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## Labor Relations Conflict in the Workplace: Scale Development, Consequences and Solutions

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## Abstract

Because the goals of employers and employees are often incompatible, conflicts are inevitable and an essential part of organizational life. The three studies reported in this paper addressed the issues of identifying the dimensions of workplace conflicts within organizations, exploring the consequences of conflicts, and finding appropriate methods of conflict resolution. The first study identified and developed three dimensions of labor relations conflict, including interest-based, rights-based, and emotion-based conflicts. The second study explored two sets of individual outcomes of labor relations conflicts and found labor relations conflicts had a negative effect on employee job satisfaction and affective commitment and positive effects on employee turnover intention and counterproductive work behavior. The third study tested the effectiveness of partnership practices as an alternative method of resolving labor relations conflicts. Suggestions are offered for future research on the labor relations conflict dimensions as well as its outcomes and solutions introduced in these studies.

## Keywords

labor relations conflicts, emotions-based conflict, partnership practices, conflict resolution, China context

## Disciplines

Dispute Resolution and Arbitration | Human Resources Management | Labor Relations

## Comments

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# **Labor Relations Conflict in the Workplace: Scale Development, Consequences and Solutions**

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# **Labor Relations Conflict in the Workplace: Scale Development, Consequences and Solutions**

## **Abstract**

Because the goals of employers and employees are often incompatible, conflicts are inevitable and an essential part of organizational life. The three studies reported in this paper addressed the issues of identifying the dimensions of workplace conflicts within organizations, exploring the consequences of conflicts, and finding appropriate methods of conflict resolution. The first study identified and developed three dimensions of labor relations conflict, including interest-based, rights-based, and emotion-based conflicts. The second study explored two sets of individual outcomes of labor relations conflicts and found labor relations conflicts had a negative effect on employee job satisfaction and affective commitment and positive effects on employee turnover intention and counterproductive work behavior. The third study tested the effectiveness of partnership practices as an alternative method of resolving labor relations conflicts. Suggestions are offered for future research on the labor relations conflict dimensions as well as its outcomes and solutions introduced in these studies.

**Key words:** labor relations conflicts, emotions-based conflict, partnership practices, conflict resolution, China context

## INTRODUCTION

Conflict is an inherent part of both the workplace and organizational life. Although conflict may be beneficial, it is generally perceived as harmful and dysfunctional, especially when it involves employers and employees within an organization. Such labor relations conflict usually results in loss of production, low employee income and employment, management unwillingness to discuss disputes with its employees, and a high rate of discharged or dismissed workers (e.g., Ajayi and Muraina 2016; Hebdon 2005; Hebdon and Noh 2013; Xi and Zhao 2014; Xi, Xu, Wang, and Zhao 2016). In addition, industrial relations conflict may have negative effects on a country's social and economic development. For example, the number of individual labor disputes in Chinese enterprises has increased dramatically in recent years, rising from 317,162 in 2006 to 813,859 in 2015. The number of collective labor disputes or strikes has increased from 6,592 in 2011 to 10,466 in 2015 (State Statistical Bureau of China, 2016). This increasing number of labor disputes has become an obstacle to China's sustainable and healthy economic growth and social development (Clarke, Lee, and Li 2004; Zhao 2012; Xi et al. 2016). Thus, resolving labor disputes and conflicts is a critical and urgent issue for both labor relations researchers and human resource practitioners (Zhao 2012).

Scholars have developed a range of methods and strategies to explore employment relationship conflicts (Martinez-Pecino, Munduate, Medina, and Euwema 2008; Guest and Peccei 2001; Xi et al. 2016). Collective bargaining has been the most widespread method of resolving labor relations conflicts and is generally recognized as a central feature of labor relations systems (Katz 1993). In the workplace, however, individual employment disputes

have supplanted collective bargaining issues as the most widespread mode of industrial conflict in the face of decreasing unionization and strike rates but increasing numbers of lawsuits (Bales 1997; Pollert 2005). Recently, a growing proportion of organizations has turned to alternative methods for addressing employment conflicts, including mediation and arbitration, partnership practices that, among other things, are designed to bypass approaches that rely primarily on traditional litigation or managerial authority (Guest and Peccei 2001; Martinez-Pecino, et al. 2008; Rodríguez-Piñero, Salvador, and Lourdes 2003). In addition, new organizational structures and work practices have changed the nature of conflicts, requiring new and innovative conflict management approaches (Scheuer 2006).

According to partnership theory (Guest and Peccei 2001; Guest, Willian, Riccardo, and Katy 2008), partnership practices not only balance employers and employees' mutual interests but also allow collaboration between parties to promote the achievement of common goals such as harmonious labor relations, high productivity and enhanced job performance. Such partnership practices provide an alternative method of addressing employment conflict (Xi et al. 2016). The first key research question in this paper is to test the effectiveness of partnership practices in resolving labor relations conflicts.

Much of the industrial and labor relations, human resource management and organizational behavior literature has addressed behaviors that can be viewed as labor relations conflicts, including absenteeism, theft, grievances, misbehavior, job actions, and strikes (Analoui and Kakabadse 1993). However, the literature has overlooked the nature of industrial or workplace conflict (Hebdon and Noh 2013). Martinez-Pecino and his colleagues (2008) noted that all workplace conflicts can be categorized as conflict of interest and rights

conflicts. They argued that conflict of interest refers to “conflicts concerning the establishment of terms and conditions of employment”, whereas rights conflict refers to “the application and interpretation of a previously established norm or law”. Given that individual employment disputes have supplanted collective bargaining as the most widespread mode of industrial conflict (Pollert 2005), traditional approaches to classifying industrial relations conflicts into conflict of interests and rights conflicts do not address all types of workplace conflict (Xi and Zhao 2014). In addition to conflicts of interest and conflicts of rights, we add conflicts of emotions to reflect disrespect, unjust actions, distrust, mistreatment, and similar problems in interpersonal relations between employers and employees. Because there is no scale to indicate the extent of employees’ perceptions of labor relations conflict (Xi and Zhao 2014; Xi et al. 2016), developing a measurable labor relations conflict scale is extremely important for empirically testing the antecedents and outcomes of labor relations conflicts. The second key research question requires us to develop a new scale of labor relations conflict composed of three dimensions: interest-based, rights-based, and emotion-based conflicts.

Scholars in a variety of disciplines have conducted empirical and conceptual studies of whether and how workplace conflicts influence individual outcomes (Bouwen and Salipante 1990; Feather 2002). To address this question, determining the types of labor relations conflict and identifying their different influences on employee attitudes and behaviors are necessary first steps. Our third aim is to explore the influence of labor relations conflict on employee attitudes and behaviors within an integrated framework.

In this paper, we conduct three interconnected studies to address each of the above

research questions. Our study makes several contributions to the current literature on labor relations and workplace conflict. First, we develop a scale of labor relations conflict with three dimensions: interest-based, rights-based, and emotion-based conflicts. This provides a foundation for both researchers and practitioners to identify, evaluate and address the various types and severity of actual and potential labor disputes and conflicts. Second, based on this new scale of labor relations conflict, we test the negative influence of labor relations conflict on employee attitudes and behaviors, including employee job satisfaction, commitment, turnover intention and counterproductive workplace behaviors. Finally, we show that establishing partnership practices within organizations is an effective way to reduce and resolve labor relations conflicts.

