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# Strategic conflict management? A study of workplace inter-employee dispute resolution in Wales.

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## Abstract

In this paper, we examine the relationship between organizational strategy and the approach taken to conflict management using a large-scale survey of companies in Wales, a constituent part of the United Kingdom. We use the lens of inter-employee conflict, an under-researched form of conflict in itself, to examine the antecedents to a strategic approach to conflict management. We note specific organizational strategies appear to correlate with a strategic choice around conflict management, namely that organizations with a unitarist, and often anti-union, disposition are more likely to make informed choices about how they address conflict. Equally, we argue that there is some evidence to suggest that organizations which take high-road approaches to HR, will be more likely to take an intentional approach to how they address conflict.

## Keywords:

J52 Dispute Resolution: Strikes, Arbitration, and Mediation • Collective Bargaining  
J53 Labor–Management Relations • Industrial Jurisprudence

Strategic decision making is often broadly applied to industrial or employee relations (see, for example: Kochan, McKersie, and Cappelli 1984), but rarely, in existing research, is the link made specifically to conflict management practices. Lipsky, Avgar and Lamare (2017) suggest that strategic decision-making in the area of conflict management is fueled by a desire to improve organizational efficiency, to aid sustainable solutions to disputes and finally prevent litigation but that more work is needed in this area. In this paper, we aim to examine whether organizations do make strategic decisions when adopting an approach to conflict management. We contend that choices surrounding conflict management have a clear strategic element and that there are particular types of organization that are more likely to adopt a strategic approach to address conflict.

In the paper, we use inter-employee conflict, an area under-explored in itself, as the lens to investigate the relationship between organizational strategy and organizational decisions regarding the management of workplace conflict. We argue that those organizations where there is either an inherent high-performance or unitarist approach to organizational strategy are most likely to implement policies addressing inter-employee conflict. We further argue that the adoption of policies around inter-employee conflict is a reflection of a broader strategic approach, within which conflict management forms an important element.

Our research is based on the results of a large-scale survey of firms located in Wales, a constituent part of the United Kingdom. We asked questions about organizations' experience and management of conflict, as well as their broader HR strategic approach. By examining the diffusion of policies that address inter-employee conflict within Wales, we aim to identify the antecedents of a strategic approach of conflict management. We make an

important contribution to our theoretical and practical understanding of the conflict management within organizations and how this relates to organizational strategy.

### **Strategic Human Resources makes for Strategic Conflict Management**

Much of the recent attention on conflict management has concentrated on the growth of Alternative Dispute Resolution (ADR) as a more efficient means of resolving workplace disputes (Hann, Nash, and Heery 2016; Lipsky and Seeber 2000). In this literature, demographic variables such as organizational size, nationality of ownership and industrial sector are found to be associated with the diffusion of ADR practices due to a range of resource-based and isomorphic reasons (Roche and Teague 2012; Lipsky, Seeber, and Fincher 2003). The purpose of our research is to go beyond these institutional explanations of conflict management and to examine the influence that organizational strategy may play in the choice of conflict management system.

Although research on the relationship between conflict management and strategy is limited, Rowe (1997) does suggest that there is some alignment between particular HR strategies and the existence of particular conflict management practices. One area where research exists on the interaction of strategy and conflict management is the connection between High Performance Work Systems (HPWS) and conflict management in general (Mahony and Klaas 2014; Saundry, Latreille, and Dickens 2014). Where this relationship has begun to be explored it is highly contentious.

Godard (2004) suggests that conflict in the workplace will limit the success of HPWS, thus these 'high-road' organizations are more likely to view conflict management as important to the success of a broader HR strategy to maximize competitiveness through the

use of employee engagement and voice (Roche and Teague 2012; Colvin 2004). The manifestation of a strategy of conflict minimization through the use of wide-ranging techniques can be expressed in a number of ways which form the central tenets of HPWS, including employers proactively seeking to elicit employee concerns and align the interests of employees and employers (Bray, Budd, and MacNeil 2015).

Whilst organizations may strategically employ methods of conflict resolution to enhance the use of HPWS, research around this concept is mixed in its views. Huselid (1995) suggests that HPWS have the capacity to increase performance and improve motivation amongst employees, although it must be acknowledged that this view is not universal. A body of literature developed primarily from the Labor Process perspective argues that there is also a “dark side” to HPWS. Changes in levels of control, skill requirements and increased workloads can be identified as major stressors for many employees. In these circumstances the adoption of HPWS can lead employees to become overworked and disillusioned, which in turn can result in negative consequences such as increased conflict. Although the assessment of HPWS amongst researchers is not clear cut, even those who take a more pessimistic stance on this strategy suggest that negative outcomes can often be tempered with consideration of specific conditions, for example around control and skills (Ramsay, Scholarios, and Harley 2002). In short, organizations that employ a HPWS approach may actively seek to address and reduce conflict but may also perversely see increased conflict within the workplace.

