

**STRUCTURE AND AGENCY IN BARGAINING:  
PRACTICE, ROUTINES, TRUCE, AND INDIVIDUAL DIFFERENCES**

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## ABSTRACT

This thesis uses a practice theoretical lens to examine the social process of negotiation, particularly in the context of union-management negotiations. The use of a practice lens helps address some fundamental gaps in the existing negotiation and industrial relations literatures, where the focus generally is only on *either* the micro (behavioural) *or* macro (structural) aspects of negotiations. Furthermore, most empirical research on negotiation behaviour has tended to separate the negotiations from their natural context. Therefore, we have very limited knowledge about the interactions between behaviour, process, practice, and structure.

In this thesis, I use the practice theoretical approach, generally referred to as *strategy-as-practice*. This approach emphasizes the need to see all behaviour as socially situated, and practices as instrumental in the maintenance of structures. Therefore, it helps address the micro-macro divide, especially in terms of the tension between agency and structure. For my investigation, I chose to examine multiple cases of collective agreement negotiations within a small Nordic jurisdiction. I used a qualitative grounded theory approach that included a) observations of bargaining meetings; b) interviews with negotiators; and c) archival sources, such as meeting reports, collective agreements, email correspondence, and news media.

The theoretical model that emerged from my findings suggests that collective bargaining is a highly routinized process that produces a truce. On the one hand, this truce provides stability and reduces volatility in industrial relations; on the other, it induces rigidity and inertia, significantly reducing the ability of individual negotiators to influence process and outcomes. However, this model also suggests that individual negotiators do

have some individual agency in shaping outcomes, albeit marginally. More importantly, the model shows the critical role negotiators play in enacting and maintaining the routine truce through practice. The thesis also examines the sources for the varying degrees of agency individual negotiators demonstrated, including individual skills, experience, education, cognition, relationships, as well as the status of the occupation they represent.

**Keywords:** *Negotiation, collective bargaining, conflict management, industrial relations, strategy-as-practice, organizational routines, qualitative methods*

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## CHAPTER 1: INTRODUCTION

Negotiation is arguably one of the most complex social processes to study. It involves individual-level psychological processes: cognitions, emotion, and motivation; involves multiple social processes: persuasion, communication, cooperation, competition, and power; and it is always socially situated and thus can involve a wide range of social contextual factors—for example, it can involve different kinds of relationships, issues, temporal perspectives, and technological contexts. Moreover, negotiations take place globally, making the cultural context critical to model and explain. (Gelfand, Fulmer, & Severance, 2011, p. 495)

Negotiation is central for our coexistence with other human beings. We are interdependent because most of our social, psychological, and even physical needs (e.g., Maslow, 1954) are affected by our interaction and relationships with other people. In many cases these relationships are about the cooperation required to satisfy the needs we cannot meet on our own. In other cases, we end up in conflicts with other people, such as when we compete for the same limited resource. Whether the aim is to cooperate or resolve a conflict, we need to engage in negotiation, which is “broadly defined as the ways in which individuals manage their interdependence” (Gelfand et al., 2011, p. 495). Even in cooperation, people need to negotiate how to go about such cooperation, because while there may be common purposes and goals, there will always be some diverging interests or needs that must be managed, if not in terms of the outcome, then in terms of how to accomplish the task at hand. Due to its close relationship with conflict, negotiation has become the main process for conflict resolution in the conflict literature, to the extent that negotiation has become close to synonymous with conflict management (e.g., Bazerman, Curhan, Moore, & Valley, 2000; Carnevale & Pruitt, 1992; Lewicki, Weiss, & Lewin, 1992; Olekalns, Putnam, Weingart, & Metcalfe, 2008).

Not only is negotiation one of our most important social processes, it is one of the most complex. As highlighted in the opening epigraph, negotiation simultaneously involves psychological and social processes, and is significantly shaped by context. Not surprisingly, negotiation and conflict have been studied extensively in most social sciences, including sociology, economics, political science, law, psychology, communication, and organizational behaviour (De Dreu & Gelfand, 2008). However, in most studies of negotiation, the focus is typically on only one of the stated dimensions at a time (e.g., communication process, power, etc.), whereby the complexity of negotiations is often lost. Furthermore, research methodologies typically involve isolating the phenomenon of interest from other extraneous variables by studying negotiation process in controlled settings, such as in a laboratory study (De Dreu & Carnevale, 2005; Gelfand, Leslie, Keller, & de Dreu, 2012). In other words, in order to refine the measurement of a particular variable, negotiations are essentially removed from their natural context in most research, with the result that the role of context has been left largely unexamined in the otherwise rich negotiation and conflict management literature (Gelfand et al., 2012; Gelfand, Leslie, & Keller, 2008).

Industrial relations<sup>1</sup> (or union-employer relations) is a prime context for exploring negotiations. Industrial relations negotiations are of societal relevance because often a great number of people are affected (directly and indirectly), especially when these

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<sup>1</sup> The terms “industrial relations” and “labour relations” are often used interchangeably, depending on context. Industrial relations typically is the more academic term (relating to the study of industrial relations) and labour relations is more associated with the practice of labour relations. But there is no consensus on this distinction. In order to avoid confusion, I will be using “industrial relations” to refer to both aspects throughout this thesis.

negotiations break down and lead to a strike or a lockout. A considerable portion of all employment relationships are governed by collective agreements negotiated between employer organizations and unions representing the employees. Industrial relations statistics vary from country to country, and from industry to industry. For example, about 30% of all employment in Canada is covered by collective agreements, while in some European countries the coverage is as high as over 90% (OECD, 2016). Therefore, even at the low range, collective agreement negotiations have considerable impact on a substantial number of employees and organizations, as well as on the economy as a whole.

Negotiation and conflict management have received a great deal of attention in different disciplines, where a variety of theoretical lenses provide different perspectives on how conflict and its resolution (through negotiation) unfold. These differences can broadly be categorized as either focusing on the micro aspects of conflict (such as psychological dispositions and cognition) or the macro aspects (such as the legal, political, and power-structural environments). At the micro level, there is an extensive body (or bodies) of literature discussing how managers (and other individuals) can improve their use of skills, tactics, and strategies in order to be more effective negotiators (e.g., Fisher & Ury, 1981; Mayer, 2000; Ury, 1991). Furthermore, this literature is rich on how negotiation and conflict management behaviour is influenced by psychological factors, including psychological dispositions (e.g., Moberg, 2001; Rahim, 1983) and cognitive mental processes (e.g., Kahneman & Tversky, 1973; Neale & Bazerman, 1991).

In contrast to this micro treatment of negotiation, there are bodies of literature that focus on the macro structural aspect of conflict and negotiation. Conflict and negotiation



are prominent in the industrial relations context, as is demonstrated by considerable media attention labour conflict and collective bargaining get. As a natural consequence, conflict – and the processes to resolve or manage it – are predominant features of industrial relations theory (Godard, 2005). In many ways, the entire institutional framework of industrial relations, including industrial relations laws, processes, and institutions, is designed for (almost) the sole purpose of managing the fundamental worker-employer conflict, which is primarily about settling how much employers are to pay people for their work, in addition to determining the related working conditions (including hours of work, break, vacation, etc.) (Baldamus, 1961).

Due to the considerable impact industrial relations can have on society as a whole, governments and other institutional stakeholders have had a great interest in ensuring that the labour-employer conflict be resolved in the most efficient and undisruptive manner possible, usually through the use of macro-level institutional levers, such as statutory regulation of industrial relations processes. For this reason, it is not surprising that the academic field of industrial relations has focused primarily on macro-level factors, frequently from an economics or law perspective.

Industrial relations conflict is important to study, not just because of the considerable media and public attention it gets, and its potential macro and micro economic impact, but also because the main process for resolving or managing this conflict, the collective bargaining process, sits at the intersection between the macro-structural and the micro-behavioural. While there are structural elements that shape the positions and power of the negotiating parties, the negotiations are themselves carried about by individual negotiators. As such, the negotiations are affected by individual

skills, dispositions, and cognition. Furthermore, collective bargaining is a highly prescribed process, which becomes a strong situational context for the ways in which negotiators interact. Thus, collective bargaining is a prime context for examining the intersection of macro and micro aspects of conflict and negotiation.

While the industrial relations literature has at the conceptual level clearly defined the processes through which the conflict is managed, (e.g., Craig, 1975; Dunlop, 1958; Walton & McKersie, 1965), macro-level considerations still prevail in the empirical literature, leaving the micro level processes underexplored. In fact, Walton and McKersie's (1965) influential *Behavioral Theory*, with its processual, "social interaction" approach to negotiation, has received limited research follow-up in the field of industrial relations, gaining much more uptake in other fields, including some of the micro-level, behavioural research mentioned above (Kochan, 1992).

Further, while there is a considerable amount of research and theory on negotiation and conflict management, there remains a significant gap between our structural and behavioural knowledge of negotiation in the industrial relations context. As a result, we are left with a limited understanding of the interaction (or interplay) between macro (structural) and micro (behavioural and processual) level factors. On a meta-theoretical level, this gap is related to the longstanding debate around the extent to which societal outcomes are shaped by deterministic structures or by the interventions exercised by influential individuals, a debate commonly referred to as being about structure versus agency (Parker, 2000). In other words, existing literatures have not sufficiently discussed how the ability to negotiate is shaped by both individual and structural factors.

To explore the aforementioned gaps, I will use a practice theory lens (e.g., Schatzki, Knorr Cetina, & von Savigny, 2001). This is because practice theory (sometimes referred to as a practice “perspective”) examines the micro level activities within organizations (or other social domains) with the view that social entities and structure, as well as the corresponding outcomes, do not always have macro level determinants, but instead are frequently shaped by activities, events, and practices that occur in regular, everyday situations (e.g., de Certeau, 1984). Furthermore, a practice perspective sees all behaviour as socially situated, whereby context gains primary importance for understanding activities, events, and behaviours. Therefore, because it allows us to better integrate context in the examination, a practice theory lens is particularly useful for illuminating the gaps in our understanding of negotiation.

