated with outcomes of importance for employees, such as procedural and substantive justice in the workplace, higher work satisfaction and a greater capacity to resolve potentially destructive conflict (Bendersky 2007; 2003; Conbere 2001; Lynch 2001).

Interest-based bargaining and associated problem-solving practices are also reported to have been positively received by employees and to be associated with a range of beneficial outcomes
for employees, employers and trade unions (Kochan et al. 2009). Much of the relevant research draws on case studies and sometimes on paradigmatic or exemplary cases such as the US Postal Service’s REDRESS mediation programme (Bingham & Pitts 2002), or the partnership initiatives at Saturn or Kaiser Permanente (Rubinstein & Kochan 2001; Kochan et al. 2009). Cutcher-Gershenfeld (2002), on the other hand, presents survey data on interest-based bargaining in the US. Over a quarter to a fifth of union and management negotiators expressed a preference for interest-based bargaining over traditional collective bargaining and those with experience of the technique were more likely to report that bargaining relationships with their interlocutors were improving.

Overall, the concept of alternative dispute resolution (ADR) has received considerable exposure in the workplace conflict management literature and for some it represents the basis of a high quality conflict management system as it seeks to involve the parties to a dispute in a consensual process that empowers them to solve their differences to their mutual satisfaction (Cropanzano et al. 2008). ADR-inspired innovative approaches to conflict management envisage a qualitatively different set of practices or mechanisms for managing workplace conflict that represent alternatives to traditional grievances and disputes procedures designed on the basis of classical adversarial precepts and assumptions (Folger & Cropanzano 1998). Most of the work done on the extent to which organizations are diffusing ADR practices to manage workplaces has been in the United States. The evidence appears to suggest that there has been a fairly widespread move by organizations to adopt at least some form of ADR (Lipsky et al. 2012). However, the incidence of the diffusion of workplace ADR practices in other countries is patchy if not low (see Teague, Roche & Hahn 2012). This begs the question whether ADR approaches to workplace conflict is a uniquely American invention. What gives weight to this view is that the matter of innovation workplace conflict practices, particularly those that are infused with ADR principles, is only sparsely treated in the new strategic HRM literature. Thus, it remains to be seen how extensively these practices will be introduced across countries over the course of time.

**A Pragmatic Approach to Workplace Conflict**

So far we have suggested that three contrasting approaches to workplace conflict management can be detected in the HR and relevant literature. Often these approaches are not set out neatly and tidily, but nevertheless can be pieced together from different studies and discussions. Each
approach prescribes quite different methods for managing workplace conflict. One approach implies that the best way to address workplace conflict is by socializing it out of the organization. This is done mainly by creating a cognitive structure inside the organization that nudges employees away from raising problems, fearful that they will be labelled disruptive. A second approach envisages workplace conflict being solved differently largely as a result of changes being introduced to the HRM function in organizations. In particular, as HR managers strive to be more strategic in character, so line managers and supervisors will be required to carry out more and more HR activities, including conflict management. Thus, this approach emphasizes the key role of line managers in addressing problems at work. A third approach is predicated on the idea that HR managers should recognize that workplace conflict will be part and parcel of organizational life and thus establish innovative arrangements for its resolution (Bendersky 2003). This view is commonly used to explain – sometimes to justify – the diffusion of ADR-type practices within organizations to solve workplace problems.

Clearly there are significant differences between each approach, yet there are similarities across all three. One similarity is that each approach more or less assumes that an organization, if not the HR department, manages workplace conflict to some extent strategically through the adoption of well-designed policies and practices that are aligned with each other. In other words, the assumption is that each organization has a well-articulated view of workplace conflict and develops a set of focused actions in line with this understanding, which may in turn be aligned with organizational strategies and major trends in organizations’ environments.

The big problem with assuming a strategic approach to conflict management is that a significant body of research suggests that the HR function, which is likely to be at the centre of an organization’s conflict management policy, seldom acts in such a manner and instead performs a largely administrative role in most organizations. Administrative HR policies involve routine, reactive and tactical tasks associated with the operationalization of HR policies, ranging from pay to conflict management (Marchington & Wilkinson 2005; Boxall & Purcell 2003; Caldwell 2003; Truss et al. 2002; Ulrich 1997). On this evidence, the HR function is seldom involved in organizational strategic decision-making, or in implementing well-thought-out, coherent plans.