In addition to particular practices, which are reflective of ‘high road’ HR, the role of line managers is viewed as critical to the implementation and execution of high commitment approaches, such as HPWS (Purcell and Hutchinson 2007). Giving line managers a greater

role in the administration of HR has the potential to lead to, as well as address, higher levels of conflict. Roche and Teague (2014) found that line managers play an important role in the instigation of effective ADR, being able to offer proactive responses rather than reacting to issues, but Teague and Roche (2012) and Saundry, Latreille and Dickens (2014) suggests that the time, resources and support for line managers to do this effectively is often absent. In short, those organization strategically looking at conflict may also be those organizations which carefully consider and develop a role for line managers in the conflict management process.

A further point of the intersection of broader HR strategy and approach to conflict management is the organizational approach to unions. Evidence for the impact of management orientation toward unions on the adoption of conflict management practices is mixed. Previous research in the US has linked the growth of dispute resolution mechanisms more generally to a desire to restrict unionization of the workplace (Barrett and O'Dowd 2011). Whilst grievance procedures and processes are long-established within unionized sectors, non-unionized firms have often lacked adequate or established mechanisms to address conflict. The implementation of particular, and potentially alternative, approaches to conflict management, such as mediation or arbitration, within organizations is sometimes seen as a method to counterbalance the attraction of unionized grievance procedures or to put things another way to offer a substitute to unions (Lipsky et al. 2003; Budd and Colvin 2005; Colvin 2004)

Other studies, however, suggest that alternative dispute resolution techniques are present in both unionized and non-unionized organizations (Lipsky and Seeber 2000; Lipsky, Avgar, Lamare, and Gupta 2012; Roche and Teague 2012). It is worth noting that there is

evidence that suggests that unionized and non-unionized firms use dispute resolution mechanisms differently (Barrett and O'Dowd 2011). Budd and Colvin (2005) suggest that non-union organizations are more likely to concentrate on developing strategies with unrestricted management decision making processes, whereby equity and fairness are dependent on the goodwill and value set of the managers involved. In essence, choices on conflict management approaches in non-union organizations often serve to restrict employees in the conflict resolution process by limiting the impact employees can make on management decision making (Colvin 2004). In this article, we aim to examine the extent to which conflict management policies are part of a wider agenda to exclude unions from the employment relationship.

### **The lens of inter-employee conflict**

Whilst the importance of conflict management as a research and policy area has undoubtedly grown (See, for example: Chartered Institute for Personnel and Development 2015; Lipsky et al. 2012; Roche and Teague 2014), the focus has primarily been on the dichotomy between individual and collective conflict vis-à-vis management. There has been much less explicit discussion of the management of conflict that occurs between colleagues. Studies of conflict management in the field of industrial relations tend to combine different forms of conflict, often putting disputes between employees within the same 'category' as individual disputes directly with the employers. The lack of differentiation between forms of conflict is not straightforward, which is likely why individual and inter-employee conflicts are conflated, but the distinction is important, especially when it comes to designing appropriate and effective conflict management practices (Budd, Colvin, and Pohler 2017).

The lack of research into inter-employee conflict is perhaps surprising given a recent UK survey found that 38 per cent of UK employees experienced conflict between colleagues (Chartered Institute for Personnel and Development 2015). Ironically, the emergence of this form of conflict may be partially caused by changes in the modern workplace such as the development of HPWS, which have created an environment where employees are increasingly working with others in teams (Gallie, Felstead, and Green 2004). The use of team-working has developed as organizations seek increased flexibility and productivity as well as benefits such as more creative solutions and improved commitment and motivation. Although teams offer many benefits, they also bring with them potential problems, such as suppression of ideas and the notion of free-riding, which has the potential to lead to conflict between colleagues (Jehn and Mannix 2001). These conflicts are further exacerbated through increasingly flat organizational hierarchies, as colleagues struggle to define work parameters and practices without managerial support to arbitrate differences of opinion (Nohria and Garcia-Point 1991). Finally, the widespread use of performance management has been identified as a source of potential unfairness both in terms of procedure, but also outcomes (Greenberg 1986), which generates further conflict directed at fellow team members, but in particular line managers. In addition to internal organizational structural change, broader societal changes also mean teams are more diverse than ever before. Jehn and Bendersky (2003) and Saundry and Dix (2014) indicate that as workplaces become less homogeneous there is the potential for a resultant increase in conflict.