In this research, I will be relying especially *strategy-as-practice* (SAP), an approach to practice research originating within the field of organizational strategy. In contrast to the traditional way of treating strategy, SAP conceives strategy as something that organizations *do* instead of something they *have*. The great majority of SAP research has investigated the strategy-making process at the micro level, including the role of meetings (Jarzabkowski & Seidl, 2008) and the use of strategy tools (Spee & Jarzabkowski, 2009). However, by focusing on the *doing* aspects of strategy, SAP research has broadened the conception of what can be considered as strategy, such as considering strategy-making at the periphery of organizations (Regnér, 2003), and strategy that is *emergent* (and not only deliberate) (Mintzberg & Waters, 1985). It has also explored *who* can be considered a strategic actor (Jarzabkowski, Balogun, & Seidl, 2007), with increasing attention being paid to the strategic roles of middle managers

(Rouleau & Balogun, 2011), and other personnel in organizations, such as accountants (Fauré & Rouleau, 2011). Furthermore, SAP research also deviates from traditional strategy research, by focussing less on financial performance (or other types of performance outcomes) (Vaara & Whittington, 2012), which has provided opportunities to study different types of organizations, including hospitals (Denis, Dompierre, Langley, & Rouleau, 2011), universities (Jarzabkowski, 2003), and even symphony orchestras (Maitlis & Lawrence, 2003). However, while there have been some attempts to introduce SAP to the study of human resource management (e.g., Björkman, Ehrnrooth, Mäkelä, Smale, & Sumelius, 2014), there have, to my knowledge, been no such endeavours to study union-management relations.

The SAP approach is applicable to the study of union-management relations because industrial relations impacts organizational performance, and as such, many organizations will have deliberate industrial relations strategies (M. Thompson, 1995). In some cases, organizations may conduct their industrial relations in a deliberate manner (i.e., they have a planned strategy), even if such strategy is not explicitly stated in the organization's strategic plan. The strategy could instead emerge from practice at the level of the industrial relations practitioner. In other cases, industrial relations practitioners may have no conscious strategy and may instead just make up the strategy as they go, or they may (perhaps unconsciously) simply continue the pre-established and habitual approach to industrial relations, essentially replicating strategy in practice. Since collective bargaining is the central foundation of the union-management relationship, and because bargaining for a collective agreement is *the formal* reason why this relationship exists, it is a natural place to examine industrial relations strategy in practice.

The specific conceptualization of practice research established in SAP provides a framework to examine the inter-relationships between *practices*, *praxis*, and *practitioners* (Whittington, 2006). *Practices* (the *what*) refer to shared behavioural routines, procedures, traditions, and norms; *praxis* (the *how*) to the ways in which actors engage in practice in specific situations, such as meetings, events, or other communication and behaviours that may or may not be routinized; and *practitioners* to the people engaged with the practices, with a particular focus on *who* they are, including their abilities, skills, identities, and backgrounds (Whittington, 2006).

The focus on *practitioner's* agency in SAP is a critical contribution to our understanding of organizations and of strategy. In focusing on how organizations *do* strategy, SAP research has examined not only *who* can be considered a strategic actor, but also the individual attributes that contribute to their ability to shape strategy and outcomes. Such research has particularly explored practitioners' skills and capabilities, including linguistic, discursive, narrative, and rhetorical abilities (e.g., Balogun, Best, & Lê, 2015; Balogun, Jacobs, Jarzabkowski, Mantere, & Vaara, 2014; Laine & Vaara, 2015; Maitlis & Lawrence, 2007; Rouleau & Balogun, 2011; Samra-Fredericks, 2003; Wodak, Kwon, & Clarke, 2011). Fauré and Rouleau (2011) explore "strategic competence" which is a combination of technical expertise, discursive abilities, and strategic knowledge. And there is a small amount of research that examines how cognitive processes can shape what managers do (e.g., Calabretta, Gemser, & Wijnberg, 2017; Hodgkinson & Clarke, 2007; Kaplan, 2008). However, while this research examines a number of factors that shape managers' agentic abilities, the tension between the agency of individual and the constraining effects structure has on agency remains underexplored within SAP research.

While there is considerable research exploring how *practices* can either constrain or enable individual agency (see Vaara & Whittington, 2012, for a review), there is little research explicitly examining how *practitioners* manage such constraints. In other words, with regard to the tension between structure and agency, the main focus has been on the structure side of the equation.

As mentioned, in the SAP literature, *practices* are often considered in terms of their routinized characteristics. In fact, there is considerable theoretical overlap between the separate research fields of SAP and organizational routines (Feldman, 2015). This relates to an aspect of negotiations that neither the industrial relations nor negotiation/conflict management literatures have addressed, which is that negotiation is frequently a highly routinized process. This is particularly true for collective bargaining, the core *practice*, or “conversion mechanism” (Craig, 1975), in union-management relations, where parties meet at regular intervals, following a certain set of procedural norms. In the organizational literature, a routine is defined as “a repetitive, recognizable pattern of interdependent actions, involving multiple actors” (Feldman & Pentland, 2003, p. 96). Routines are important for organizational functioning because they function as “standard operating procedures” (Pentland & Hærem, 2015, p. 466; see March & Simon, 1958) which provide for stability, predictability, and continuity. Routines also allow for “cognitive efficiency” (Pentland & Hærem, 2015, p. 466), meaning that individuals engaged in a routine do not need to exert substantial cognitive resources to their activities, because their individual behaviour has largely been prescribed in the routine.

For collective bargaining, routinization is likely to have a profound impact on the level of influence individual negotiators have on process and outcomes. Because activities

and behaviours are so prescribed in routines, it is reasonable to expect that individual factors will matter less in routinized processes. Furthermore, even if individuals are inclined to act in strongly individualistic ways, their behaviour and interventions are likely to be considerably constrained by the routine norms. Indeed, while routines provide stability, they also commonly lead to rigidity, inflexibility (Gersick & Hackman, 1990; Weiss & Ilgen, 1985), and inertia (Hannan & Freeman, 1984).

While an SAP approach has the potential to provide new insights on the nature of negotiations, the study of collective bargaining is also a unique context to study strategy as it is practiced. Using a strategy-as-practice perspective thus allows me to investigate how individual negotiators engage with the bargaining routine, their role in constructing and maintaining the routine, their ability to use routine aspects strategically, and the ways in which they may try to modify or deviate from the routine. It also allows me to examine the role individual attributes play in shaping individual behaviour in the routine context. I pay particular attention to how individual negotiation practitioners interact with the constraints embedded in the collective bargaining routine, as a way to engage in the longstanding sociological debate around structure and agency (Parker, 2000). In particular, I focus on how actors manage the tension between agency and structure within a routinized process. To examine these relationships, I ask the following main research questions:

1. In which ways does the structure of collective bargaining shape the negotiation process and its outcomes?
2. What influence do individual negotiators have on the negotiation process and outcomes, and what are the sources of such influence?

3. What is the interplay between agency and structure within the routinized process, and in what ways do individual negotiators manage this tension?

To investigate these research questions, I use an inductive qualitative approach. This included direct observations of ten bargaining meetings, 28 interviews with current and past negotiators for 17 different union or employer organizations, and a range of archival documentary sources (including collective agreements, news reports, internal meeting notes, and some internal email correspondence). For data collection, I visited the small Nordic jurisdiction of the Faroe Islands, where I followed multiple cases of collective bargaining between various parties, in both the public and private sectors. I chose this setting because its small size (a population of about 50,000) made for a more confined context, which made it easier to treat as one case, with 19 smaller cases of collective bargaining embedded within it (see Yin, 2014).

My findings demonstrate that routinization of bargaining severely constrains what negotiators are able to do and achieve. A central finding was that the routine nature of the negotiations, especially with the strong use of pattern bargaining (using the outcome of one negotiation as a template for subsequent negotiations; Craig & Solomon, 1996), resulted in a truce, which reduced the likelihood of underlying latent industrial relations conflicts from “being expressed in highly disruptive forms” (Nelson & Winter, 1982, p. 109). While this provided both stability and predictability to the process, routine bargaining also induced a certain rigidity which severely limited negotiators’ ability to influence both process and outcomes. However, even within these constraints, there were considerable individual differences in how negotiators approached the bargaining; some appeared to be somewhat mindless followers of the routine, some were very deliberate in



their use of strategy and tactics, and others were creative improvisers who made up bargaining strategy on the fly. The findings also show that negotiator agency (i.e., the ability to influence process and outcome) was influenced by individual attributes, such as skills and dispositions, experience, education, and occupational background, as well as by relational factors, such as interpersonal relationship, trust, and mutual understanding of practice and process.

This study makes four main contributions: Firstly, it provides us with a more contextualized understanding of negotiation, especially as it relates to routinized negotiation, a phenomenon that has generally been neglected in the negotiation literature. Using a practice theory perspective, I have shown that negotiation behaviour is shaped not only by micro/individual (psychological) or macro/structural factors. Instead, this study shows that behaviour often also comes out of pre-existing practices that are established through time and are independent of the specific individuals involved. The routinization aspect of the negotiation is particularly interesting. While routinization of negotiation (with the accompanying truce) reduces the overt manifestations of conflict and the direct role of power differences in the negotiations, it also severely constrains the agency of individual negotiators, making it difficult to make substantive long-term changes to the issues being negotiated. Secondly, this study provides a bridge between macro structural and micro behavioural understandings of conflict. Namely, it suggests that in order to understand how the structure of the collective bargaining process affects macro level outcomes, we need to examine the interactions at the micro level. While power and other macro-structural dynamics do shape industrial relations outcomes, these are often not noticeably manifested in the collective bargaining interactions; rather the

micro-manifestations of structure embedded in practice (or routine) that have more direct implications for the outcomes. Thirdly, by focusing on the capabilities and characteristics of individual negotiators, this study brings new insights to the tensions between agency and structure within a routinized process. These insights include the finding that negotiators vary considerably in their ability to navigate within (and sometimes around) the structural constraints. This varying ability (or agency) seems to be largely the result of different levels of skills (be it technical, relational, or processual) as well as different degrees of reflexivity (i.e., processual and situational awareness). In fact, reflexivity appears to be the most critical factor giving some negotiators a higher degree of agency, because a higher level of processual awareness provides negotiators with a better understanding of how the process works and how it can be modified through the use of tactics. While strategy-as-practice (SAP) research has given greater prominence to the agency of individuals as strategic actors within organizations, including the consideration of *practitioners'* discursive or rhetorical capabilities, this study extends this literatures by examining a broader set of skills (such as technical, processual, or relational skills). Also novel in this study is that it simultaneously explores cognition and behaviour in relation to the broader structural context. Finally, this study extends SAP research to the domain of industrial relations, a critical context of considerable strategic importance, but that is generally neglected in strategy research. It is also a rare example of SAP research on inter- rather than intra-organizational practice.