## **STUDY 1 SCALE DEVELOPMENT OF LABOR RELATIONS CONFLICT**

### **Study 1: Identifying the Categories of Labor Relations Conflicts**

Different traditional perspectives can be used to determine the category of labor relations conflict. First, the causes of labor relations conflicts can be broadly classified into economic causes, including working hours, unpaid leave and holidays, unjust layoffs, wages and allowances, and non-economic factors, including victimization, ill treatment, sympathetic strikes, and a lack of discipline. In addition, labor relations conflicts may result from both macro causes, such as the system, economy, technology and international environment, and micro causes, such as salary and welfare systems, the working environment, working hours and work intensity, labor remuneration and insurance (Xi and Zhao 2014). Hyman (1989) noted that the key factors that result in labor relations conflicts include unfair income distribution, a lack of employment security, and misuse of supervisory control. Based on a



comparative study of grievances in Belgium and the United States, Salipante and Bouwen (1990) found that the causes of labor relations conflicts included factors related to the environment, factors concerned with goals and approaches to achieving goals, unequal treatment, and factors related to relationships between individuals, groups or organizations. In Chang's (2006) opinion, the primary cause of labor relations conflict is that the employee's rights and interests are infringed and violated by the employer, the expressions of which include a fuzzy contract between the employee and the employer, low signing rate of contracts or no contracts, long working hours, poor working conditions, and a lack of labor protections and social security.

From the perspective of the manifestation of labor relations conflict, such conflicts can be divided into covert (implicit) and overt (explicit) conflicts and individual and collective conflicts (Edwards 1992; Gall and Hedon 2008; Hebdon and Noh 2013; Hyman 1987; Kerr 1954). Overt or explicit conflicts are those that are carried out in a manner intended to attract substantial attention to a given issue within a workplace (Xi and Zhao 2014). The manner of such conflicts is highly visible and is typically directed and organized by unions. Overt conflicts include strikes, sabotage, pickets, boycotts, work to rule, and work bans, and they are usually collective and proactive (Xi and Zhao 2014; Morill, Zald, and Rao 2003). In contrast, covert or implicit conflicts are generally carried out in a manner calculated to cause disruption in a masked, disguised, or an undirected manner (Xi and Zhao, 2014). Covert labor conflict actions include absenteeism, turnover, theft/pilfering, sabotage, slow performance, whistle blowing, indifference, and work to rule. These actions can be either individual or collective and are usually undertaken by employees rather than employers (Xi and Zhao 2014;

Fortado 2001; Robinson and Bennett 1995).

Although these categories of labor relations conflict provide different perspectives to understand employment conflicts in the workplace, two limitations characterize traditional categories of labor relations conflict. First, the various types of labor relations conflict are not independent from each other. For instance, covert or implicit conflict can transform into overt or explicit conflict when organizations or employers pay less or no attention to and take no measures to reduce or manage the covert conflicts. In addition, individual conflicts can evolve into collective conflicts. Second, these categories of labor relations conflicts do not reveal the nature of the conflicts between the employee and the employer. The fundamental reason for labor relations conflict is that the employer and employee cannot reach a satisfactory agreement that encompasses mutual interests, rights and emotions.

### **Study 1: Constructing the Dimensions of Labor Relations Conflict**

Conflicts between an employee and an employer are inevitable and an essential part of organizational life. However, scholars tend to pay less attention to the dimension or construct of labor relations conflict. In their study of the effectiveness of mediation strategies in collective bargaining, Martinez-Pecino and colleagues (2008) noted that labor relations conflict between employers and employees could be broadly divided into conflicts of interests and rights conflicts. The former refers to conflicts related to ‘the establishment of terms and conditions of employment’. For example, both the employer and the employee expect to propose agreements or terms that are in their own interests. Rights conflicts are caused by violations of laws and regulations. For instance, when either the employer or the employee state that the original collective agreement or work specification is illegal, or the

rights of either party are ignored, then conflicts of rights occur. These two types of conflicts are obvious in collective bargaining. The demand for interests primarily aims to eliminate unfair treatment, although the demand for rights mainly aims to improve working conditions and union reorganization (Xi and Zhao 2014).

These two dimensions are inadequate to explain the overall meaning of labor relations conflict. Conflicts of interest and conflicts of rights are based mainly on studies of Western labor relations and unions, emphasizing two types of labor relations conflicts arising from collective bargaining under the direction of unions. Both conflicts of interest and rights conflicts are external factors, belonging to overt labor relations conflicts. As a result, psychological or emotional conflicts should be included in the study of the dimension or construct of labor relations conflict. Job burnout and slack and inefficient working are common phenomena (Maslach, Schaufeli, and Leiter 2001). Simultaneously, workplaces are scenes of discrimination, prejudices and snubs against employees from the employers. These emotional conflicts can be classified as covert or implicit conflicts.

In sum, this paper proposes three dimensions of labor relations conflict: rights-based, interest-based, and emotion-based conflicts. Rights-based conflicts are conflicts caused by violations of established laws and regulations. Concretely, this type of conflict refers to conflicts triggered by the employer's lack of compliance with the most recent 'Law on Employment Contracts' and other relevant laws. Labor disputes such as employees' recovery of overtime payment, employers' ignorance of payment of compulsory social security requirements, and illegal termination of the labor relationship are the main types of labor arbitration cases (Aleman 2008). Rights-based conflict tends to be the precursor to a strike.

With the strengthening of employees' consciousness to safeguard their rights, rights-based conflict is increasing (Xi and Zhao 2014).

Interest-based conflict involves violations of employment terms and working conditions. General speaking, interest-based conflicts are induced by factors such as salary, welfare and working conditions. Salary and welfare are of fundamental concern for employees and are the main causes of employee turnover or quit rates. Inadequate salary, slow salary growth, and unfair distribution of income are usually the focus of contradictions between employers and employees. Welfare primarily refers to salary paid in goods or services rather than money, such as vacation with pay, paid sick leave, housing allowance, free or discounted working meals, training opportunities, and allowances for children's education. Welfare is not composed of mandated benefits, but the incentive welfare provided by the enterprise itself. Finally, the working environment and conditions can be manipulated, especially by private firms, to reduce cost by allowing work environments with high temperature, insects, dust and noises.

Emotion-based conflicts are caused by the employer's disrespect for employees and interpersonal conflicts between employers and employees. When the employer disrespects employees' human dignity, the fruits of their labor and the value of their labor and fails to establish harmonious interpersonal relations between employees and employers, emotion-based conflict may occur. For instance, in manufacturing enterprise with specialized production lines, employees could have a high efficiency and production rate, but employees are usually viewed as "robots" on the production line. The "enclosure management" adopted by some enterprises causes production-line workers to sink into a survival situation of "no

life, no family and no community”. With the increased emotional needs of the new generation of employees, emotion-based conflict is likely to become the main type of labor relations conflict within enterprises.

### **Study 1: Items Identification and Confirmation**

Following the scale development procedures suggested by Churchill (1979), we developed a scale of labor relations conflict and tested its validity. First, our open-ended questionnaire was based on a comprehensive literature review related to employment relationship and industrial conflicts, interviews with 9 employees, 3 managers of human resource departments and 3 directors of unions from three large-scale labor-intensive manufacturing enterprises in Nanjing, China, along with a content analysis of labor dispute cases from the statistical bureaus of Jiangsu Province and China. We then analyzed the content validity of labor conflicts to identify questions for the initial questionnaire. Next, we conducted an exploratory factor analysis and a confirmatory factor analysis to further examine the validity and reliability of the labor relations conflict scale. Finally, we identified a three-dimensional measurement model of labor relations conflict.