The effects of inter-employee conflict in the workplace are well understood. Rowe (1997) and CIPD (2015), for example, consider the negative effects of inter-employee conflict on workplace operations, focusing on lower motivation and thus reduced productivity and potentially the loss of employees. Although there are some exceptions, such



as the role that conflict plays in developing creativity and decision making, Harris, Ogbonna and Goode (2008) argue that existing research portrays inter-employee conflict as something to be minimized or avoided. Rowe (1997) finds that some of the the negative outcomes, such as lost productivity, can be ameliorated through a systematic management of the conflict. Thus, the existing research suggests that where employers take a distinctive approach to inter-employee conflict, they may see more effective outcomes in the face of conflict.

In short, we argue that within a context where academics and practitioners tend to conflate different forms of conflict, the small number of organizations that have specifically and explicitly introduced a formal policy on inter-employee conflict indicates they have likely made a strategic choice relating to conflict management. This potential indicator of strategic decision-making is the reason we have chosen to use inter-employee conflict as a lens of analysis in this paper to examine the understudied intersect between strategy and conflict management.

We contend that certain organizations are more receptive to the development of inter-employee dispute resolution practices as part of a strategic approach to conflict management, in particular where conflict is viewed as problematic to the effective functioning of the company. Specifically, we will test the following hypotheses:

**H1:** The diffusion of inter-employee conflict management policies is associated with organizational demographic variables such as size, sector, age and nationality.

**H2:** The adoption of inter-employee conflict management policies is consistent with organizations' attempts to proactively limit the role of unions.

**H3:** The adoption of inter-employee conflict management policies is associated with the use of broader HR strategies such as high-performance work systems.

## **Methods**

The research evidence was collected using the survey method, which was chosen to provide representative data on the management of workplace conflict in Welsh private sector organizations. Wales is a constituent country of the United Kingdom with a population of just over three million and a devolved political assembly. The structure of the Welsh economy is broadly similar to the UK as a whole, although there is a higher proportion of small employers in Wales. The questionnaire was adapted from that used by Roche and Teague (2012) in their study of conflict management in the Republic of Ireland. Consultations with the Irish research team and the Advisory Conciliation and Arbitration Service (Acas), the UK Government's employment service, both helped to refine and adapt our research instrument. The questionnaire was piloted on a selection of Welsh HR professionals which resulted in changes to some question wording and the addition of a small number of new questions.

## **Data and Sample**

The sample frame was derived using data from Companies House (the source of official data on the characteristics of UK employing organizations) to identify those organizations whose head office is located in Wales. The questionnaire was addressed to the senior HR specialist in the company who it was assumed would have responsibility for dealing with workplace conflict. In the event of it not being possible to identify an HR specialist, the questionnaire was sent to the company secretary or to a general management contact with a specific request in the covering letter that it be passed on to the most

appropriate person. Single-respondent surveys on the subject of HR can be susceptible to measurement error (Gerhart, Wright, McMahan, and Snell 2000; Gardner and Wright 2009). However, we are confident that our data are not affected due to the fact that our survey does not focus on the implementation or evaluation of HR practices but rather on the presence of formal conflict management policies, which is objectively more straightforward for respondents to report (Huselid and Becker 2000). The questionnaire was distributed by post, with an option for electronic completion, and two follow-up reminders were issued.

A census was taken of all 1800 firms in our sampling frame and 352 valid responses were received, representing a response rate of 20 per cent. This level of response is in line with similar surveys, including that of Roche and Teague (2012). The data were subsequently weighted to correct for differences in response rate by sector and organizational size. The results presented here are calculated using those weighted estimates.

## **Measures**

The questionnaire first asked respondents to describe the nature and incidence of workplace conflict in their organization before going on to examine how firms manage this conflict. The survey also contained a number of contextual questions about the organization, and the wider HR policies and practices that have been implemented. Respondents were asked for details of their approach to managing three distinct forms of conflict that are defined as follows:

- Grievances involving individual employees in conflict with the organization (henceforth individual conflict)
- Disputes involving groups of employees in conflict with the organization (henceforth collective conflict)

- Contentious issues and disputes between employees or groups of employees (henceforth inter-employee conflict).

It is this last category of inter-employee conflict which is the focus of our analysis. The management of conflict between employees or groups of employees was not included in Teague et al.'s (2012) Irish survey but was added to the current study to reflect the increasing frequency and significance of this form (Chartered Institute for Personnel and Development 2015).

### *Dependent Variables*

This research seeks to improve our understanding of organizations' approach to conflict as measured by the nature and content of their policies (Dix 2012) and how or why these policies were derived. We focus, therefore, on those organizations which have formal written conflict management policies that are applied consistently irrespective of the circumstances, as opposed to those who adopt a more ad-hoc approach to conflict management. These organizations were identified by a filter question that asked whether it was their practice to 'operate formal written procedures which are applied consistently irrespective of the circumstances of any dispute arising'. In the analysis that follows we develop a three-way classification that captures the various conflict management strategies that are employed by Welsh organizations. The first category of firms are those who have no formal written conflict management policies and, therefore, rely on ad-hoc practices to resolve workplace disputes. The second category of firms are those that have developed formal written policies for certain types of workplace conflict but not for those disputes that occur between employees. These firms may have formal policies relating to disputes between individual employees and the organization or to collective disputes relating to

groups of employees but they have no formal approach to dealing with inter-employee disputes. The third and final category of firms are those whose formal conflict management policy does include this form of dispute.