The outline of this thesis is as follows. In Chapter 2, I review the existing literature on conflict and negotiation, including a review of collective bargaining structure and process. I follow this with a review of practice theory with a particular focus on

strategy-as-practice as well as a review of the literature on organizational routines. In Chapter 3, I describe the methods used in this study. I present my findings in Chapter 4. In Chapter 5, I present the emerging theoretical model and finally, in Chapter 6, I discuss the theoretical and practical implications of this study.

## CHAPTER 2: THEORY AND LITERATURE

As stated in the introduction, I use a strategy-as-practice (SAP) perspective to address the research and theory gap resulting from the decontextualization of most negotiation research. However, in order to assess what SAP contributes to our understanding of negotiation practice – and possibly what this study contributes to the SAP literature – it is necessary to review what is already known about negotiation and conflict management. I begin by reviewing the existing literature on conflict and negotiation as it has traditionally been examined, primarily from social psychology and industrial relations perspectives. After detailing some the gaps in traditional conflict and negotiation research, I then describe how practice theory, and the SAP approach in particular, can be useful for a getting a more contextualized understanding of negotiation processes. Therefore, the first half of this chapter is mainly a comprehensive review of the *traditional* literature on conflict, negotiation, and collective bargaining, whereas the second half is more closely directed at discussing the theory used to explore the research questions.

### **Conflict and Negotiation Theory and Literature**

Most research on conflict revolves around the question of how people (or other entities) manage their interdependence; people are either dependent on each other to satisfy their needs, or people and groups may compete for the same resource in order satisfy their own needs. As a result, most conflict research has focused on the extent to which people and groups manage these interdependencies *competitively* or *cooperatively* (e.g., Axelrod, 1984; Deutsch, 1949, 1973; Tjosvold, 1998). While definitions overlap

with those for conflict management, negotiation is generally considered “as the ways in which individuals manage their interdependence” (Gelfand et al., 2011, p. 495); in other words, negotiation has been understood as the process through which conflict is resolved or managed.

As stated in opening chapter, negotiation (whether structured or unstructured) is “one of the most complex processes to study” in that it is “always socially situated” and involves a host of different social and psychological processes and multiple contextual factors (Gelfand et al., 2011, p. 495). Therefore, it is striking that conflict management and negotiation research has overwhelmingly been decontextualized (Gelfand et al., 2012). The result is that while we know a lot about how psychological or situational factors can impact negotiation in laboratory settings, we have little empirical knowledge about negotiation in real-life contexts. In other words, negotiation and conflict management research has, to a large extent, failed to integrate social and psychological factors simultaneously, and has essentially not taken the “socially situated” nature of negotiation seriously enough.

This omission of context has significant implications for the practice of negotiation. There is a large body of literature focusing on negotiation skills and processes. However, this literature, including books such as the best seller, *Getting to Yes* (Fisher & Ury, 1981), is primarily prescriptive. It focusses on skills and interventions negotiators could or should employ, and not so much on what actually occurs in negotiations in a variety of settings, which very often involve negotiators who are not schooled in the *Getting to Yes* (or similar) method. As with much of the conflict management literature, the individual-level focus also results in a lack of context.

Therefore, it does not provide much insight into what negotiators do, or are able to do, in contexts where the process is heavily structured and prescribed. Additionally, with the attention on individual behaviour and interventions, it also does not examine the effect of a process that is heavily prescribed, or even routinized.

### ***Defining Conflict***

While theories and methods differ, the research on conflict mainly revolves around one question; namely, “How do individual and groups manage their interdependence with one another?” (De Dreu & Gelfand, 2008, pp. 3–4). Since conflict is present in so many aspects of our lives, the term “conflict” often means different things to different people in different contexts. For instance, armed conflict between two nations and a person’s internal conflict regarding a decision she is about to make are not exactly the same phenomenon. The former refers to transactions (or behaviour) and the latter to a mental state. Since this thesis is, to a large degree, about conflict, a clarification of the meaning(s) of the term “conflict” is in order.

At various times and in various contexts, the term “conflict” has been used to describe “(1) *antecedent conditions* (for example, scarcity of resources, policy differences) of conflictful behavior, (2) *affective states* (e.g., stress, tension, hostility, anxiety, etc.) of the individuals involved, (3) *cognitive states* of individuals, i.e., their perception or awareness of conflictful situations, and (4) *conflictful behavior*, ranging from passive resistance to overt aggression” (Pondy, 1967, p. 298; emphasis in original). Further refining the distinction between the different types of conflict, Pondy proposes a dynamic process view of conflict consisting of five episodes: “(1) latent conflict

(conditions), (2) perceived conflict (cognition), (3) felt conflict (affect), (4) manifest conflict (behavior), and (5) conflict aftermath (conditions)” (Pondy, 1967, p. 300). De Dreu and Gelfand (2008) further simplify the distinctions by grouping them into two main categories: *latent conflicts*, which include felt and perceived conflict, and *manifest conflicts*, which include the whole range of conflict behaviour and expressions, including violence, armed conflict, as well as peaceful constructive negotiations. The distinction between latent and manifest conflict has also been used specifically for theorizing industrial relations conflict (Barbash, 1980).

In this thesis, I distinguish between the term *conflict* and *conflict management*, with the former referring to latent aspects of conflict, such as competing interests around resources, values, and practices, and the latter referring to the behaviours in which people engage in response to the latent conflict. De Dreu and Gelfand (2008) attempt to integrate both material resources and psychological/cognitive aspects by defining conflict as “a process that begins when an individual or group perceives differences and opposition between itself and another individual or group about interests and resources, beliefs, values, or practices that matter to them” (p. 8).

***Negotiation versus conflict management.*** Negotiation, “broadly defined as the ways in which individuals manage their interdependence” (Gelfand et al., 2011, p. 495) can be understood as the process through which conflict is resolved or managed. For this reason, there is considerable overlap between the conflict management and negotiation literatures, with the theoretical foundation being nearly the same with many of the same authors writing in both domains (e.g., De Dreu, Beersma, Steinel, & Van Kleef, 2007; De Dreu & Gelfand, 2008; Gelfand et al., 2011). The different usage of terms seems to

depend mostly on context. Negotiation is typically a more explicit process (e.g., car purchase, international treaties, etc.), while conflict management may refer to situations where a “manifest conflict” has materialized and the goal is to resolve the conflict in question, such as in interpersonal conflict. Conflict management could refer to the “management” of conflicts more generally, such as the ongoing prevention of overt conflict such as through careful management of the sources of conflict. In either case, the management of conflict usually employs the principles of negotiation. When parties are stuck in conflict, the task at hand is to negotiate a resolution with careful attention to the needs and interests of the parties, even if parties themselves do not refer to this as a negotiation. As for the ongoing management of conflict, the task is one of continuing negotiation of the various underlying needs and interest and ensuring that there are accessible and practical ways to resolve conflict as they arise and before they escalate. In the industrial relations context, there is a mix of latent and manifest conflict. While the conflicts will sometimes be overt, a great deal of the negotiation will be over the ongoing latent source of conflict as discussed in the previous section. In this thesis, the terms “negotiation” and “conflict management” will have essentially the same meaning, with the usage of each mostly reflecting the specific literature from which I am drawing.

### ***Conflict in industrial relations***

Industrial relations is a topic that frequently occupies the news headlines. Whether it is the crew of a national airline, security personnel at the local airport, teacher, nurses, or the general public sector, society as a whole is often greatly impacted when a breakdown in collective bargaining results in a strike or lockout. For this reason,



governments generally take great interest in encouraging productive industrial relations. In fact, the entire purpose of having industrial relations legislation is to regulate how parties manage the union-employer conflict in ways that both provide for more stable labour conditions and minimize the negative consequences of manifest labour conflict and unrest to the whole of society (Labor Law Casebook Group, 2011).

Conflict, and how employers and unions manage the negotiation process, has been central to industrial relations since the origins of the labour movement. Central to this conflict is the dispute around how well workers are to be compensated in return for the time and effort they put into their work (Godard, 2005). In the field of industrial relations, labour conflict has primarily been seen as a structural issue of power, where economic, political, and legal factors shape the process and outcomes of conflict. In contrast to the more individualistic view of conflict in psychology, industrial relations therefore takes a decidedly macro view of conflict.

***Industrial relations sources of conflict.*** In many ways, the entire relationship between unions and employers is based on fundamental conflict over how much workers are to be paid in return for their work efforts. From a Marxian perspective, “the very existence of capitalism depends on the ability of capitalists to exploit workers” (Godard, 2005, p. 54). Whether or not we see the employer-employee relationship as an effort of exploitation, it will (from an economics perspective) always be in employers’ interests to pay as little as possible for their labour needs, while employees will always want to maximize their wages and minimize the time and effort they contribute. It is the conflict over this *wage-effort bargain* (Baldamus, 1961) that is the foundation of the employer-employee relationship. However, while on the surface the source of labour conflict looks

straight forward, i.e., a conflict about time/effort and money, labour conflict is typically much more complex, which is why intractable labour conflicts may often seem irrational to the casual observer (Godard, 2005).

Highlighting that industrial relations is not simply about economics, Godard (2005) outlines a number of other sources of industrial relations conflict, including workers' lack of legal ownership of their work (*legal alienation*), lack of managerial influence (*nature of the employment relation*), and the reliance on a *psychological contract* (see Rousseau, 1995) in the employment relationship (i.e., the extent to which the wage-effort bargain relies on unwritten expectations), something that can lead to severe levels of mistrust between employees and employers. According to Godard (2005), mistrust and violations of psychological contract are often a key reason for adversarial attitudes among workers and unions representatives. Godard further highlights other contextual sources of industrial relations conflict, including: (a) employees' fairness perceptions (i.e., *distributive justice*; J. S. Adams, 1963) influenced by *broader societal inequalities*, (b) the effect of prior *labour market experience* on workers' concerns for basic human/psychological needs relating to job security, safety, and health (see Alderfer, 1972; Maslow, 1954; McClelland, 1987), as well as (c) factors related to the *nature of work itself*, which can contribute to worker job satisfaction, stress, and burnout.