#### **Step one: Initial items identification**

We identified initial items in the scale through the following four methods. First, we reviewed the literature on employment relationships and industrial conflicts, identifying 25 causes and expressions of labor relations conflict after conducting an extraction, analysis and summary. Second, we conducted individual interviews with nine first-line employees and focus group interviews with three HR managers and three directors of labor unions from three large enterprises in Nanjing, China (a foreign enterprise, a state-owned enterprise, and a

private enterprise) to identify the possible factors that lead to labor relations conflicts.

Through these interviews, we collected 18 causes and expressions. Third, we conducted an interview with a director of the Nanjing Labor Dispute Arbitration Committee to identify the main causes and sources of labor relations conflicts in Nanjing, asking them to provide official statistical data on labor relations conflicts collected by Jiangsu Human Resource and Social Security Hall in 2011. We also searched the statistical data of labor relations conflicts in the 2010 edition of the China Statistical Yearbook and found 14 causes and types of labor relations conflicts. Finally, we extracted the main causes of labor relations conflict (strike or shutdown) by analyzing 44 collective labor relations conflict cases or incidents reported by newspapers and networks from 2001 to 2012, identifying 27 causes and expressions. Parts of causes and sources of labor relations conflicts were reported in Table 1.

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Insert Table 1 about here  
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### **Step two: Initial Items confirmation**

The causes of labor relations conflicts were sorted into three dimensions, obtaining 29 items. To confirm whether the contents of the 29 items were repeatable, clarified and easy to understand, we asked two groups of people to assess and analyze those items based on the three dimensions of labor relations conflict. One group was composed of three MBA students and the other consisted of a professor and two post-docs in the field of labor relations. After analysis, assessment and classification, we initially identified 23 items of labor relations conflict, 8 items related to interest-based conflict, 8 items related to emotion-based conflict,

and 7 items related to rights-based conflict.

### **Step three: Initial items Verification**

To confirm the initial scale of labor relations conflict, we selected three large manufacturing enterprises to participate in the survey. Considering the sensitive nature of labor relations conflict, we distributed our questionnaires on the spot to guarantee the quality of the information gathered. Each enterprise's HR director helped conduct the survey. We selected our participants randomly, obtaining permission from each employee and informing him or her that the survey was anonymous.

Each enterprise distributed 50 questionnaires, with 150 distributed overall. We asked the respondents to subjectively assess labor relations conflicts according to their actual perceptions and experiences within enterprises on a 7-point Likert scale from 1 ("strongly disagree") to 7 ("strongly agree"). After deleting an invalid questionnaire, our sample comprised 121 responses. Of the total respondents, 77.7% were male; 45.4% were under 30 years old; 25.6% were between 31 and 40 years and 28.9% were older than 41 years; 34.7% had a high school or less than a high school education, 33.9% had a college degree, 26.4% had a bachelor's degree, and 5% had a master's degree.

The paper employed both reliability analysis and exploratory factor analysis (EFA) to test the initial sample. According to the reliability analysis, items with a Cronbach's  $\alpha$  less than 0.4 are deleted. According to EFA, a term is deleted when the rotated factor loading is less than 0.4 or when cross loading exists and the difference value is less than 0.2. Based on these two standards, we identified a 13-item scale of labor relations conflict with 4 items of interest-based conflict, 4 items of emotion-based conflict, and 5 items of rights-based

conflict.

### **Study 1: Scale Reliability Test and Validity Test**

A 13-item scale of labor relations conflict developed from only 121 responses in three companies may pose reliability and validity limitations. To address this limitation, we conducted further surveys of 137 companies in Jiangsu, Shandong, Fujian, and Guangdong provinces and Tianjin City to further examine the reliability and validity of the labor relations conflict reported. We adopted two main methods to distribute the questionnaire. First, we conducted on-the-spot surveys with the assistance of government departments (primarily leaders from economic development and industrial zones). From October 2012 to March 2013, we sent 1800 questionnaires and received 1218 replies. After deleting invalid questionnaires, such as those with more than five continuous missing values and identical responses to many questions, we collected 918 valid samples, for a 51% response rate. We randomly divided the final samples into two independent groups. One group was used to conduct exploratory factor analysis and the other was used to conduct confirmatory factor analysis, with 459 responses in each group. SPSS was used to conduct EFA to re-check the structure of labor relations conflict, and Lisrel was used to conduct CFA to re-examine the convergent validity and discriminant validity of labor relations conflict.

*Reliability analysis.* As reported in Table 2, the Cronbach's  $\alpha$  for each dimension of labor relations conflict (0.899, 0.902, and 0.090) displayed good reliabilities. We also examined the construct reliability  $\rho_c$ , which was calculated from the factor loading of each dimension of labor relations conflict and relevant measurement errors. The values of each construct reliability of labor relations conflict (0.907, 0.921, 0.883) was larger than 0.60 (Bagozz and



Yi 1998). Overall, the three dimensions of labor conflict have good construct reliability.

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Insert Table 2 about here  
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*Exploratory factor analysis.* The value of the KMO test of the 13 items was 0.911 and the significance of Bartlett's Ball Test was less than 0.001, indicating a good fit for exploratory factor analysis. The eigenvalues of the first three factors were larger than 1 and the contribution rate of accumulative variance was 75.86%, which exceeded the standard of 60%. As shown in Table 2, three factors were extracted clearly by principal component analysis, and all the factor loadings were larger than 0.4, ranging from 0.695 to 0.873. In sum, according to the EFA, the labor relations conflict should be structured with 3 dimensions.

*Confirmatory factor analysis and convergent validity test.* The results of confirmatory analysis in Table 2 show that the standardized factor loadings of interest-based, emotion-based, and rights-based conflicts ranged from 0.79 to 0.88, from 0.85 to 0.88, and from 0.68 to 0.84, respectively. The three-factor model fit the data well with  $\chi^2(62) = 248.61$ , RMSEA = 0.08, CFI = 0.98, NFI = 0.97. In addition, the average variance extracted (AVE) of the three dimensions of labor relations conflict were 0.708, 0.745, and 0.538, respectively, satisfying the minimum requirement of 0.5, indicating good convergent validity.

*Discriminant validity test.* To test the discriminant validity of the three dimensions of the labor relations conflict construct, we conducted confirmatory factor analysis to compare the fundamental three-factor model with the two-factor and one-factor models. The two-factor model combined interest-based and emotion-based conflicts into a single factor. According to

Table 3, the fundamental three-factor model fit the data well with  $\chi^2(62) = 248.61$ , RMSEA = 0.08, CFI = 0.98, NFI = 0.97, NNFI = 0.97, and RFI = 0.97. The results support the three dimensions of labor relations conflict and presents good discriminant validity.

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Insert Table 3 about here  
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### **Study 1: Summary**

We identified the three dimensions of labor relations conflict and used two sets of samples to verify these three dimensions. The three dimensions of labor relations conflict are: interest-based conflict with 4 items; emotion-based conflict with 4 items; and rights-based conflict with 5 items. Our results showed that labor relations conflict with three dimensions had good validity and reliability. The findings of this study provide a robust scale for future quantitative studies of labor relations conflict such as research into its antecedents and outcomes.