The characteristics of these firms with alternative conflict management policies are analyzed in the following section using a combination of bivariate and multivariate analysis to examine the potential influence of a range of demographic, institutional and strategic variables.

#### *Independent variables*

The independent variables used to examine these relationships are operationalized using dummy variables. A range of demographic factors are considered including organization size, sector, nationality of ownership and age. Competitive strategy was measured using the approach taken by Osterman (1994) with respondents ranking the relative importance their organizations attached to competition on the basis of quality and innovation relative to price. Dummy variables were created and coded 1 for those firms which assigned the highest score to innovation and quality respectively.

Additional dummies are used to investigate the potential role that employment relations actors play in the management of conflict. The presence of a specialist HR function, and recognized trade unions are measured using dummies. The role that line managers in the conflict management is assessed by four questions measuring the dimensions of their involvement. The variables are coded 1 if respondents indicated agreement with the relevant statement. Finally, the survey asked respondents to assess the importance of a range of

factors on their organization's overall approach to conflict management. Two variables that measure the importance of industrial relations objectives are included in the analysis and coded 1 if they were rated as 'important' or extremely important' by respondents.

The final group of variables is designed to examine the possible link between organizations' conflict management policies and their wider HR strategy. These variables measure the presence of a range of thirteen HR practices in the areas of performance management, pay, recruitment/retention and employee voice and engagement. Three variables that measure whether or not employers review or have changed their approach to conflict management are also included.

## **Results**

We present analysis of the diffusion of conflict management policies in the Welsh private sector in Table 1. It is striking that the majority of respondents reported having no formal written conflict management procedures for any of the three categories of conflict (57 per cent), and that only approximately one quarter of organizations have instigated a formal policy around inter-employee disputes. The data in table 1 also show that there are particular types of organization where policies of this kind are more prevalent.

[[Table 1 near here]]

The results in Table 1 indicate that there are differences in the demographics of the three categories of firms outlined above. Whilst organizational size and nationality of ownership do not appear to be related to the form of conflict management policy, industrial sector clearly is. Over a quarter of service sector employers have a formal conflict

management policy that includes inter-employee disputes. The comparable figure for manufacturing is just 8.7 per cent. Whilst superficially at odds with Lipsky et al.'s (2003) observation of the US that alternative conflict resolution practices are likely to be found in manufacturing, this finding does reflect the more prevalent usage of commercial ADR within the service sector in the UK (Centre for Effective Dispute Resolution 2016).

There is also a significant association between an organization's age and the scope of its conflict management policy. Firms that include inter-employee disputes in their written policy are more common at either ends of the age spectrum with a third of firms under ten years old and a quarter of firms over twenty years old having such a policy. The corresponding figure for firms between 10 and 19 years old is significantly lower at 13.6 per cent. Thus, the results provide only weak support for our first hypothesis that an organization's demographic characteristics are associated with the nature of its formal conflict management strategy with just sector and age found to be significant.

Finally, the results in table 1 also lend support for the idea that there is a link between organizations adopting a 'high-road' competitive strategy, i.e. innovation and quality, and their adoption of alternative conflict management practices (Lipsky et al. 2017). Respondents were asked to indicate the relative priority their organization placed on cost, innovation and quality. The results suggest that firms with a formal inter-employee conflict policy ascribe higher priority to innovation and especially to quality when compared to those firms whose formal policies contain no such provision. The emphasis on innovation and quality is consistent with organizations adopting a HPWS approach

We used logistic regression models to further examine the potential link between organizations' conflict management practices and their broader approach to the management of labor. In the analysis that follows the dependent variable is whether or not the organization has a formal conflict management policy that includes specific provision for inter-employee disputes. In Table 2 we present data which examine whether the presence of certain employment relations actors and orientations is related to an organization's conflict management strategy. Model I simply assesses the impact of the previously discussed demographic variables and confirms the earlier analysis that sector, age and competitive orientation are significantly related to the adoption of inter-employee conflict policies. Model II adds the employment relations variables to the analysis, which results in a significant improvement in model fit ( $R^2 = .376$ ).