While many of the factors just highlighted apply to the individual workers and not necessarily to actually collective agreement negotiators, it is important to recognize both the context in which union negotiators operate and the interests of their constituents. While on the surface labour negotiations are mostly about the (material) terms that end up being stipulated in collective agreements, it is essential to be aware of the many

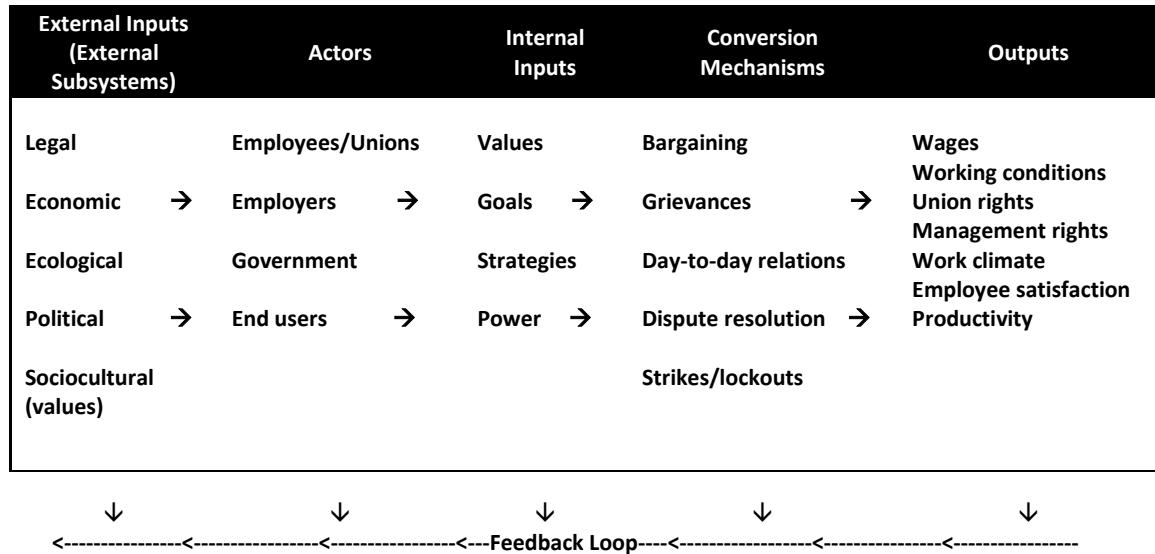
intangible factors that complicate industrial relations. Union (and management) negotiators have to navigate the complex task of managing many conflicting (and often contradictory) interests, not only between the two negotiating parties but also within their own “organization.”

***The industrial relations system.*** In the field of industrial relations, the predominant perspective on industrial relations is the one portrayed in the Industrial Relations System (IRS), first put forward by Dunlop (1958). While this model has been influential in describing the role of industrial relations actors and the context in which they work, later scholars have seen the need to revise it in order to address some of its limitations (e.g., Craig, 1975; Meltz, 1993).<sup>2</sup> Craig’s revised model, which is the one to which I will refer in this thesis, divides the various components of the IRS into five groups of factors: external inputs, actors, internal inputs, conversion mechanisms, and outputs (Craig & Solomon, 1996; see Figure 1). *External inputs* include legal, economic, political, and sociocultural subsystems; *actors* include labour, employers, and government; *internal inputs* include values, goals and power; *conversion mechanisms* include the bargaining process, day-to-day relations, dispute resolution mechanisms, joint committees, and strikes/lockouts; and *outputs* include collective agreements, levels of productivity, employee rights, employee satisfaction and commitment. According to this model, external inputs influence the role of the actors, who in turn form the internal inputs that shape the conversion mechanisms, which in the end determine the outputs. In

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<sup>2</sup> I will not go into detail with Dunlop’s Industrial Relations System in this thesis. I mainly want to acknowledge the system’s origins.

other words, the external environment has a significant influence on the industrial relations process, but only through the mediating role that actors and internal inputs play.



**Figure 1. Industrial Relations System Model** (based on Craig & Solomon, 1996, p. 4)

While the IRS fairly comprehensively encapsulates the variables involved in most industrial relations issues, one of the most mentioned critiques of the model is that it does not have much explanatory power (Hebdon & Brown, 2008). While the different variables are specified, little is offered in terms of causal explanations of exactly how the variables affect each other. Instead, it should be seen as a meta-theoretical framework that is open to various more defined theories to explain specific causal relationships. For example, economic theory of supply and demand can be used to explain how product and labour markets shape the power and strategies of actors, which in turn affect outcomes and outputs, while various sociological theories could be used to explain how social values and structures influence actors' interactions. In fact, scholars have suggested that the IRS is ripe for multidisciplinary exploration from fields such as law, economics, history, sociology, psychology and political science (e.g., Hebdon & Brown, 2008).

While the IRS may not have a great amount of explanatory power, it does provide a rich illustration of factors that together form the behaviours in industrial relations, including collective bargaining. Consistent with other systems models, IRS also embraces phenomena existing at multiple levels and is malleable enough to be incorporated in both *top-down* (e.g., structural effects on individual behaviours) and *bottom-up* (e.g., how micro-practices or events have an effect on future structure and context) analysis (e.g., Kozlowski & Klein, 2000).

***The collective bargaining process.*** Collective bargaining is a central *conversion mechanism* (Craig & Solomon, 1996) in industrial relations systems since it is through this process that worker pay and benefits are set, and it is also through bargaining that the rules regarding the formal union-employer interactions are formulated (Godard, 2005). Craig and Solomon (1996) define collective bargaining broadly as “a complex of activities and relationships occurring daily or continuously in the workplace, concerning both the rewards workers receive for their services and the conditions under which these services are rendered” (p. 253). They distinguish the *negotiation* process as the more narrowly defined “means by which inputs (the demands of the two actors, labour and management) are converted into outputs (rewards to works for their services and the conditions under which work is performed)” (p. 253). While this distinction between negotiation and collective bargaining is clear and logical, common usage among practitioners is not as clear, and textbooks often also use these terms interchangeably (e.g., Hebdon & Brown, 2008). For this reason, I will use us the term “collective bargaining” as the formal collective agreement negotiation process between employers

and unions, and use the terms “negotiation/negotiating” when referring to the general theory or process/practice of negotiating.

### ***Approaches to Negotiation and Conflict Management***

The conflict and negotiation literatures have, to a large extent, focused on the different modes or approaches that can be used in the management of conflict. It is the choice of method that has been the core focus in the majority of conflict and negotiation research (e.g., Axelrod, 1984; Deutsch, 1949, 1973; Tjosvold, 1998). This research has primarily focused on the extent to which parties use a power-based approach (Ury, Brett, & Goldberg, 1988) or an approach that strives to integrate the interests of both parties in the outcome (Fisher & Ury, 1981). In the conflict literature, these are usually referred to as *competitive* and *cooperative* approaches to conflict management. A *competitive* approach is typically based on an assumption of resource scarcity, commonly referred to as zero-sum, distributive, or “fixed-pie” assumptions. A *cooperative* approach, frequently associated with labels such as integrative, mutual gains, or interest-based bargaining or negotiation, relies on the belief that not all interests are mutually exclusive, and that the parties’ interests are best served through collaboration and an exploration of which of both parties’ needs and interests can be satisfied simultaneously. This could involve outcomes that simultaneously meet the interests of both parties, such as increased workplace safety, or it could involve one party gaining something that for them is perceived as being of high value but that the other party considers of low importance and therefore a small loss. With such an approach, the parties would take turns gaining and

losing on different issues so that, to the greatest extent possible, the exchanges end up being a series of high gains and low losses for each party.

The most comprehensive theory of the negotiation process is perhaps the framework proposed by Walton and McKersie (1965) in their book, *The Behavioral Theory of Labor Negotiations*. In this influential work, they describe four sub-processes that occur during all collective bargaining. In fact, these sub-processes are likely to apply to all conflicts between organizational entities. In addition to the cooperative (*integrative bargaining*) and competitive conflict (*distributive bargaining*) management approaches described above, Walton and McKersie (1965) introduce two additional processes: *attitudinal structuring* and *intraorganizational bargaining*. Attitudinal structuring refers to the social-psychological aspects of bargaining such as the relationships parties build, including factors such as trust, friendliness-hostility, beliefs about the other's legitimacy, and actors' motivational orientations (e.g., cooperative vs. competitive). These attitudinal considerations involve both those of the individual negotiating representatives and of the constituency they represent. Intraorganizational bargaining points to the internal negotiations the bargaining representatives have to manage. Not only do negotiators represent diverse and often competing interests among their constituents, they also have to manage the balance between what their constituents expect and what is possible to achieve at the bargaining table. This includes negotiating representatives reconciling their own attitudinal stances with those of their constituents.

Among Walton's and McKersie's unique contributions is that they integrate the social and psychological dimensions into a domain previously dominated by economic theory and assumptions (Kochan, 1992). Additionally, they spell out the particular

problem of the dual (and sometimes conflicting) roles bargaining representative have in needing to simultaneously manage the external and internal negotiations. Friedman (1994a), however, suggest that in spite of the *Behavioral Theory's* comprehensiveness and influence on industrial relations thinking, the theory does not offer a well-developed explanation of how the four processes are managed together. Aiming to examine the relationship between the four processes, Friedman (1994a) takes a dramaturgical approach. He suggests that distribute bargaining is what people perceive to be happening on the “front stage,” while the three other processes – integrative bargaining, attitudinal structuring, and intraorganizational bargaining – are for the most part invisible to the observer, and are thus deferred to the “backstage.” Friedman suggests that a considerable portion of bargaining representatives’ work is to manage the frequently contradicting front stage and back stage processes. Notably, Friedman’s work is also one of the few studies using qualitative methods to examine negotiation in real collective bargaining context.<sup>3</sup>

### ***The Psychology of Conflict and Negotiation***

***Psychological sources of conflict.*** At the psychological level, conflict can be defined as “a process that begins when an individual or group perceives differences and opposition between itself and another individual or group about interests and resources, beliefs, values, or practices that matter to them” (De Dreu & Gelfand, 2008, p. 8).