The relative absence of strategic HRM is attributed to a number of interrelated factors. One is the legacy of the past: particular HR policies get embedded within an organization, which in turn
have an enduring influence on how people are managed. On this account, HR managers get locked into tried and tested policies and practices and are reluctant to take the risk of adopting radically new policies fearful of the organizational uncertainty that might be generated. Another factor that militates against strategic HR initiatives is that in many organizations the HR function is required to play multiple roles, which makes it difficult to develop integrated strategies on particular people management issues, including workplace conflict. Performing multiple roles, as Legge (1978) pointed out in her seminal study, *Power, Innovation, and Problem-Solving in Personnel Management*, leads to considerable ambiguity about the role of the HR function inside organizations. On the one hand, it becomes difficult to delineate the specialist role of the HR manager from that of all managers responsible for managing staff. On the other hand, whilst there is a clear preference in the profession for the HR role to be a fully integrated part of the management team, the need frequently to attend to the welfare concerns of employees and even to traditional industrial relations issues makes it difficult to realize this preference in practice. Several studies have suggested that ambiguity about the role of the HR function has led to a crisis of professional identity and confidence amongst HR managers (Caldwell 2001, 2003; Kochan 2004).

Perhaps more importantly, the effects of legacy and role ambiguity lead to the HR function possessing insufficient power and credibility to affect change inside organizations. As a result, few strategic initiatives may either be conceived or implemented on how to manage people in the organization. Instead, decisions on HR matters, including workplace conflict, are likely to be made on a reactive, *ad hoc* basis, normally in response to a particular problem or development. This analysis suggests that, in addition to the three approaches to workplace conflict management already outlined, we should add a fourth pragmatic approach which involves workplace problems being solved in a relatively *ad hoc* and piecemeal manner.

Managing workplace conflict through pragmatic action rests on a number of assumptions. One is that HR managers do not place much store on staying in tune with so-called ‘best practice’ – adopting policies that are identified as leading edge or state-of-the-art. To the extent that organizations consider it necessary to learn from others, it is to assess the merits of policies and practices being adopted by broadly similar firms and which would only require incremental adjustments to established conflict management policies. The preference is not to deviate greatly
from established practices; there is broad contentment with existing arrangements to address workplace problems, although it is recognized that modifications occasionally may be necessary to address particular problems. Conceivably, after a time, the cumulative effects of small-scale modifications may be to alter the overall character of conflict management arrangements. While this scenario cannot be ruled out, it is unlikely to happen in the majority of cases as it would be unusual for organizations to diffuse continuous, self-reinforcing conflict management adaptations.

Another related assumption is that HR managers possess incomplete information not only about alternative ‘best practice’ conflict management policies, but also crucially about the consequences of different alternatives. Uncertainty about the effects of adopting innovative conflict management practices may encourage HR managers to be risk averse and remain wedded to tried-and-tested arrangements. As a result, when confronted with a problem, their first reflex is not to look for best practice alternatives, but to rely on past experiences – how similar events or problems were addressed in the past and propose interventions on that basis. Thus, alternatives tend to be chosen from familiar or well-worn paths. In addition, HR managers, in the main, tend to be more concerned with problems that need to be remedied rather than taking proactive action to redesign conflict management practices to realize some type of strategic or ethical objectives – for example to enhance the procedural justice of a particular practice. A further behavioural attribute of HR managers is that they usually consider solutions to problems as provisional – they adopt the hard-nosed position of only fully accepting a modification or change to a traditional policy if it works.

Some of these assumptions are borne out by everyday practice. Time and again, union and non-union firms are exhorted to learn from each other with regard to solving workplace problems. But there is no convincing evidence that they do so, at least not on any significant scale: union and non-union firms simply do not appear to regard each other as close or natural comparators. The literature on workplace ADR practices normally extols the big benefits that firms can capture by adopting this approach, but all the evidence suggests that outside the USA few organizations are doing so. HR managers in both union and non-union firms appear to remain stubbornly committed to established methods for resolving workplace problems. Similarly, there is a significant literature that encourages unionized firms to adopt interest-based bargaining
techniques, but the evidence suggests that few have done so and where they have it is invariably in response to a significant industrial relations problem or crisis and not as a result of strategic thinking. Thus, it appears plausible to suggest that HR managers adopt a pragmatic and incremental approach to the management of workplace conflict. It is an approach that envisages HR managers staying as far as possible with traditional multi-stage dispute and grievance procedures and only grafting on new practices to address unanticipated or new problems.