[[Table 2 near here]]

The results in Table 2 show that, perhaps unsurprisingly, the adoption of alternative conflict management practices that include inter-employee policies are more likely to be found in organizations with specialist HR functions ( $\text{Exp}(\beta)=3.548$ ;  $\text{S.E.}=.387$ ;  $p<.01$ ). This is consistent with previous studies that have examined the diffusion of ADR practices (Hann et al. 2016; Teague et al. 2012). Supplemental to the importance of functional HR professionals, the role of line managers in implementing conflict management policies and indeed mediating in disputes more broadly has been highlighted in existing literature (Roche and Teague 2014). Table 2 examines the role of line managers in conflict management and whether it is linked to the adoption of inter-employee dispute policies. Whilst for three of the four variables there is no statistically significant relationship, it is notable that organizations that have such a policy are more likely to require line managers to hold meetings with staff to



gauge areas of concern ( $\text{Exp}(\beta)=5.192$ ;  $\text{S.E.}=.642$ ;  $p<.01$ ), which again is consistent with a HPWS approach. The fact that these line managers are no more likely to be trained or receive formal support to resolve employee disputes confirms previous studies (Saundry et al. 2014; Teague and Roche 2012).

We investigated the potential impact of an organizations' relationship with trade unions on their conflict management strategy and the results are also presented in Table 2. The presence of trade unions is not significantly related to the type of conflict management policy the organization adopts but management approach to unions does appear to be significant in this regard. Respondents were asked to indicate the broad influences on their organization's approach to conflict management. The striking figure from table 2 is that for those innovative organizations with a specific inter-employee dispute policy were three times more likely to cite preventing unions from extending their influence into the organization as an important influence ( $\text{Exp}(\beta)=3.080$ ;  $\text{S.E.}=.405$ ;  $p<.01$ ). This result directly supports our second hypothesis and confirms the findings of previous US research which found that the growth of dispute resolution practices was partially motivated by the desire to prevent the spread of unionization (Budd and Colvin 2005; Colvin 2004) and would also link well to the types of approach used more widely by these firms (i.e. open door and personal development plans), whereby control can be retained by managers. This finding would also be consistent with a unitarist approach to the employment relationship.

Taken as a whole, the results in table 2 suggest that an organization's employment relations orientation is related to an intentional choice of conflict management strategy. Specifically, the adoption of a formal inter-employee conflict management policy is more common in firms with key internal actors such as specialist HR and line managers, and also in firms who specifically look to restrict the influence of trade unions.

We examine the potential influence of organizational and HR strategy on the adoption of conflict management practices in table 3. In model III various ‘high commitment’ or high-performance work practices are added as explanatory variables, which again significantly improve the model fit ( $R^2=.550$ ). The results lend weight to our third hypothesis that HR and conflict resolution strategies are related (Rowe 1997; Mahony and Klaas 2014; Lipsky et al. 2017). The pattern is somewhat mixed but the use of performance management systems is significantly more likely to be found in inter-employee conflict resolution ( $\text{Exp}(\beta)=8.032$ ;  $\text{S.E.}=.504$ ;  $p<.01$ ). The same is true of certain recruitment and retention policies, notably applicant screening for values and attitudes in order to assess fit with organizational culture ( $\text{Exp}(\beta)=7.458$ ;  $\text{S.E.}=.532$ ;  $p<.01$ ). The pattern for reward and voice practices is more equivocal except for formally designated team-working which is again positively related to inter-employee dispute practices ( $\text{Exp}(\beta)=3.267$ ;  $\text{S.E.}=.489$ ;  $p<.05$ ). This last finding is perhaps unsurprising given the potential for team working to generate disputes (Jehn and Mannix 2001). Whilst the results in table 3 do not show that high commitment HR practices are universally associated with alternative inter-employee conflict policies there are some noteworthy patterns and some clear strategic HR choices that are consistent with a coherent management approach to the management of labor.

The figures in table 3 also suggest that the decision to implement inter-employee conflict management policies is one of conscious innovation. Firms with such policies are found to be over six times as likely to have changed their approach to conflict resolution in the preceding five years ( $\text{Exp}(\beta)=6.645$ ;  $\text{S.E.}=.469$ ;  $p<.01$ ). Similarly, the analysis shows that formal audits as to the effectiveness of their conflict management practices and

mechanisms are more likely in firms with inter-employee policies ( $\text{Exp}(\beta)=4.994$ ;  $\text{S.E.}=.620$ ;  $p<.01$ ). Again, these results indicate a distinct pattern of behavior within these organizations.

The preceding analysis has helped elucidate some of the organizational characteristics and practices that are associated with the use of inter-employee conflict resolution policies. In relation to our first hypothesis that organizational demographics is associated with the diffusion of these policies, the results are equivocal with only organizational age and industrial sector found to be significant. More interestingly, our analysis suggests that there is stronger support for our second and third hypotheses that inter-employee conflict management policies are more common in firms that adopt certain employment relations and human resource management practices. Indeed, we argue that the presence of inter-employee conflict management policies is associated with a broader approach to HR which reinforces the primacy of management in terms of the role of HR professionals and line managers together with the use of policies such as performance management and applicant screening, as well as the exclusion of trade unions.