According to this definition, conflict is about more than just competition for scarce

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<sup>3</sup> I am here referring to studies of the standard, traditional collective bargaining. There are some studies (e.g., McKersie et al., 2008; McKersie, Eaton, & Kochan, 2004) that have studied the alternative and very different process referred to as “interest-based bargaining/negotiation.”

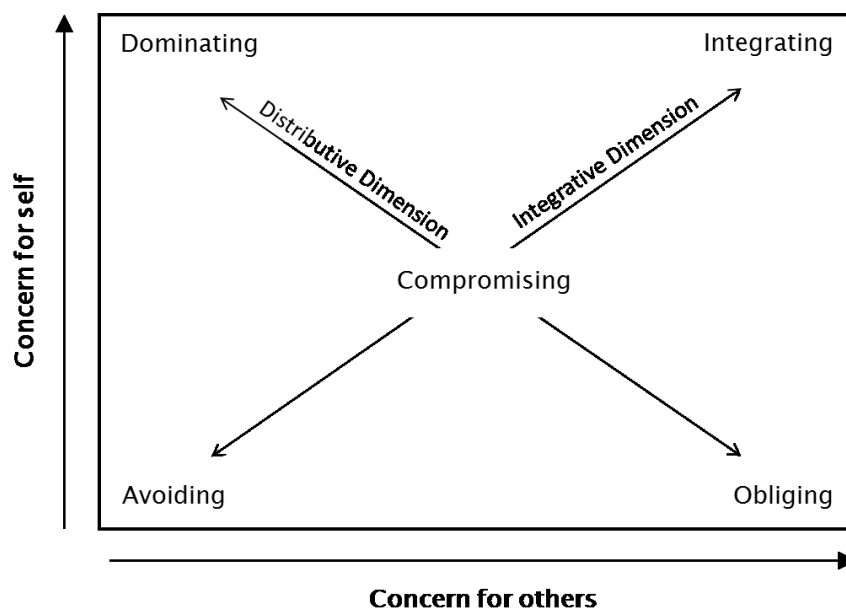


resources but also about psychological phenomena related to people's cognitive, identity, and behavioural needs. For example, a conflict between two coworkers sharing the same office can be about who gets the bigger desk (a resource conflict), but it can also be about how they coordinate their work (a conflict related to practice), as well as about how they interact with each other, a communication conflict that may relate to their individual identities and values.

While numerous taxonomies of conflict exist, from a psychological perspective, all conflicts can be broadly categorized as falling into one of the following categories: 1) Scarce resources and conflicts of interest; 2) values and relationship conflict; or 3) socio-cognitive conflict (De Dreu & Gelfand, 2008).

***The psychology of negotiation.*** While Walton and McKersie (1965) discuss negotiation at the organizational or group level, the processes they describe are very similar to those put forward in the psychological literature on interpersonal conflict. The conceptualization of conflict behaviour with the greatest traction is the *dual concern model* (Pruitt, 1983; Rahim, 1983; K. W. Thomas & Kilmann, 2002). This model defines five different conflict management styles (Pruitt only defines four) that portray people's habitual ways of managing conflict. Based in structure on Blake and Mouton's (1964) *managerial grid*, these styles are mapped onto two dimensions illustrating a person's *concerns for self* and *concern for others*. As shown in Figure 2, the dominating style involves a pure concern for one's own needs with no concern for others' needs. A person with a *dominating* style will use the tools and resources available to them to achieve a win at the expense of the other person's loss. At the opposing end, an *obliging* style describes a person's little concern for their own needs, but high concern for others' needs, and an

obliging person will thus be inclined to give in to the demands of others, with a resulting lose/win outcome. It is also possible that a person acts in ways that demonstrate little concern for either self or the other. Rather than acquiescing to the demands of others, an *avoiding* person will be inclined to shy away from the conflict altogether, such as trying to stay away from the person making the demand or avoiding confronting the other person so that conflict can be resolved. According to the dual concern model, avoiding behaviour leaves the conflict unresolved, resulting in a lose/lose situation, where neither party gets what they want or need. One of the most important aspects of the dual concern model is that it does not portray the concern for self and concern for others as mutually exclusive. Accordingly, people can act with great concern for themselves *at the same time* as showing great concern for others. Instead of seeing all situations as a zero-sum game, the model suggests that it is often possible to meet the needs of both parties by using an *integrating* conflict style.



**Figure 2. The Dual Concern Model** (Olekalns et al., 2008; Pruitt, 1983; Rahim, 1983)

While the dual concern model has become the predominant one to describe different modes of conflict behaviour, it mainly describes the different behavioural strategies and the underlying interpersonal motivations; it does not provide a lot of explanation of what may cause those motivations. Even though conflict styles are presumed to be relatively stable over time (Olekalns et al., 2008), the literature acknowledges that the choice of strategy will also be influenced by situational factors. For example, Rahim (1983, 2001) proposes that people in organizations often will act differently depending on whether their conflict is with a peer, a superior, or a subordinate, situational characteristics that are integral to Rahim's Organizational Conflict Inventory-II (ROCI-II; Rahim, 1983). In general, people will be more dominating when interacting with a subordinate and more obliging when interacting with a superior, which means that high power is associated with dominating and low power with obliging.

### ***Predictors of Negotiation Behaviour***

***Individual dispositions.*** The research on conflict management and negotiation at the individual level is vast. Using mainly quantitative experiment and survey methodologies (De Dreu & Carnevale, 2005), researchers have established relationships between numerous different psychological predictors and different conflict/negotiation styles. These factors include personality (Antonioni, 1998; Barbuto, Phipps, & Xu, 2010; Graziano, Jensen-Campbell, & Hair, 1996; Macintosh & Stevens, 2008; Moberg, 1998, 2001), self-efficacy (Ergeneli, Camgoz, & Karapinar, 2010), and emotional intelligence (Shih & Susanto, 2010). Thus, different approaches to conflict have been associated with

innate psychological dispositions as well psychological dispositions that are likely trainable (e.g., Goleman, 1995).

One stream of research has focused on how individuals' values and beliefs affect choice of conflict behaviours. Such research has primarily explored the relationship between conflict behaviours and people's prosocial or pro-self motivation (e.g., Beersma & De Dreu, 2002; Carnevale & Lawler, 1986; De Dreu, Weingart, & Kwon, 2000). Other related research has focussed more on values at the collective level, such as "cultural values" (Hofstede, 2001; R. J. House, Hanges, Javidan, Dorfman, & Gupta, 2004), and the relationship these have with conflict management styles (e.g., Elsayed-Ekhouly & Buda, 1996; Gabrielidis, Stephan, Ybarra, Pearson, & Villareal, 1997; Holt & DeVore, 2005; Morris et al., 1998).

*Cognitive processes.* Another extensive stream of research, focused more on the psychological processes involved with negotiations, has highlighted the limitation of assuming that people will behave rationally in negotiation situations. Among others, this research has highlighted how negotiators' common reliance on *cognitive heuristics* (i.e., mental shortcuts), often lead to behaviours that are neither rational nor necessarily in the person's best self-interest (Bazerman & Neale, 1983; Neale & Bazerman, 1991). Kahneman and Tversky (1973) suggest that people rely on these shortcuts in order to make sense out of complex environments. Unfortunately, such shortcuts often involve the tendency to rely on arbitrary reference points, typically based on the most salient and available information, and to use the most immediate features of a situation as a basis for judgments. In a union-management negotiation this would be like making premature judgements on the basis of a party's opening offer or demand, a salient, but arbitrary,

reference point, or making the assumption that a new lead negotiator for the other side will be hostile and adversarial, just because the previous one happened to be. Arbitrary reference points can be particularly counterproductive because they often lead to inadequate estimation of realistic gains and losses (Kahneman & Tversky, 1973). Furthermore, people's psychological propensity to take exaggerated risks when facing perceived losses (as per prospect theory; Kahneman & Tversky, 1979) can cause these inaccurate judgements to lead to very poor decisions, such as going on an unwinnable strike. This type of inadequate framing is likely one of the factors contributing to the theory of "strikes as mistakes" (Godard, 2005).

Another factor that leads to inaccurate information processing is people's self-enhancement bias, which tends to cause overconfidence in one's own judgements and evaluations as well as a tendency to seek out information that confirms pre-established opinions (Gelfand et al., 2011). Self-evaluations tend to be biased because humans are motivated to maintain positive self-perceptions (e.g., K. W. Campbell & Sedikides, 1999). In the industrial relations context, self-enhancement bias can affect parties' fairness perceptions, which can make them think their position looks more favourable to an arbitrator than is realistically the case. This bias has also been linked with the likelihood of longer strikes and less productive negotiation process (L. Thompson & Loewenstein, 1992). Typically, self-enhancement bias also has the effect that people assume that others want the same things, which results in a *fixed-pie perception* where only distributive outcomes are seen as possible (De Dreu et al., 2007). Altogether, information processing involving framing and self-enhancement biases are the result of

rash judgements and have been shown to be associated with distributive tactics (De Dreu et al., 2007), at best, and costly mistakes at worst (Kahneman & Tversky, 1979).

***Combining mental processes and dispositions.*** While it is common for people to rely on cognitive heuristics in negotiation situations, not everyone is equally likely to fall into these traps. In essence, people motivated to engage in *deep thinking* are much less likely to rely on heuristics. With deep thinking, a negotiator takes the time to explore and try to understand the many nuances to an issue (or issues) and thus avoids taking the mental shortcuts that lead to faulty assumptions. The degree to which negotiators employ deep thinking is determined by what is referred to as *epistemic motivation*, which is a person's "need to develop a rich and accurate understanding of the world" (De Dreu & Carnevale, 2003, p. 236; Kruglanski, 1989; Kruglanski & Webster, 1996). People with high epistemic motivation will take the time to explore issues from different angles and will avoid making premature judgements. While there are situational characteristics, such as time pressures, that may constrain people's ability to employ deep thinking, epistemic motivation has also been shown to be a dispositional trait, frequently manifested by individual difference in the *need for cognitive closure*, which refers to a person's discomfort with ambiguity and preference for order, structure and predictability (Webster & Kruglanski, 1994), which is the direct opposite to epistemic motivation.