Conclusions

Three important issues emerge from this review of the HR and related literature on workplace conflict and its management. First of all, there appears to be a lack of consensus on the key matter of the legitimacy of workplace conflict – the extent to which the norms, values and beliefs promulgated by the organization is accepting of workplace conflict. Contrasting positions can be found on this matter. On the one hand, there is a strong preference not to use elaborate procedures to manage workplace conflict, or even use the language of conflict, as it is seen as creating a permissive environment for its incidence, which in turn can stand in the way of developing highly committed, engaged employees. On the other hand, there is a strand of literature that argues that organizations are no different to any other social setting in which largely harmonious interactions between people will occasionally break down causing conflict. On this view, it would be remiss of the organization not to have well developed procedures, normally seen as taking the form of ADR practices, to ensure these problems are properly addressed. Thus, sharply contrasting views exist within the HR profession about how to view workplace conflict.

Secondly, line managers appear to have become increasingly involved in the management of workplace conflict, but it is an open question whether they perform this role effectively. The key issue at stake is the appropriate balance between formal and informal conflict management policies. Traditionally, conflict management practices have been conceived as involving a bundle of organizational procedures as well as a range of informal activities. Enlarging the role of middle managers in workplace conflict management suggests that a strong preference is emerging amongst organizations for informal methods of resolving problems of work. By addressing problems quickly and at the point of origin, line managers are seen as playing an indispensable role in preventing problems being channelled into formal procedures. But question
marks exist over whether this role has been properly designed. It is open to doubt whether many organizations have given full consideration to the extent to which conflict management fits with the other roles line managers are required to perform – performance management, operational implementation etc. In a similar vein, it is uncertain whether organizations have properly adjusted their formal procedures to provide support systems to allow line managers perform informal conflict management effectively. Thus, while there has been a decisive informal turn in organizational conflict management, there is concern that this approach may not be operating optimally.

Thirdly, notwithstanding the apparent diffusion of ADR practices within many leading companies in the USA, it is not at all certain that organizations are implementing far-reaching change with regard to how workplace conflict is managed. There are good reasons to believe that the tendency will be for organizations to stay with tried-and-tested methods of resolving conflict. In many organizations, conflict management involves large administrative and psychological sunk costs that militate against innovative action: for example, stable relationships between management and trade unions may be anchored in long-established organizational routines, which HR managers may find too risky to disrupt. Reinforcing this tendency towards inertia is that HR managers still do not perform a strategic role in many organizations and thus have not got the capacity to enact change even if they wished to do so. Thus, to the extent that conflict management arrangements change inside organizations, they are probably best viewed as evolving over time in fits and starts, largely in response to particular events and developments, some anticipated others less so, and not mostly as a result of calculative strategic action. In approaching change, HR managers are more likely than not to adopt a pragmatic approach, with new approaches implemented or established practices modified mostly to address identified problems and designed in a manner that is compatible with existing organizational ways of doing things. Thus, innovation in the sphere of workplace conflict management should be viewed as incremental and piecemeal in character.

Overall, these three observations suggest that the HR and related literature on workplace conflict, to the extent that it exists, is quite fragmentary, generating themes and ideas that hardly sit cheek-by-jowl with each other. Sometimes, the literature hints at organizations making radical attempts to institutionally reconstruct workplace conflict management systems and at other times
at even bolder efforts to socialize conflict out of the organization. Another strand of the literature
moots the emergence of informal conflict management by giving line managers a greater role in
the area while yet another is concerned that a disconnect will open up between formal and
informal workplace conflict management if the problem-solving role of line managers is not
carefully designed. Some studies are confident that HR managers are becoming more strategic in
their approach to conflict management while others suggest that the grounds for adopting such an
upbeat position are limited. The lack of coherence and even confusion on workplace conflict and
its management can be attributed to the matter receiving insufficient attention in the HR
literature. Consider the now huge and long-standing debates on HR and the diffusion of high
performance work practices. For the most part, conflict management practices only had a walk-
on role in the many studies in the area. The message from this review is that this situation needs
to change.
References