So far, our analysis has focused on the organization and institutional characteristics that are associated with the management of inter-employee conflict. In Table 4, the content of these formal conflict management policies is analyzed. The survey asked firms to indicate the use of 16 conflict management practices which we split into two groups according to whether they are pre-emptive and aimed at resolving disputes early or preventing them altogether, or whether they are more reactive in nature and designed to deal with disputes that have become established. Table 4 indicates how the use of these practices differs according to whether the organization has a formal policy relating to inter-employee conflict.

[[Table 4 near here]]

Table 4 reveals a number of significant findings. Firstly, it is striking that of all the conflict management practices listed, by far the most commonly used are written disciplinary and grievance procedures that escalate up through progressively higher levels in the organization. Moving beyond these traditional forms of conflict management mechanism, the results in Table 4 show that over half of the ADR practices listed are more commonly found amongst firms that have an inter-employee conflict policy. Of the five practices for which these differences are significant (mediation, early use of Acas, open door policies, employee advocates and personal development planning) four are more common amongst such firms. These results are consistent with Behfar et al.'s (2008) analysis that strategies for resolving inter-employee conflicts need to be pre-emptive rather than reactive, These findings also reflect and extend Denenberg and Denenberg's (1999) review of the health sector, which noted that individual conflict requires approaches that healing between parties who are often balanced in terms of power. Three of the five approaches (excluding employee advocates and personal development planning) could lend themselves to looking at ways to heal rifts and develop sustainable approaches to working together in the future. Even PDPs could be tailored in such a way to look at mutually agreeable solutions between employees. These findings also strengthen the earlier analysis that firms with inter-employee conflict policies tend to be more innovative in their approach to conflict resolution more generally and indicate strategic thought may have been given to the approaches taken.

### **Discussion and conclusions**

In this paper, we have sought to shed light on the relationship between organizational strategy and the approach taken to conflict management using the lens of inter-employee

conflict. We argue that we make two key contributions to existing literature firstly by identifying a potential link between organizational and HR strategy on the one hand and conflict management on the other and secondly by scrutinizing an under-researched form of conflict. Our findings suggest that organizational strategy is accordant with an organization's approach to managing inter-employee conflict and that the diffusion of inter-employee conflict management policies appear to be a reflection of choice over chance.

There is some evidence that a firm's characteristics are linked to its approach to conflict management, for example service sector organizations are more likely to implement policies that specifically deal with inter-employee conflict. A finding which would be broadly consistent with Lipsky et al.'s (2003) hypothesis that exposure to ADR type strategies in the commercial sphere may have isomorphic properties. Equally, competitive orientation is associated with inter-employee conflict management suggesting that product markets may be significantly related to organizations' conflict management approach. However, whilst the results show that implementation of inter-employee policies is associated to some degree with a range of organizational characteristics, the data point to the conclusion that a more important factor appears to be not who these firms are (i.e. size, sector, age), but rather what they do (i.e. organizational/HR strategy).

Our research contributes to an emergent understanding of how strategic decisions are being made within organizations with regard to conflict management approaches adopted. It is arguable that these organizations have not stumbled into these approaches but rather that there has been a conscious strategy to develop a particular approach to the resolution of this form of conflict or more broadly reinforce and underpin a particular management strategy. The fact that many of these organizations have undertaken recent audits of their conflict

management policies would suggest active strategic thought behind the choices rather than policies developing through happenstance.

Although our findings indicate a correlation between organizational strategy and approach to conflict management, the driving motivation for this is not clear. As indicated in the introduction, we can identify two main strands of strategic decision that may impact on the choices made around approach to conflict management. One key area of strategy that appears to correlate with decision making approaches around conflict management is a drive toward a HPWS approach. This potential alignment between HR and conflict management strategies is seen, for example, through the presence of key elements of High-Performance Work Systems, such as performance management, rigorous recruitment, the empowering of the frontline through team-working and the key role of line managers. The results in table 3 indicate that these types of HR practices are more likely to be found in firms addressing inter-employee conflict. There is thus, a coherence in the strategy employed by these organizations in their broader approach to workplace conflict, although it must be noted that this relationship is by no means conclusive.

Beyond a HPWS, there is also evidence that approaches to conflict management reflect strategic choices organizations make with regard to union presence within an organization. Although the natural tendency in IR research is to examine conflict management through the pluralistic frame of reference (Budd and Bhawe 2008), the approach to unions and conflict management in this survey indicates a relationship between an intentional approach to conflict management and a what could be deemed a unitarist stance. The unitarist stance rejects the idea that conflict, and thus unions, have a legitimate place within an organization and it is this standpoint that helps us in interpreting the apparent

correlations between the strategic behavior of firms in the sample when implementing policies around inter-employee conflict (Budd and Bhawe 2008). A unitarist approach to the employment relationship is consistent with the adoption of formal inter-employee conflict management policies. Such an approach represents a more proactive approach to resolving, or preventing, conflict between employees and returning the organization to its harmonious, shared (and managerialist) agenda.