***Skills and experience.*** Considering the popularity of negotiation and conflict management training programs and books, it is interesting that little research has been conducted on the effect such training has on people's actual negotiation behaviours. One of the primary objectives of much of the material that does exist (e.g., Fisher & Ury, 1981; Mayer, 2000; Ury, 1991) is to instill in negotiators and conflict resolvers the

understanding that most situations have much greater integrative potential than most people are used to believe. Essentially, these negotiation manuals aim to increase the learners' level of epistemic motivation. None of the comprehensive reviews of the psychology of conflict and negotiation consulted for this review (e.g., De Dreu, 2011; De Dreu et al., 2007; De Dreu & Gelfand, 2008; Gelfand et al., 2011; Olekalns et al., 2008) mentioned the effect training may have. In my literature search, I was able to only find a small number of conceptual or empirical papers discussing the influence of training on negotiation behaviour (e.g., Brockman, Nunez, & Basu, 2010; Coleman & Lim, 2001; Movius, 2008). I will discuss how skills are seen from a practice theory perspective later in this chapter.

### ***Relationships and Trust***

A central characteristic of union-management negotiations is that they are not of interpersonal nature but rather between negotiators representing separate organization-level entities. While individual employees are “members” of the organizations that employ them, the formal relationship in employment terms is between the employer and the union representing the employees. In a unionized work environment, the union is the supplier of the labour, at least in terms of determining pay and working conditions. Therefore, relationships between employers and unions are essentially interorganizational in nature, sharing many of the characteristics of other “buyer-supplier” relationships. For instance, unions and employers could choose (and some have chosen) to establish cooperative relationships where the parties strive to work on common interests, rather than relying primarily on adversarial approaches.

However, as in any such interorganizational relationship, there will always be a tension between the parties' common interests, where cooperation will be of benefit to both parties, and the areas where the parties' interests diverge or are directly in conflict, areas where the parties are more likely to use adversarial means (Katila, Rosenberger, & Eisenhardt, 2008; Oliver, 1990). It is for this reason that Walton and McKersie (1965) describe the labour negotiation process as consisting of both *integrative* and *distributive* bargaining, as discussed above. Notable examples of the commonality between union-employer relations and other interorganizational negotiations are Kumar and Das's (2010) paper on the alliance formation process and Monin, Noorderhaven, Vaara, and Kroon's (2013) paper, both of which invoke Walton and McKersie's (1965) *Behavioral Theory*.

While interpersonal negotiation will typically involve two (or more) relatively autonomous individuals, interorganizational negotiations are usually carried out by individuals who act as organizational representatives, whose job it is to work in the interest of their respective constituents, whether these are regular union members or management executives and shareholders. Interorganizational negotiations are more complex in that negotiators hold a dual-functioning role, where they have to build trust and relationships between two competing groups. The first is with the constituents on whose behalf the negotiator is bargaining and the other is with the negotiators representing the other party, with whom the negotiators also need to build a working relationship. Referring to the union-management context, Friedman and Podolny (1992) describe a person occupying such a role as a *boundary spanner* (see also J. S. Adams, 1976; Katz & Kahn, 1978; Zaheer, McEvily, & Perrone, 1998), someone who "conveys



influence between constituents and their opponents, and . . . represents the perceptions, expectations, and ideas of each side to the other” (p. 29).

While employer-union relationships are formed for different reasons than the ones typically discussed in the interorganizational relationships (IOR) literature (e.g., strategic alliances, and joint ventures), many of the same principles apply. The dynamic that organizations exist in a relational context where an organization’s survival is to large degree dependent on its interconnectedness with other organizations (Auster, 1994; Gulati, 1995; Oliver, 1990) applies to unions just as much as it does to other organizations. For example, unions and their members are dependent on the employer organizations staying alive and continuing to provide a source of employment, while the employer organization is dependent on the workers as a supply of labour.

The IOR literature is increasingly taking a multi-level perspective, paying attention to the fact that organization level relationships are only made possible through the interaction between individual representatives (Klein, Palmer, & Conn, 2000; Zaheer et al., 1998). All the tactical and strategic (and behavioural) decisions on how to approach other organizations (including employers and unions) are made by human individuals. Negotiators will typically have their own style (based on their experience, skill, and personality) and they will decide how to go about the negotiations (e.g., how they choose to talk about the issues and process) based on what has worked in the past. Many of these individual decisions will be made in advance, but negotiators will also have to make immediate decisions in response to what happens in the meetings.

***Trust.*** Trust, defined as “a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another”

(Rousseau, Sitkin, Burt, & Camerer, 1998, p. 395), is integral to how people manage their interdependence, especially in cases of mixed motive interdependence. Perhaps the best illustration of the effect of trust is the classic example of the prisoner's dilemma, where two captured prisoners independently have to choose whether to cooperate or compete with another (e.g., Rubin & Brown, 1975). If they both cooperate, they will both get off with a relatively short time in jail, but if both choose to compete (or "defect"), they will both get a very long time in jail. If one competes and the other cooperates, the competing one will get out of jail immediately, while the other will get the maximum jail sentence. The prisoner's dilemma illustrates that while cooperating behaviour is the overall best choice for both parties, choosing to cooperate also makes one prisoner highly vulnerable should the other prisoner choose to defect.

Integrative strategies involve trying to fully understand the other party's positions and situation. This typically requires a willingness to share a certain amount of insider information, such as company financial information. However, sharing this type of information could reveal that one party is not in as powerful a position as appeared on the surface, which is information the other party could then use to its advantage if resorting back to a less cooperative approach. When two organizational bodies are in negotiation, the degree to which these negotiations are integrative or distributive depends a lot on the amount of trust between the organizations. A negotiator who is unable to trust that the other negotiator will not defect is unlikely to share enough information that is necessary for cooperation.

The trust between organizations relies entirely on the trust between the individuals who function as boundary spanners (Friedman, 1994a; Zaheer et al., 1998). Zaheer et al.

(1998) make the distinction between interpersonal and interorganizational trust as follows:

We use the term *interpersonal trust* to refer to the extent of a boundary-spanning agent's trust in her counterpart in the partner organization. In other words, interpersonal trust is the trust placed by the individual boundary spanner in her individual opposite member. The term *interorganizational trust* is defined as the extent of trust placed in the partner organization by the members of a focal organization. (p. 142, emphasis in original)

According to this definition, trust is an individual cognitive concept where the trusting actor is always an individual. The difference between interpersonal trust and interorganizational trust is that the former is one person trusting one other person, while the latter involves one person trusting the collective entity of the other organization. In other words, only individuals can trust while both individual and organizations can act. Accordingly, the overall trust between organizations amounts to the aggregate level of trust among individual members. Research has shown that trust between the parties has a central influence on parties' negotiation strategies (Friedman, 1994a; Zaheer et al., 1998). Furthermore, trust is something that only develops over time through repeated interactions (Balliet & Van Lange, 2013).

Bargaining representatives are in a position where, on the one hand, they have to build a negotiating partnership with their bargaining counterpart, a process referred to as *attitudinal structuring*, while on the other, they have to manage the *intraorganizational bargaining* with their constituents (Walton & McKersie, 1965). Having to build both intra-organizational and inter-organizational<sup>4</sup> trust adds to the already complex

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<sup>4</sup> The literature typically uses the terms "intraorganizational" and "interorganizational" as one word without a hyphen. However, in this text, I insert a hyphen when wanting to contrast the two, for clarification.

negotiation landscape. Friedman and Podolny (1992) found that distrust among constituents leads to an increased level of monitoring of representatives' behaviours. A number of studies have also found that increased monitoring by constituents tends to make their representative engage in more distributive strategies (Carnevale & Lawler, 1986; Friedman, 1994a; Gelfand & Realo, 1999; O'Connor, 1997). It follows then that decreased trust among constituents leads to more distributive behaviour and greater difficulty in reaching agreement (Friedman & Podolny, 1992).

As highlighted by Godard (2005), only a portion of the parties' expectation can be precisely stipulated in the collective agreement, with the result that a significant portion of the relationship between unionized workers and their employer relies on a psychological contract (Rousseau, 1995). Not only can any perceived violations of the psychological contract result in a perceived material loss, these violations will most likely also result in considerable loss of trust in the employer among union members. Not only will members want to be materially compensated for this loss in the next round of bargaining – which likely will lead to a more aggressive stance from the union – the decrease in trust will also lead to more monitoring, which in turn results in more distributive bargaining behaviour.

### ***Power in Negotiation***

Power is a central element to all management of conflict and negotiation. It is through the assertion of power that parties, also in the industrial relations context, have been able to exert concessions for the other parties in traditional distributive bargaining. Power is inherently linked to parties' interdependence. If party A is more dependent on

party B than party B is dependent on party A, then the party with the higher level of dependence has less power. Take, for example, the historical case of fishermen in Newfoundland who, with their families, were entirely dependent on fishing merchants for selling their fish. In fact, their entire survival was dependent on the merchants since they had no other options or alternatives. At the same time, the merchants had little or no dependence on individual fishermen since there were many suppliers from whom they could get fish, and thus not getting fish from an individual supplier would have little or no effect on their bottom line. Due to these imbalanced interdependencies, the merchants had a huge surplus of power and could almost unilaterally set the terms for the financial relationship (Cadigan, 2009).

Perceived lack of power among workers compared to the employers was also the main factor behind the rise of the labour movement. The idea was that workers would have much more power collectively than they would have as individual employees (Craig & Solomon, 1996). An employer can much more easily disregard the demands of one employee than it can a demand from a union that can go on strike if demands are not met, with the result that production would stop. In other words, workers acting collectively makes the employer significantly more dependent on them. When discussing power, it is important to recognize that power has both structural and psychological dimensions. I discuss power from a practice theory perspective in the second half of this chapter.