## **STUDY 2 LABOR RELATIONS CONFLICTS AND EMPLOYEE ATTITUDES AND BEHAVIORS**

Labor relations conflicts have a severely negative impact on individual-, group-, organizational-, and societal-level outcomes. We explore the possible negative effects on employee attitudes and behaviors towards their organizations. In our second study, we employ two sets of indicators to reflect the negative effects of labor relations conflicts. The first set of indicators includes employee job satisfaction and affective commitment. The second set of indicators includes employee turnover intention and counterproductive work

behavior. Employee job satisfaction, affective commitment, turnover intention, and counterproductive work behavior have been widely used in previous management research (Spector and Fox 2002; Takeuchi, Chen, and Lepak 2009; Vandenberg, Richardson, and Eastman 1999; Wu and Chaturvedi 2009). Locke (1976) defined job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (p. 1304). Affective commitment is defined as the employee’s positive emotional attachment to the organization (Meyer and Allen 1991). Unlike commitment, turnover intention refers to the willingness to leave or withdraw from the organization, which has been recognized as a stable predictive indicator of actual turnover (O’ Reilly, Chatman, and Caldwell 1991; Tsui, Egan, and O’ Reilly 1992). Further, counterproductive work behavior is defined as employee behavior that goes against the legitimate interests of an organization (Sackett, Berry, Wiemann, and Laczko 2006) and has the potential to harm organizations or people in organizations (Spector and Fox 2002).

We argue that labor relations conflict has a negative influence on employee job satisfaction and affective commitment and a positive influence on employee turnover intention and counterproductive work behavior from three perspectives. First, interest-based conflict means the violation of employment terms and working conditions, such as providing employees with unfair salaries, wages, and compensation. For employees, various compensation and welfare from employers, such as wage and salary, health examination and insurance, vacation with pay, and pension plans are basic needs and requirements for their survival and development within the organization. According to Frederick Herzberg’s two-factor theory, working environments such as pay and benefits are hygiene factors

(Hackman and Oldham 1976). If hygiene factors cannot be satisfied, employees will be dissatisfied and have less of a commitment to the organization. Studies have found that dissatisfied employees are more likely to engage in employee absenteeism, lateness, theft, sabotage, and substance abuse (Lau, Au, and Ho 2003), which are counterproductive work behaviors (Fox and Spector 2001).

Second, emotion-based conflict refers to disrespect for employees' human dignity and problems in interpersonal relations. If an organization establishes an organizational climate of fairness, mutual respect, and trust and helps employees grow with the organization, employees will feel a sense of justice and fairness, and the result will be decent work. Conversely, if management cannot respect employees' human dignity, and the fruits value of their labor, employees will be less willing to work, reduce their commitment to the organization, increase their turnover intention, and potentially engage in negative behavior such as counterproductive work behavior at the workplace.

Third, rights-based conflict refers to violations of established laws and regulations. Laws and regulations are the foundations of a company and should not be violated by either individual employees or the organization. If an employer violates laws and regulations to dismiss or fire employees, or to provide social welfare or insurance lower than legally required, employees will react in opposition. According to Table 1, many strikes and shutdowns occur when employers provide lower social insurance and welfare than the standards set by the Labor Law. Thus, if the employers violate their rights, employees will engage in more negative behaviors and have less positive attitudes. Based on the above discussion, we hypothesize as follows:

*Hypothesis 1a: Interest-based conflict is negatively related to employee job satisfaction and affective commitment and positively related to employee turnover intention and counterproductive work behavior.*

*Hypothesis 1b: Rights-based conflict is negatively related to employee job satisfaction and affective commitment and positively related to employee turnover intention and counterproductive work behavior.*

*Hypothesis 1c: Emotion-based conflict is negatively related to employee job satisfaction and affective commitment and positively related to employee turnover intention and counterproductive work behavior.*

## **Study 2: Sample and Procedure**

Our sample consisted of 918 employees from 137 firms at five economic and technological development zones in Guangdong, Fujian, Jiangsu, and Shandong provinces and in Tianjin City from October 2012 to March 2013. To ensure data quality, we asked a local government agency to help us conduct the survey. We randomly selected firms from the lists available from local government systems and asked selected firms' HR managers to randomly invite 6 to 10 employees to complete a questionnaire, which included items measuring labor relations conflicts and their attitude and behavior variables. Overall, our sample consisted of an average of 6.7 employees from each firm, for a 91.3% response rate.

The sample characteristics are reported in Table 4.

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Insert Table 4 about here  
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## Study 2: Measures

*Labor relations conflict.* The 13-item labor relations conflict measure developed in study 1 was used. Employees rated the extent to which the item described the conflicts of labor relations between employers and employees on a seven-point scale ranging from 1 (extremely rare) to 7 (very often). The internal consistency reliabilities of interest-based, rights-based, and emotion-based conflicts are 0.915, 0.917, and 0.896, respectively.

*Employee attitudes and behaviors.* We employed affective commitment, job satisfaction, turnover intention, and counterproductive work behavior to measure employee attitudes and behaviors. We used the eight-item scale developed by Allen and Meyer (1997) to measure employee affective commitment. The coefficient  $\alpha$  for this measure is 0.893. Employee job satisfaction was measured using the three-item scale developed by Takeuchi et al. (2009). The coefficient  $\alpha$  for this scale is 0.829. Four items measured employee turnover intention (Wang, Law and Chen 2002). The coefficient  $\alpha$  for employee turnover intention was 0.918. Counterproductive work behavior was measured using the scale developed by Yang and Diefendorff (2009), with the coefficient  $\alpha$  0.929.

All three attitude measures and one behavior measure were indicated on a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). To confirm the structure of these measures, especially the distinction of four constructs from labor relation conflicts, we conducted a thorough confirmative factor analysis by using Mplus on all the measures of employee attitudes, behaviors and labor relations conflicts. Table 5 shows the CFA results. The basic seven-factor model with four factors of employee attitudes and behaviors and three factors of labor relations conflicts fit the data better than alternative models, with  $\chi^2$  (758) =

3033.03, RMSEA = 0.059, SRMR = 0.052, CFI = 0.912, and TLI = 0.905.

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Insert Table 5 about here  
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*Control variables.* We included two sets of control variables that influence employee attitudes and behaviors. First, we controlled for employees' demographic characteristics, including employee gender, age, education, tenure, and income. Second, we controlled for firms' characteristics, including firm type (state-owned enterprises, private enterprises, and foreign enterprises), firm industry (manufacturer and non-manufacturer), firm size (small and medium enterprises with fewer than 500 employee numbers, and others) and firm age (by year).

## **Study 2: Analysis and Results**

Table 6 reports the mean value, standard deviations, and correlations associated with all variables.