The survey was explicit in exploring what Heery (2016) terms hard unitarist tendencies, where union exclusion is a specific objective of the conflict management approach. Our results clearly suggest that union exclusion is often an intended strategic choice in organizations' approach to conflict management. Although the correlation between prevention of union influence and a particular approach to conflict management is clear and evident in the research, it would be, perhaps, unfair to say that all organizations who implement conflict management approaches with intention are hard unitarists who look to restrict the influence of employees on managerial decisions.

We also find limited evidence of correlations between softer forms of unitarism (Heery 2016) and approaches to conflict management. Whilst a soft unitarist approach would also seek to establish a managerialist agenda within the organization, it would not achieve this through an overtly anti-union animus, but rather through emphasizing and encouraging the development of non-union voice. Here the findings are more equivocal in terms of specific voice mechanisms, with only regular team briefings being more common in firms with a policy on inter-employee conflict. The specific approaches taken, however, to resolving inter-employee conflict management would fit well with a soft-unitarist approach, with a focus on encouraging individual employees to voice their opinion (for example through open door

policies) or exploring flexible options for dispute resolution (for example through Acas or mediation) (Bray et al. 2015).

Our results suggest that the adoption of inter-employee conflict management policies may be associated with a unitarist management approach (in both its hard and soft variants) but it should be acknowledged that these relationships are not always definitive. The presence of mediation in many of these organizations has been argued to fit more comfortably with a pluralistic or even radical approach to the employment relationship. Ridley-Duff and Bennett (2011) argue that the nature of the mediation; who or what is seen as the key point of authority, as well as the extent to which hegemony is constrained and compromise is a perceived possible, will suggest in what vein an organization uses mediation, from a pluralistic or radical framing. We would suggest that our research might indicate that mediation would also not fall out of line with a unitarist approach, if that approach is through soft rather than hard unitarism, but additional qualitative research would be needed to evaluate Ridley-Duff and Bennett's framework.

The number of firms adopting a specific policy addressing inter-employee conflict may be in the minority, but they are also the organizations who have actively reviewed their approach in recent years. This proactive approach suggests that increasing numbers of firms may look to adopt policy in this area as they begin to note the clear growth in conflict between colleagues at work. A shift toward a greater adoption of policies that focus specifically on this particular type of dispute is especially important given the recent work that suggests to effectively resolve conflict, the cause must be understood (Budd et al. 2017). It is unclear, as the number of organisations who adopt formal inter-employee conflict management policies grows, whether this is strategic choice or simply a reaction to a growing



issue. Our findings would suggest that there is some element of strategic choice, but further qualitative research would be beneficial to explore this relationship.

Whilst acknowledging the boundaries of our research which include its narrow geographic focus and use of single-respondent survey data, we argue that it constitutes a valuable contribution to both the theory and practice of conflict management. We find a significant link between organizations' HR strategies, either in the adoption of HPWS practices or through an anti-union, possibly unitarist orientation, and their approach to conflict management. Thus, this research thus goes some way to furthering our understanding of the relationship between firms' strategic choices and their approach to conflict management (Lipsky et al. 2017). Our results suggest that the association between HR strategy and conflict management practice is intentional, rather than accidental but further, qualitative research is needed to determine the contours of this relationship.

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Table 1 - Characteristics of employers with formal conflict management policies

	Formal Written Conflict Management Policy		
	No formal policy (%)	Excludes IE disputes (%)	Includes IE disputes (%)
All firms	56.6	20.0	23.4
Size			
Small (<50 emps)	57.1	19.8	23.0
Medium (50-199 emps)	37.5	25.0	37.5
Large (200+ emps)	50.0	0.0	50.0
Sector			
Manufacturing	65.2***	26.1***	8.7***
Services	54.4***	18.4***	27.2***
Nationality of ownership			
UK owned	56.1	20.0	23.9
Foreign owned	66.7	27.8	5.6
Age of Organization			
<10 years	42.3***	25.4***	32.4***
10-19 years	64.1***	22.3***	13.6***
20+ years	58.9***	15.4***	25.7***
Basis of competition <sup>1</sup>			
Innovation	107.6***	81.0***	96.3***
Quality	156.1***	112.5***	156.7***

\* significant at .1; \*\* significant at .05; \*\*\* significant at .01

<sup>1</sup> These are absolute values relative to a benchmark (price=100) following the methodology used by Osterman (1994)