***The psychology of power.*** The relationship between power and dependence has also been established in social psychology. According to Thibaut and Kelley (1965), “an individual’s power over another derives from the latter’s being dependent upon him. Person A has the power over B to the extent that by varying his behavior, he can affect

the quality of B's outcomes" (p. 124). In a classic review of a range of experimental studies, Rubin and Brown (1975) found that cooperative behaviour was much more likely in situations of equal bargaining power, whereas in situations of unequal power, the more powerful would have a propensity to dominate, while the less powerful would usually submit to the other's power. However, there were cases where the less powerful would actively resist. From a dual concern model perspective, the more powerful will tend to use a dominating strategy, while the less powerful, will, in most cases, resort to an obliging strategy. In certain cases, however, the less powerful will try to fight with the more powerful, using a dominating strategy. This is more likely when the less powerful have resources to fight with, such as the opportunity for coalition building (Rubin & Brown, 1975). In the employment context, an example of such a battle would be an aggressive demand of wage reduction from an employer, a demand that workers would perceive as fundamentally undermining their livelihood. As summarized by Zartman and Rubin (2000), power asymmetry will tend to lead to distributive tactics, and higher demands from those with more power, while power symmetry will lead to higher levels of cooperation and greater use of integrative tactics.

This discussion has highlighted how power is related to interdependencies. Economic power, in terms of supply and demand of labour, has an effect on the interdependencies between employers and unions, which then affects their relative power. Labour legislation also significantly affects the power the parties have. For example, the legal limit to the right to strike, such as certain jobs being declared essential services, can reduce the power a union has. As for the political climate, the more prepared a government is to impose back-to-work legislation, something that is influenced by public

opinion, the less power a union will have. As we have seen, integrative strategies usually occur when there is a relative balance of power while a surplus of power will typically compel that party to employ a dominating strategy.

***Bargaining power.*** Earlier in this chapter, I discussed the role of power in negotiation more generally. In this section, I give a brief overview of how power generally is discussed in collective bargaining. Godard (2005) defines power simply as “the ability to influence others” (p. 9), while Craig and Solomon (1996) provide a more detailed description, referring to power as “the ability to achieve goals despite the resistance of others, and is made up of at least two elements: (1) a strong attachment to a desired objects or to one already possessed but threatened; and (2) an ability to impose sanctions” (p. 9). This definition speaks directly to the dynamics of interdependency discussed earlier. Sanctions can be moral (e.g., relating to public opinion), economic (e.g. strike or lockout), or physical (e.g., violence or intimidation) (Craig & Solomon, 1996). Godard (2005) distinguishes between *labour market power*, which is the perceived value of the employees’ skills and abilities among employers in general, and *relational power*, which is the extent to which workers can affect employer outcomes directly.

While these definitions describe power more generally, industrial relations textbooks (e.g., Craig & Solomon, 1996; Hebdon & Brown, 2008) specify a number of factors that contribute to the parties’ bargaining power. A great deal of the power the union has versus the employer comes down to supply and demand of labour, including the elasticity of supply (and demand) (Hebdon & Brown, 2008), as well as other economic factors, such as competitiveness of the product market, and availability of

substitutes for labour (see Marshall, 1920).<sup>5</sup> Specific power factors for employers include size of inventory, seasonal nature of business, willingness and/or ability to replace striking employees, proportion of labour cost of total cost, replacement worker laws, and government willingness to intervene in labour disputes. For unions, sources of power include impact of the strike on the employer, strike timing, access to strike funds, picketing, and the level of commitment to the issues among members (Craig & Solomon, 1996). It is clear from this description that power in industrial relations is mostly considered as issues of economics and interdependence. Later in this chapter, I will discuss a practice perspective on power that helps explain how power dynamics are shaped, modified or mitigated in practice during the collective bargaining process.

### *Negotiation in Context*

The research on conflict management and negotiation is extensive. Most prominently, this research includes the study of game-theoretic social dilemmas, such as the prisoner's dilemma (discussed earlier), and social psychology research focussing on the psychological motivations for managing conflict in different ways. This type of research has overwhelmingly relied on laboratory experiments, survey methodologies, and mathematical modelling (De Dreu & Carnevale, 2005). This has led to a fairly robust understanding of some basic psychological and economic (game theoretic) factors determining people's conflict management choices. However, the understanding of the contextual factors is still very limited (Gelfand et al., 2012, 2008).

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<sup>5</sup> A comparison between Marshall's model and Porter's (1998) Five Forces is an example of some interesting similarities and theoretical overlaps between the fields of Strategy and Industrial Relations.



In the epigraph to the Introduction chapter, negotiation is referred to as “one of the most complex social processes to study” because it involves multiple psychological and social processes and because it is “always socially situated and thus can involve a wide range of social contextual factors” (Gelfand et al., 2011, p. 495). It is therefore particularly notable that context has largely been left out of the study of conflict (Gelfand et al., 2012, 2008). In part, this is the result of the predominant methodological approaches that tend to deliberately remove context as a way to reduce noise and increase generalizability (Bamberger, 2008). Instead of observing actual behaviours in their natural environment, conflict researchers have overwhelmingly relied on laboratory experiments or survey methodologies (De Dreu & Carnevale, 2005). Furthermore, the vast majority of conflict research has been conducted with student samples (Buelens, Woestyne, Mestdagh, & Bouckenooghe, 2007). The result is that most of what we know about conflict behaviour is based on either artificial situations or on what study participants will tell researchers on a survey questionnaire, neither of which provide good information on *real* behaviour in *real* contexts. The one contextual variable that has received sustained attention is power (e.g., Rubin & Brown, 1975), but power that is artificially manipulated in a laboratory is unlikely to replicate the much more complex social dynamics people experience in their real lives.

The reliance on laboratory experiments and survey methods is particularly striking considering the large body of professional negotiation and conflict management literature (e.g., Fisher & Ury, 1981) – largely based on what Friedman (1994a) calls *prescriptive theories* (e.g., Follett, 1942) – that is predominantly focused on how the choice of process in conflict management can have a fundamental impact on outcomes. Thus, with the huge

popularity of prescriptive theory books, like *Getting to Yes* (Fisher & Ury, 1981), which focus predominantly on process and practice, we still have little or no empirical research on the actual contextualized practice and process of negotiation. The lack of research on conflict in action then also exposes a considerable gap between what these theories propose and what actually happens *in situ*.

Friedman's (1994a) work on the *dramaturgy* of labour negotiations is one of the very few to provide a somewhat contextualized examination of conflict management in action. Due and Madsen (1996) conducted a similar, but more expansive exploration of multiple rounds of public-sector collective bargaining in Denmark. While both of these studies illustrate *real* bargaining behaviour in *real* contexts, neither has any explicit purpose to examine context.

While both these studies point to a way of examining conflict management in context, there has been very little follow-up on these studies. A Google Scholar search produces only 110 citations of Friedman's study since 1994, while the Web of Science lists 37 citations. The vast majority of these citations are only incidental references. Due and Madsen only comes up with 2 citations on Google Scholar, but that could be in part a result of the work being written in the Danish language. While these two studies should be considered ground-breaking research, significant gaps still remain.

***Contexts and multiple levels.*** The neglect of contextualized research is not unique to conflict management and negotiation research. Within several organizational research domains, there have been increasing calls to take context much more seriously (Bamberger, 2008; Cappelli & Sherer, 1991; R. House, Rousseau, & Thomas-Hunt, 1995; Johns, 2006). Part of the reason for the decontextualization is the positivist focus on

generalizability, meaning that researchers have been compelled to produce research that proposes or tests theories that are not context specific, but instead are valid across contexts (Bamberger, 2008). The result is that, so far, research across organizational disciplinary domains has only managed to provide limited explanations of how context influences behaviours. As House et al. (1995) suggest, “Until general psychological theories are linked to organizational contextual variables they will remain inadequate to explain what goes on in organizations” (p. 77).

This lack of contextual research exists within both quantitative and qualitative research paradigms. In quantitative research, there have, until recently, been technological barriers that have made it difficult to statistically test the effect of contextual variables (Bamberger, 2008), but even if technically possible, it is questionable whether the complexity of context can be fully measured quantitatively. Johns (2006) proposes that context can be better captured through qualitative methods. Gephart (2004) highlights interpretivist and critical postmodern perspective as particularly useful for providing “thick, detailed descriptions of actual actions in real-life contexts that recover and preserve the actual meanings that actors ascribe to these actions and settings” (p. 455). However, Bamberger (2008) suggests that there still is a lack of qualitative research that is oriented toward generating context theories. Most focus mainly on the behaviours of the actors and the immediate situational characteristics.

A great deal of the discourse around integrating context in organizational research relates to a better linking of macro and micro level phenomena. As Bamberger (2008) states, “[t]he basic premise of all social science is that there is a dynamic interplay between micro and macro and that to appreciate the complexity of any social reality we

have to examine the interplay between these two realms” (p. 844). Kozlowski and Klein (2000) point out that while multilevel systems have a long tradition in organizational theory, multilevel thinking has, for the most part, only had a metaphorical influence on actual research. As such, Kozlowski and Klein suggest that organizational research has made frequent references to micro vs. macro, but rarely (as of the time of their writing) has research actually incorporated multiple levels.

Context is inherently a multilevel phenomenon. If the focus is on the behaviours of individuals, there will be an immediate situational context, an organizational departmental context, a whole organizational context, and a broader societal context. Typically, the lower-level contexts are conceived of as being nested within higher-level contexts, such that the macro-level context is considered the container for mid- (*meso*-) level contexts, and the meso-level context the containers for micro-level contexts (Kozlowski & Klein, 2000). Shapiro, Von Glinow, and Xiao (2007) suggest that instead of necessarily thinking of contexts in hierarchical levels, researchers should become more attuned to multiple types of simultaneously occurring contexts, such as cultural, environmental (technical, economic, political, and social), psychological, sensory, communication, philosophical, and temporal-spatial contexts, an approach they refer to as *polycontextuality*.