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Insert Table 6 about here  
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As shown in Table 6, labor relations conflicts (all interest-based, emotion-based and rights-based conflicts) are negatively related to employee affective commitment ( $r=-0.637$ ,  $p<0.01$ ;  $r=-0.626$ ,  $p<0.01$ ;  $r=-0.513$ ,  $p<0.01$ ) and job satisfaction ( $r=-0.440$ ,  $p<0.01$ ;  $r=-0.495$ ,  $p<0.01$ ;  $r=-0.447$ ,  $p<0.01$ ), whereas they are positively related to employee turnover intention ( $r=0.062$ ,  $p<0.05$ ;  $r=0.12$ ,  $p<0.01$ ;  $r=0.234$ ,  $p<0.01$ ) and counterproductive work behavior

( $r=0.252$ ,  $p<0.01$ ;  $r=0.429$ ,  $p<0.01$ ;  $r=0.516$ ,  $p<0.01$ ). The results provide a foundation for testing our hypotheses. In addition, there is a negative relationship between state-owned enterprises and labor relations conflicts, a positive relationship between private enterprises and labor relations conflicts, and a non-significant relationship between foreign enterprises and labor relations conflicts.

To test our hypotheses 1a, 1b, 1c, and 1d simultaneously, we used Mplus software to conduct structural equation modeling (SEM) (Muthén and Muthén 1998–2015). Table 7 shows the results of SEM. The model fit the data well: the Chi-Square test of model fit is 3033.03, Degrees of Freedom is 758 ( $p<0.001$ ), the Root Mean Square Error of Approximation (RMSEA) is 0.059, the Standardized Root Mean Square Residual is 0.052, the CFI is 0.912, and the TLI is 0.905. Table 7 shows that hypotheses 1a, 1b, and 1b were partially supported. We found that labor relations conflicts, including interest-based, rights-based, and emotion-based conflicts, had negative influences on employee job satisfaction and affective commitment. However, we found that only rights-based conflict was positively and significantly related to employee turnover intention and that both rights-based and emotion-based conflicts were positively and significantly related to counterproductive work behavior. However, we found that interest-based conflict was negatively and significantly related to counterproductive work behavior, which is not consistent with our hypothesis.

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Insert Table 7 about here  
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## **Study 2: Summary**

The results of study 2 demonstrated the harm of labor relations conflicts. In study 2, we found that all dimensions of labor relations conflict had a negative influence on employee job satisfaction and affective commitment, whereas some parts of labor relations conflict had a positive influence on employee turnover intention and counterproductive work behavior. The positive relationship between rights-based conflict and counterproductive work behavior merits further study.

## **STUDY 3 PARTNERSHIP PRACTICES AND LABOR RELATIONS CONFLICT**

In study 1, we showed that it is both important and urgent to resolve labor relations conflict and find an effective method of conflict resolution. In general, collective bargaining is the most widespread method of conflict resolution. However, with declining unionization and strike rates and rising litigation numbers, individual employment conflicts have supplanted collective industrial conflicts in the workplace. Mediation and arbitration have become important alternative methods for resolving conflicts between employers and employees (Martinez-Pecino et al. 2008). Although mediation and arbitration have been recognized as effective ways to reduce or manage workplace conflicts, they have their own limitations. Mediation and arbitration are after-the-fact resolutions; they cannot prevent conflicts from occurring.

As an effective and critical theory to advance collaboration between employers and employees, partnership theory aims to promote the achievement of the parties' common goals, as reflected in a harmonious labor relations climate, higher productivity and work efficiency, and lower turnover and absenteeism rates (Guest and Peccei 2001). According to partnership

theory and partnership principles, partnership practices such as employee participation, two-way communication, benefit/risk sharing, and employment security have improved employee attitudes, enhancing productivity and fostering a harmonious labor relations climate (Cooke 1990; Rubinstein and Kochan 2001; Xi et al. 2016). For example, partnership practices within organizations could yield a win-win outcome for both organizations and its outcomes by sharing benefits (Cooke 1990), contributing to improved organizational productivity and (Rubinstein and Kochan 2001), establishing a harmonious labor relations climate and forming positive employee attitudes and behaviors (Xi et al. 2016). Therefore, partnership practices may be an alternative method of resolving labor relations conflict in the workplace.

We posit that partnership practices reduce labor relations conflict from three perspectives. First, partnership practices help achieve mutual goals and interests between employers and employees, reducing interest-based conflict. For example, Guest and Peccei (2001) noted that from an organizational stakeholder perspective, an employee stock ownership plan as a kind of partnership practice benefits higher employee organizational commitment, reduces grievances resulting from unfair salary distribution, and contributes to lower levels of absence, turnover, and industrial conflict. Second, partnership practices encourage employee and union participation, reducing the possibility of rights-based conflict. According to a case study from the UK retail sector, Taylor and Ramsay (1998) found that by involving trade unions, partnership agreements contribute to supervision by trade unions, intensity of work, and union participation in interests directly related to employees, thereby creating harmonious labor relations. Third, partnership practices help achieve collaborative

communications, thereby reducing or managing emotion-based conflict. From evidence in the federal sector, Masters, Albright and Eplion (2006) found that partnerships provided a forum for collaborative communications and joint decision-making between employers and employees, improved the labor relations climate and mutual trust and respect, and reduced workplace conflicts.

In the light of the above discussion, we proposed the following hypotheses:

*Hypothesis 2a: Partnership practices negatively relate to interest-based conflict in the workplace;*

*Hypothesis 2b: Partnership practices negatively relate to rights-based conflict in the workplace;*

*Hypothesis 2c: Partnership practices negatively relate to emotion-based conflict in the workplace.*

### **Study 3: Sample and Procedure**

With the collaboration of local government agencies, a sample of 136 HR managers and 1230 employees from 136 enterprises located in five economic and technological development zones in Jiangsu, Anhui, Sichuan, and Guangdong provinces and Tianjin City was collected.

Table 8 shows the characteristics of the sample.

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Insert Table 8 about here  
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### **Study 3: Measures**

Partnership practices. A 22-item partnership practice measure developed by Xi et al. (2016) was used. The HR managers indicated the extent to which the item described the practices were based on partnerships within their enterprises on a seven-point scale from 1 (strongly disagree) to 7 (strongly agree). The internal consistency reliability of partnership practices was 0.934.

Labor relations conflict. The 13-item labor relations conflict measure developed in study 1 was used. The employees rated the extent to which the item described labor relations conflicts between employers and employees on a seven-point scale ranging from 1 (extremely rare) to 7 (very often). The internal consistency reliabilities of interest-based, rights-based, and emotion-based conflicts were 0.892, 0.892, and 0.868, respectively.

Control variables. Similar to study 2, we controlled for two sets of variables that may influence employee perceptions of labor relations conflicts. First, we controlled for employees' demographic characteristics, including employee gender, age, education, tenure, and income. Second, we controlled for firms' characteristics, including firm type (state-owned enterprises, private enterprises, and foreign enterprises), firm industry (manufacturer and non-manufacturer), firm size (small and medium enterprises with fewer than 500 employee numbers, and others) and firm age by year.

### **Study 3: Analysis and Results**

Table 9 reports the mean value, standard deviations, and correlations associated with all variables.

Table 9 shows that partnership practices were negatively related to interest-based ( $b=-0.104$ ,  $p<0.01$ ), emotion-based ( $b=-0.127$ ,  $p<0.01$ ) and rights-based conflict ( $b=-0.155$ ,

$p < 0.01$ ), providing a foundation for further testing our hypotheses.