Table 2 - Employment Relations Actors and Inter-Employee Conflict Resolution

	Estimated Odds Ratios (Standard Error)	
	Model I	Model II
<b>Demographic variables</b>		
Size		
Small (<50)	1	1
Medium (50-199)	2.723 (.938)	2.393 (1.037)
Large (200+)	4.515 (2.025)	1.676 (2.101)
Sector		
Manufacturing	1	1
Services	7.156*** (.570)	5.583*** (.613)
Nationality of ownership		
UK Owned	1	1
Overseas owned	.387 (1.560)	.785 (1.733)
Age of organization		
<10 years	1	1
10-19 years	.276*** (.448)	.282** (.535)
20 + years	.679 (.364)	.954 (.446)
Competitive orientation		
Innovative	13.408*** (.878)	9.618** (.947)
Quality-based	1.268 (.294)	1.734 (.348)
<b>Actors in Conflict Management</b>		
Specialist HR		
Organization has a specialist HR manager/department		3.548*** (.387)
Trade Unions		
Trade union(s) recognized for collective bargaining		1.876 (.443)
Line Managers		
Formally trained to handle disputes		1.580 (.367)
Required to hold face to face meetings with staff to gauge areas of concern		5.192*** (.642)
Competence in dealing with employment relations is formally assessed		1.345 (.411)
Provided with formal support to resolve employee issues quickly/informally		1.115 (.669)
<b>IR Objectives of the Conflict Management Strategy</b>		
Developing a less adversarial employment relations climate		.711 (.376)
Preventing unions extending their influence into, or within, the company		3.080*** (.405)
<b>Model Statistics</b>		
Chi-square	42.872***	91.737***
Nagelkerke R Square	.189	.376

\* significant at .1; \*\* significant at .05; \*\*\* significant at .01

Table 3 - HRM Strategy and the Use of Inter-Employee Conflict Resolution

	Estimated Odds Ratios (Standard Error)	
	Model I	Model III
<b>Demographic variables</b>		
Size		
Small (<50)	1	
Medium (50-199)	2.579 (.568)	3.302 (1.170)
Large (200+)	4.654 (1.941)	6.800 (2.324)
Sector		
Manufacturing	1	
Services	6.493*** (.568)	4.228 (.829)
Nationality of ownership		
UK Owned	1	1
Overseas owned	.390 (1.562)	6.973 (2.472)
Age of organization		
<10 years	1	
10-19 years	.300*** (.444)	.072*** (.721)
20 + years	.785 (.354)	.725 (.529)
Competitive orientation		
Innovative	14.317*** (.868)	19.292*** (.923)
Quality-based	1.405 (.283)	2.224 (.410)
<b>HRM variables</b>		
Performance Management		
A formal performance management system		8.032*** (.504)
Pay and Rewards		
Individual performance-related pay		.456 (.473)
Group performance-related pay		.142** (.900)
Profit sharing/share ownership		.075** (1.190)
Recruitment and Retention		
Applicants assessed for values, attitudes and personality to fit With organizational culture		7.458*** (.532)
A policy of no compulsory redundancies		17.171*** (.904)
Internal career progression as a formal objective for most employees		.118*** (.635)
Employee voice & engagement		
Regular coffee/lunch sessions to identify areas of concern for employees		1.757 (.438)
Periodic employee satisfaction surveys		.466 (.532)
Focus groups to identify areas of concern for employees		1.208 (.637)
Staff forum/consultative committee		.581 (.526)
Regular team briefings that provide employees with business information		.343** (.451)
Formally designated team-working		3.267** (.489)
Policy Review		
Formal audits of conflict resolution practices and mechanisms		4.994*** (.620)
Use of external consultants to review/advise on conflict resolution practices		1.286 (.445)
Approach to conflict resolution has changed significantly in last 5 years		6.645*** (.469)
<b>Model Statistics</b>		
Chi-square	42.872***	152.454***
Nagelkerke R Square	.189	.550

\* significant at .1; \*\* significant at .05; \*\*\* significant at .01

Table 4 - Incidence of conflict management practices by coverage of policy

	Use of conflict management practice	
	Firms without IE policy %	Firms with IE policy %
<b>Pre-emptive policies</b>		
Mediation	19.7***	42.8***
Early use of Acas	27.1***	10.8***
Formalized open-door policy	34.3**	53.0**
Employee hotline or email 'speak-up' service	4.2	3.7
HR managers as employee advocates	16.9***	36.6***
Review panels	21.4	19.5
Formal communication regarding impending change	45.1	49.4
Problem solving and related techniques	62.9	52.4
Coaching	38.0	31.3
Personal development planning	48.6***	69.5***
Interest based 'win-win' bargaining techniques	11.4	20.5
<b>Reactive policies</b>		
Written disciplinary procedures	92.9	96.4
Written grievance procedures	92.9	96.4
Use of Acas as a last resort	14.3	22.0
Use of External arbitrators	15.7	26.5
Use of company ombudsman	0.0	3.6

\* significant at .1; \*\* significant at .05; \*\*\* significant at .01