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Insert Table 9 about here  
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In Table 10, we display 6 labor-relations conflicts equations (models 1-6), comprising models 1 and 2 for interest-based, models 3 and 4 for emotion-based, and models 5 and 6 for rights-based conflicts. As shown in Table 10, hypothesis 2a, 2b, and 2c in model 2 indicates that partnership practices are significantly and negatively related to interest-based conflicts ( $b = -0.26$ ,  $p < 0.01$ , model 2); model 4 shows that partnership practices had a significant and negative effect on emotion-based conflicts ( $b = -0.16$ ,  $p < 0.05$ , model 4); and model 6 shows that the relationship between partnership practices and rights-based conflicts was both negative and significant ( $b = -0.22$ ,  $p < 0.01$ , model 6). These results support hypotheses 2a, 2b, and 2c.

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Insert Table 10 about here  
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### **Study 3: Summary**

In study 3, we aimed to find an effective way to resolve labor relations conflicts in the workplace. In this study, using a large Chinese data set (136 companies, 1230 employees), we found that partnership practices can effectively and simultaneously reduce interest-based, rights-based, and emotion-based conflicts.

## **GENERAL DISCUSSION**

Because the goals of employers and employees are often incompatible, conflicts are considered inevitable and an essential part of organizational life. Therefore, identifying the category of workplace conflicts within organizations, exploring the consequences of conflicts, and finding appropriate methods of conflict resolution are extremely important for each organization.

In our study, we first explored and identified three configurations of labor relations conflict and tested and verified three dimensions of labor relations conflict in organizations, thereby making important conceptual and empirical contributions to the employment relationship literature. Martinez-Pecino and colleagues (2008) asked mediators to indicate objectively whether a court case involved a rights conflict or a conflict of interests. This method of measuring labor relations conflict is reasonable if sample data are obtained from a mediator. In most situations, however, workplace conflicts do not involve a mediator. In addition, conflicts of interest and rights conflicts belong to the category of cognitive conflict. Conflicts between employers and employees involve affective conflict (Xi and Zhao 2014). For example, a grievance is generally viewed as an expression of labor relations conflict (Gordon and Miller 1984). It refers to “any dissatisfaction or feeling of injustice in connection with one’s employment situation that is brought to the notice of the management”. In addition, Xi et al. (2016) mentioned that no scale existed to measure labor relations conflict in the workplace, thus limiting empirical research into employment relationship conflicts. Therefore, identifying and testing the dimensions of labor relations conflict filled a large gap in the employment relationship literature and provided a foundation for both researchers and practitioners to identify and evaluate the types and severity of labor disputes

or labor conflicts.

In addition to identifying the dimensions of labor relations conflict, we explored the individual outcomes of labor relations conflict, including employee job satisfaction, affective commitment, turnover intention, and counterproductive work behavior. Our empirical results supported our hypotheses that all interest-based, rights-based, and emotion-based conflicts negatively and significantly related to employee job satisfaction and affective commitment. However, we found that only rights-based conflict was positively and significantly related to employee turnover intention. Interest-based and emotion-based conflict have no significant effects on employee turnover intention. One possible explanation for this result is that compared to rights-based conflict, employees may have more tolerance for interest-based conflict and emotion-based conflict or may expect to solve such conflicts in the future. The relationships between labor relations conflict, including rights-based and emotion-based conflict, and employee counterproductive work behavior, were as expected. However, the finding that rights-based conflict was negatively and significantly related to employee counterproductive work behavior contradicts our hypothesis. A possible explanation is that it is pointless to resolve interest-based conflict if employees undertake counterproductive work behavior after they perceive that their interests are damaged by their employers.

Although scholars in a variety of disciplines have begun to address the question of resolving employment conflicts, there is much more that we need to know (Xi and Zhao 2014; Xi et al. 2016). To find an alternative method of resolving or managing labor relations conflict, we employed partnership practices to address these conflicts. In study 3, we found that partnership practices at the organizational level were significantly and negatively related

to all interest-based, rights-based, and emotion-based conflicts. These findings contribute to the current employment literature from two perspectives. First, we incorporated findings from the organizational level instead of examining conflict and its resolution at the individual level. Second, existing research has focused heavily on conflict resolution in the United States, with less attention given to international perspectives. Our study used samples from Chinese enterprises to examine the influence of partnership practices on labor relations conflicts, enriching the literature on employment relations from an international perspective.

Our paper also contributes to the literature on partnership. Partnership theory has attracted a great deal of attention from both practitioners and researchers (Johnstone et al. 2009; Xi et al. 2016). Considering the effectiveness of partnerships in resolving industrial conflicts and improving the industrial relations climate, Chinese scholars in labor relations have begun to borrow this lens to address Chinese labor relations conflicts (Qing and Guo 2006; 2007; Luo 2010; Li and Chen 2010). However, they are just reports of partnership theory and do not provide empirical contributions to test the effectiveness of partnerships on resolving labor relations conflicts (Colquitt and Zapata-Phelan 2007; Xi et al. 2016). Therefore, to contribute to the theoretical and empirical contributions of partnership theory in the Chinese context, we demonstrated the effectiveness of partnership practices in resolving labor relations conflicts.

### **Directions for Future Research**

Study 1 identified and tested the construct of labor relations conflict with three dimensions, including interest-based, rights-based, and emotion-based conflicts. We conducted study 2 to test the individual outcomes of labor relations conflicts, including



employee job satisfaction, commitment, turnover intention, and counterproductive work behavior, finding an effective way to resolve or manage labor relations conflict by employing partnership practices in study 3. However, all three studies were conducted in the Chinese context, which may restrict the application and generalization of labor relations conflict. Thus, it is necessary to conduct more studies from international and comparative perspectives.

Study 2 showed that state-owned, private and foreign firms had different, even opposite, impacts on labor relations conflict. In particular, there was a negative relationship between state-owned firms and labor relations conflict, a positive relationship between private firms and labor relations conflict, and a non-significant relationship between foreign firms and labor relations conflict. However, the relationships between firm types and labor relations conflict were different from the findings from study 2. Study 3 found a positive and significant relationship between state-owned firms and interest-based conflict, a positive and significant relationship between private firms and rights-based conflict, and a negative and significant relationship between foreign firms and rights-based conflict. Given the inconsistent findings between study 2 and study 3, future studies should focus on the relationship between firm type and labor relations conflict.

The study of conflict and its resolution has been fragmented, with little integration of theoretical and empirical insights across disciplines. Although we used three interconnected studies to identify labor relations conflicts in the workplace, to explore its outcomes and to find an alternative method of resolving or managing workplace conflicts, an integrated framework involving the antecedents and consequences of labor relations conflict should form part of the future research agenda. Conducting more empirical studies on the negative

effect of labor relations conflicts on individual, group, and organizational outcomes is thus required. Further, in addition to partnership practices, exploring more approaches for conflict resolutions is necessary.

### **Limitations**

There are many limitations in our study. First, we used employees' subjective perceptions to describe labor relations conflict. Although collecting employees' perceptions of labor relations conflict at workplace is an important method of reflecting conflicts within organizations, managers' and employers' thoughts about labor relations conflict within organizations are indispensable. Future studies should combine objective and subjective indicators of labor relations conflict, including grievances, employees' perceptions and employers' cognitions.

The second limitation is that common method biases may influence the association between labor relations conflict and employees' attitudes and behaviors in study 2. Although we could not collect objective data on employee job satisfaction and commitment, using an indicator of absenteeism to reflect the turnover intention, coworkers' or supervisors' ratings of employees' counterproductive work behavior, and managers' or employers' ratings of labor relations conflicts would be better to reduce common method or attribution biases.

### **Managerial Implications**

Our study has important practical implications. The first major implication of our study is that an organization or firm not only pays attention to conflict of interests and rights conflicts but also should keep a watchful eye on emotion-based conflict. As with interest-based and rights-based conflicts, emotion-based conflict has a severely negative

impact on employee attitudes and behaviors. The second implication of the current study is that to pay attention to employees' perceptions of labor relations conflict rather than grievances in the workplace is a worthwhile focus because employees' perceptions of labor relations conflict have a severely negative impact on employee attitudes and behaviors. In study 3, we found that partnership practices were negatively and significantly related to interest-based conflict, rights-based conflict, and emotion-based conflict. Thus, the third implication of our study is that establishing partnership practices is a feasible method of resolving labor relations conflict in the workplace.

## **CONCLUSION**

In this paper, we began with the arguments that labor relations conflict in the workplace is composed of interest-based, rights-based, and emotion-based conflicts. In study 1, we identified three configurations of labor relations conflict and verified the three dimensions by conducting exploratory and confirmatory factor analyses. In study 2, we examined the negative effects of labor relations conflicts on employee attitudes and behaviors, including job satisfaction, commitment, turnover intention, and counterproductive work behavior. In study 3, we tested the effectiveness of partnership practices as an alternative method of resolving labor relations conflict. In summary, the study offers both a measure and a feasible research approach that could be used to guide future studies of labor relations conflict in China and provide international and comparative perspectives.

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Table 1 Causes and Sources of Labor Relations Conflict

Labor conflict cases in Jiangsu (Jiangsu Statistical Bureau, 2012)				Labor conflict cases in China (State Statistical Bureau, 2012)		44 strike and shutdown cases (2011-2012) from newspapers
Causes	%	Firm type	%	Causes	%	Causes
Pay and Benefits	30	Private	70	Pay and Benefits	61	Equity and structure of pay and benefits
Social Insurance (with 71% employment injury insurance)	19	Foreign	15	Social Insurance and Welfare (with 59% employment injury insurance)	29	Social insurance and welfare
Remove or Terminate Labor Contract	39	State-owned	2	Remove Labor Contract	10	Labor contract (not signed, illegally signed, forcibly signed)
		Collectively owned	2			Compensation (discharge/material compensation, buyout compensation)
Others	7	Others	11			Working environments and conditions

Table 2: EFA and CFA Results of Labor Relations Conflict

Factors	Items	EFA	CFA	Reliability	AVE
Interest-based conflict	1. Wages and benefits are lower than the industry average.	0.85	0.88	Cronbach's alpha=0.899 $\rho_c=0.907$	0.708
	2. Distributions of income and compensation are unfair.	0.87	0.84		
	3. Working hours and arrangements are unreasonable.	0.85	0.86		
	4. Working conditions or workplace has potential safety risks.	0.70	0.79		
Emotion-based conflict	5. My organization or supervisor never provide me with support or help when I have work-family conflicts.	0.82	0.86	Cronbach's alpha=0.902 $\rho_c=0.921$	0.745
	6. I cannot feel care, respect, or trust from my organization or supervisor.	0.81	0.88		
	7. My organization or managers treat us like profitable machines.	0.86	0.86		
	8. Interpersonal relations between employees and employers or management are difficult and bad.	0.70	0.85		
Rights-based conflict	9. My company doesn't provide legally required social insurance.	0.82	0.72	Cronbach's alpha=0.90 $\rho_c=0.883$	0.538
	10. My company doesn't provide legally required vacation with pay.	0.74	0.68		
	11. When labor contracts are removed or terminated, my company will pay legally required financial compensation.	0.85	0.82		
	12. My company cannot afford injury insurance and medical costs when an employee is damaged at workplace.	0.81	0.81		
	13. My company often violates the laws or regulations to fire or dismiss employees.	0.83	0.84		

Table 3: CFA Comparison of Labor Relations Conflict

Models	$\chi^2$	$df$	$\chi^2/df$	RMSEA	CFI	NFI	NNFI	RFI
Three-factor model	248.61	62	4.00	0.081	0.98	0.97	0.97	0.97
Two-factor model	1232.28	64	19.25	0.20	0.91	0.91	0.89	0.89
One-factor model	1929.35	65	29.68	0.25	0.86	0.85	0.83	0.83

Table 4 Sample Characteristics of Study 2

Of 918 employees			
Gender (%)		Firm type (%)	
Male	59.3	State-owned	23.5
Female	50.7	Foreign	21.8
Age by year		Private	43.2
Mean	30.01	Others	11.5
S.D.	17.16	Firm industry (%)	
Education (%)		Manufacturer	41.1
Middle school or below	19.7	Non-manufacturer	59.9
College	34.9	Firm size by employee number (%)	
Bachelor	39.9	Fewer than 50	13.6
Graduate or above	5.5	50-100	13.2
Tenure by month		101-500	41.8
Mean	60.13	501-1000	13.1
S.D.	68.24	1001-2000	10.5
Income by month in RMB (%)		More than 2001	7.8
Less than 2000 Yuan	11.5	Firm age by year (%)	
2001-3000	36.8	Less 5 years	14.5
3001-4000	24.8	5-10	25.6
4001-5000	13.8	11-20	32.6
More than 5001	13.2	More than 20	27.3

Table 5 Discriminate Validity Analyses between Labor Relations Conflict and Employee

Attitudes and Behaviors

Model	Factors	X <sup>2</sup>	df	RMSEA	SRMR	CFI	TLI
Basic model	IC, RC, EC, AC, JS, CWB, TI	3033.03	758	0.059	0.052	0.912	0.905
Alternative model 1	IC, RC, EC, AC+JS, CWB, TI	3726.49	764	0.067	0.067	0.885	0.877
Alternative model 2	IC, RC, EC, AC, JS, CWB+TI	5216.24	764	0.082	0.075	0.828	0.815
Alternative model 3	IC+RC+EC, AC, JS, CWB, TI	4997.22	769	0.080	0.068	0.837	0.826
Alternative model 4	IC+RC+EC, AC+JS, CWB+TI	7851.76	776	0.103	0.096	0.726	0.711
Alternative model 5	IC+RC+EC+AC+JS+CWB+TI	14686.38	779	0.144	0.135	0.462	0.434

Table 6 Mean, S.D., and Correlations Associated with all Variables in Study 2

Variables	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1.Male	0.49	0.50																	
2.Age	30.01	7.16	.178**																
3.Education	2.31	0.85	0.00	-.118**															
4.Tenure	60.13	68.24	.088**	.643**	-0.017														
5.Income	2.81	1.21	.143**	.281**	.368**	.238**													
6.SOE	0.26	0.63	.106**	.132**	.184**	.215**	.204**												
7.Private	0.43	0.50	-0.023	-0.02	-.193**	-.147**	-.268**	-.355**											
8.Foreign	0.22	0.41	-.163**	-.164**	0.042	-.122**	0.012	-.175**	-.460**										
9.Manufacturer	0.41	0.49	-0.05	-0.016	-.293**	0.003	-.177**	-.142**	0.021	.189**									
10.SMEs	0.69	0.46	-0.036	-.120**	-.184**	-.204**	-.265**	-.150**	.213**	-0.015	-.109**								
11.FirmAge	2.73	1.02	0.047	.214**	.084*	.369**	.167**	.118**	-.167**	-.122**	0.042	-.323**							
12.IC	3.66	1.39	-0.055	.077*	-.069*	.113**	-.121**	-.094**	.086**	0.016	.144**	-.125**	.204**						
13.EC	2.91	1.29	-0.062	.068*	-0.011	0.057	-.071*	-.103**	.109**	0.011	.070*	-0.054	.095**	.638**					
14.RC	2.47	1.29	-0.023	-.105**	-0.045	-.115**	-.174**	-.143**	.203**	-0.005	0.029	0.051	-0.013	.535**	.628**				
15.JS	5.17	1.13	0.054	0.007	0.02	0	.075*	.102**	-.074*	-.082*	-.121**	0.026	-0.019	-.440**	-.495**	-.447**			
16.AC	4.88	1.20	.086**	0.002	0.034	-0.034	.092**	.118**	-.083*	-0.057	-.168**	.083*	-.137**	-.637**	-.626**	-.513**	.564**		
17.CWB	2.17	1.05	-0.01	-0.019	.081*	-0.058	-0.023	-.083*	.105**	0.012	0.017	0.015	-0.06	.252**	.429**	.516**	-.504**	-.356**	
18.TI	3.11	1.82	.091**	-.091**	0.001	-.111**	-.106**	-0.061	0.015	0.053	0.032	.092**	-.122**	0.062*	.120**	.234**	-.116**	-.132**	.249**

Note: n = 918; \* p<0.05, \*\* p<0.01, \*\*\*p<.001; SOEs: State-owned enterprises, SMEs: Small- and medium-sized enterprises, IC: Interest-based conflict, EC:

Emotion-based conflict, RC: Rights-based conflict, JS: Job satisfaction, AC, Affective commitment, CWB: Counterproductive work behavior, TI, Turnover intention

Table 7 Regression Results of Labor Relations Conflict and Employee Attitudes and

Behaviors From Mplus Software

	AC	JS	TI	CWB
IC	-.192*** (.025)	-.099** (.037)	-.089 (.060)	-.103** (.034)
RC	-.097*** (.025)	-.235*** (.073)	.369*** (.073)	.375*** (.046)
EC	-.137*** (.028)	-.131** (.049)	.025 (.080)	.191*** (.045)

Note: n = 918; \* p<0.05, \*\* p<0.01, \*\*\*p<.001; IC: Interest-based conflict, EC: Emotion-based conflict, RC: Rights-based conflict, JS: Job satisfaction, AC, Affective commitment, CWB: Counterproductive work behavior, TI, Turnover intention.



Table 8 Sample Characteristics of Study 3

Of 1230 employees		Among 136 firms	
Gender (%)		Firm type	
Male	56.6	State-owned	24
Female	43.4	Foreign	20
Age by year		Private	77
Mean	33.60	Others	15
S.D.	32.21		
Education (%)		Firm industry	
Middle school or below	11.5	Manufacturer	84
Junior college	31.6	Non-Manufacturer	52
Adult undergraduate	13.7		
Bachelor	38.5	Firm size by employee number	
Graduate or above	4.7	Fewer than 50	9
Tenure by month		50-100	16
Mean	51.25	101-500	54
S.D.	56.64	501-1000	20
Income by month in RMB (%)		1001-2000	14
Less than 2000 Yuan	3.0	More than 2001	23
2001-3000	22.7		
3001-4000	27.4	Firm Age by year	
4001-5000	18.5	Mean	18.33
5001-6000	9.8	Minimum	1
6001-7000	6.8	Maximum	75
7001-8000	5.0		
More than 8000	6.9		

Table 9 Mean, S.D., and Correlations Associated with all Variables in Study 3

Variables	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.Male	0.57	0.51														
2.Age	3.72	1.44	.088**													
3.Education	2.93	1.16	-0.017	-.321**												
4.Tenure by month	51.25	56.64	0.024	.594**	-.219**											
5.Income	3.84	1.83	.075*	.139**	.248**	0.024										
6.SOE	0.18	0.39	-0.026	.106**	0.032	.134**	-.081*									
7.Private	0.59	0.49	0.031	-.096**	-0.057	-.113**	-.081*	-.563**								
8.Foreign	0.16	0.36	-0.004	.060*	-0.042	0.025	.177**	-.201**	-.516**							
9.Manufacturer	0.66	0.48	0.045	.123**	-.229**	.075*	-.157**	0.037	-.152**	.212**						
10.SMEs	0.58	0.49	0.037	0.017	-.098**	0.009	-0.041	-0.055	.193**	-.192**	-.069*					
11.FirmAge	18.06	15.23	0.032	.175**	-0.016	.196**	-.069*	.255**	-.265**	.101**	.118**	-.319**				
12.PP	5.38	0.88	0.04	-0.01	-0.003	0.024	-0.001	-.130**	0.003	0.043	.181**	-0.045	.173**			
13.IC	3.82	1.46	-0.012	0.022	-0.023	.093**	-.172**	.101**	-0.047	-0.001	.107**	-.064*	.114**	-.104**		
14.EC	2.85	1.24	0.038	-0.012	-0.01	0.058	-0.031	0.01	0.008	0.025	-0.025	0.052	0.016	-.127**	.555**	
15.RC	2.46	1.22	.101**	-0.057	0.041	.072*	-.097**	-0.038	.132**	-.112**	-.073*	.105**	-0.046	-.155**	.450**	.608**

Note: n = 1230, N=136; \* p<0.05, \*\* p<0.01, \*\*\*p<.001; SOEs: State-owned enterprises, SMEs: Small- and medium-sized enterprises, PP: Partnership practices, IC: Interest-based conflict, EC: Emotion-based conflict, RC: Rights-based conflict

Table 10 HLM Results of Partnership Practices on Labor Relations Conflict

Variables	Interest-based Conflict		Emotion-based Conflict		Rights-based Conflict	
	Model1	Model2	Model3	Model4	Model5	Model6
Intercept	3.59***	5.06***	2.63***	3.55***	2.28***	3.52***
Level 1 Control						
Gender	0.01	0.01	0.12	0.13	0.27***	0.28***
Age	0.03	0.02	0.00	-0.01	-0.06	-0.06
Education	0.12*	0.12*	0.03	0.03	0.09*	0.09*
Tenure	0.00	0.00	0.00	0.00	0.00**	0.00**
Income	-0.12***	-0.12***	-0.04	-0.05	-0.07**	-0.07**
Level 2 Control and Independent						
SOEs	0.27	0.03	0.27	0.13	-0.04	-0.24
Private firm	0.11	-0.02	0.24	0.16	0.26*	0.15
Foreign firm	-0.00	-0.14	0.36	0.27	-0.10	-0.21
Manufacturer	0.28+	0.33*	-0.12	-0.09	-0.08	-0.03
SMEs	-0.18	-0.15	0.08	0.09	0.14	0.17
Firm age	0.00	0.01	0.00	0.00	0.00	0.00
Partnership Practices		-0.26***		-0.16*		-0.22**
Total Pseudo R <sup>2</sup>	0.04	0.14	0.03	0.09	0.05	0.17
Pseudo R <sup>2</sup> change	0.04	0.10	0.03	0.06	0.05	0.12

Note: n = 1230, N=136; \* p<0.05, \*\* p<0.01, \*\*\*p<.001; SOEs: State-owned enterprises, SMEs: Small- and medium-sized enterprises.

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