In multilevel thinking, context is typically seen as existing at a higher level than the phenomenon under study (Kozlowski & Klein, 2000). For example, the political or economic context is seen as macro-level and as affecting all behaviour (organizational and individual) within its political and economic jurisdiction. Organizational context, meanwhile, affects everything that happens within the organization. Group-level context

shapes the behaviours of everyone within the group. This *top-down* approach is the predominant method used to think of context since the goal is usually to examine the *contextual influences*. However, Kozlowski and Klein (2000) point out that many higher level phenomena actually emerge as a result of what happens at the lower level. These *bottom-up* phenomena include organizational culture, organizational climate, and team effectiveness, which are the result of the aggregate attributes of the lower-level entities within them and of the interaction between these entities, just as molecules are made up of atoms.

This fairly comprehensive review has explored how conflict, negotiation, and collective bargaining have been discussed in the *traditional* literature. In the second half of this chapter, I will discuss how the gaps I have exposed can be examined using a practice-theory lens.

### **Practice Theory**

So far in this chapter, I have highlighted some key areas of what is known about conflict and negotiation, contrasting the individual, micro level, psychology-based literature with the more structural industrial relations literature. I have also emphasized some of the limitations of existing conflict and negotiation research, in particular that empirical research has neglected to consider social context, and proposed that a practice perspective would be appropriate to address this gap due to its core principle that all behaviour is socially situated. In the remainder of this chapter, I review this practice perspective, with a particular emphasis on strategy-as-practice. I also consider the closely related concept of organizational routines.

### ***The practice perspective on organizational research***

The increasing interest in researching practice comes out of the desire to take seriously the regular activities that happen in organizations (and other aspects of social life), aspects that have been relatively ignored in research that has focused on either psychological, economic, or macro social explanations of behaviours and activities. An important aspect of practice research is that it examines activities and behaviour in their natural social environment. Furthermore, practice research is naturally focused on *practice*, sometimes examining practice in very minute detail. Early examples of the study of practice include Mintzberg's (1973) ethnographic study of "managerial work" and Latour and Woolgar's (1979) anthropological study of how scientific facts are produced.

Practice-oriented research in organizations is becoming increasingly popular due to its focus on how things are actually being done in real life settings. In addition to examining day-to-day practice (as opposed decontextualized laboratory experiments), practice-oriented research provides an alternative perspective (Orlikowski, 2015) regarding the nature and structure of organizations. This perspective does not necessarily assume behaviour and activities to be determined by the psychological dispositions of actors, economic forces, or by deterministic macro-level structure. This way, practice researchers can examine organizational behaviour without needing to find psychological or economic causes.

Practice research avoids methodological (and ontological) reductionism, whether it is individual psychological reductionism (where we can explain all activities and behaviours through the psychological dispositions of individuals) or structural

determinism (where all behaviour can be explained the structural dynamics). Instead, practice research treats all behaviour as socially situated and “embedded within a web of social practices” and “thus confronts one of the central issues in social studies: how social structures and human agency link together in the explanation of action” (Vaara & Whittington, 2012, p. 288). Thus, practice research investigates behaviours that are both routine/habitual or improvised (Jarzabkowski, 2004).

Practice research has gained increasing traction in various streams of organizational research, including technology (Orlikowski, 2007), accounting (Ahrens & Chapman, 2006), management (Tengblad, 2012), organizational change and/or restructuring (Balogun, 2007; Jansson, 2013), marketing (Korkman, Storbacka, & Harald, 2010), entrepreneurship (Rittenhofer, 2015), ethics (Lodhia, 2015), corporate social responsibility (Sharp & Zaidman, 2010), and human resource management (Björkman et al., 2014). However, practice research has made the greatest inroads in strategy research, forming a growing research community. This community normally refers to itself as “strategy-as-practice” (SAP; Golsorkhi, Rouleau, Seidl, & Vaara, 2015; Whittington, 2006), and has its own Academy of Management interest group, Strategizing Activities and Practices.<sup>6</sup> Scholars in this research community (SAP) have developed the most elaborate methods (or models) for the empirical research on practice. I will describe SAP in more detail later in this chapter, but first I describe some of the theoretical underpinnings of practice research.

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<sup>6</sup> This interest group is currently in the process of applying to become recognized as a full Division within the Academy of Management.

### *Theoretical Underpinnings*

[A practice is a] coherent and complex form of socially established co-operative human activities. (MacIntyre, 1981, p. 187)

[Practice is] doing, but not just doing in and of itself. It is doing in historical and social context that gives structure and meaning to what people do. In this sense, practice is always social practice. (Wenger, 1998, p. 47)

Practice theory builds on a substantial body of social theorizing, including the work of Giddens (1984), Bourdieu (1990), Foucault (1980), de Certeau (1984), Garfinkel (1967), and Latour (2005), and is in part influenced by philosophical work of Heidegger (1962) and Wittgenstein (1951). The study of practice in organizational research is linked to a broader “practice turn” in social research. According to practice theory, “the human actor is never a discrete individual detached from context, but rather a social being whose possibilities are defined by the practices in which he or she is immersed” (Vaara & Whittington, 2012, p. 288). This contextualization of the individual is ideal for the study of the complex social process of negotiation, and in particular when trying to address the long-standing question of “how social structure and human agency link together in the explanation of action” (Vaara & Whittington, 2012, p. 288). According to Nicolini (2012), “all practice theories foreground the importance of activity, performance, and work in the creation and perpetuation of all aspects of social life” and “practice approaches are fundamentally processual and tend to see the world as an ongoing routinized and recurrent accomplishment” (p. 3).

Practice theorists see individuals as important “agents” in the social system as both carriers and performers of social practices. Practice theories contrast more classical theories of action, in that they do not confine action as being based on (semi-) rational



decision making (*homo economicus*) nor on simple role-performing and norm-following (*homo sociologicus*) (Reckwitz, 2002). In practice theory, “the social world is first and foremost populated by diverse social practices which are carried by agents” (Reckwitz, 2002, p. 256). By focusing on practice (*homo practicus*) rather than on rational-choice, structural, or even psychological explanations of behaviour or events, Nicolini (2012) suggests that “that a practice-based view of the social also offers a remedy for a number of problems left unsolved by other traditions, especially the tendency of describing the world in terms of irreducible dualisms between actor/system, social/material, body/mind, and theory/action” (p. 2; see also Ortner, 1984; Reckwitz, 2002; Rouse, 2007; Schatzki, 2001b, 2002). In other words, a practice-based perspective can help address the previously discussed gaps in conflict and negotiation research. Instead of focusing on either structural macro-level determinants or purely psychological and cognitive explanations, a practice view allows us to start with the practice and to look for explanations that come from the practice itself. More specifically, this approach provides insights on how established practices, such as the formal collective bargaining process, may shape behaviours, activities, and outcomes.

***Structure and agency.*** The role of the individual agent – “either as the self-interested figure of the *homo economicus*, or as the norm-following and role-playing actor of the *homo sociologicus* agents” (Reckwitz, 2002, p. 256) – has been central to a long-standing debate in sociological theory that has revolved around relationship between structure and agency. Whereas traditional sociology (e.g., Durkheim, Marx, and Weber) considers human behaviour as the product of social structure, other streams of sociology, such as symbolic interactionism (Blumer, 1969) or dramaturgical analysis (Goffman,

1959), have focussed more on the micro conception of human interactions. It is only later sociologists, such as Giddens (1979, 1984) and Bourdieu (1977, 1990), who have tried to bridge the micro and macro. Giddens and Bourdieu are also two of the theorists who have had the greatest influence on practice-based organizational research. While there are commonalities between them in how they emphasize the role of practices in the social structure, they do differ in terms of the amount of agency they ascribe to individuals.

Giddens (1984) theorizes the relationship between structure and agency as a process of *structuration*. According to Giddens, individual actors do not behave blindly according to the structural norms and power structures. As such, individuals are not mindless followers of rules and structures, but rather, reflexive of their positions and options. The point is not that individuals are free from structural constraints. Instead, Giddens argues that people use both their “discursive” and “practical consciousness” to make decisions in individual situations. Giddens (1984, pp. xxii–xxiii) writes:

Human agents or actors – I use these terms interchangeably – have, as an inherent aspect of what they do, the capacity to understand what they do while they do it. The reflexive capacities of the human actor are characteristically involved in a continuous manner with the flow of day-to-day conduct in the contexts of social activity. But reflexivity operates only partly on a discursive level. What agents know about what they do, and why they do it – their knowledgeability *as* agents – is largely carried in practical consciousness. Practical consciousness consists of all the things which actors know tacitly about how to ‘go on’ in the contexts of social life without being able to give them direct discursive expression.

According to Giddens, *discursive consciousness* refers the extent to which people are able to articulate the reasons for their choices and behaviours, in relation to their social situation and context. *Practical consciousness* is about understanding the context in a more “practical” sense, where people know what to do and how to act (and make

choices) without necessarily being able to articulate the reasons for this. Finally, for Giddens, is the *unconscious*, which includes the more psychologically repressed motivations for human behaviour.

While the structure in and/or around particular situations may compel actors to follow a predetermined path, their individual agency lies in their “capacity to do otherwise: to follow one system of practices and to refuse another” (Whittington, 2015, p. 147). For example, in a situation where workers are faced with the choice between the pressures of stay late at work or going home to be with family, they will make different individual choices (Whittington, 2015). Even if the social or economic pressures push strongly in one direction, the behavioural decision is still an individual one.

The second part of the relationship between agency and structure, what Giddens (1984) refers to as the *duality of structure*, is that structure only consists through ongoing practice. For example, as in the work/family dilemma above, the choices individuals make are instrumental in reproducing social structures. For instance, “choosing to go home may not only protect one's own family life; in some tiny way, it contributes to the preservation of the family as a general system within society at large” (Whittington, 2015, p. 147). This example illustrates the small amount of social power that individuals possess as well as how social structure is maintained, or possibly disrupted, by social practice. Parker (2000) suggests that in spite of the longstanding sociological debate, this “*interdependence of structure and agency in accounting for the production of social structures* is [now] generally accepted” (p. 9; emphasis in original), and that the remaining debate is mostly about *how* structure and agency are related. However, Giddens (1984) is much more explicit about this relationship than other social theorists,

highlighting that “the structural properties of a system are both the medium and the outcome of the practices they recursively organise” (p. 25). In other words, practices reproduce social structures at the same time as they also can transform structures.

As mentioned, Bourdieu’s approach to the relationship between structure and agency is slightly different from Giddens’s. Central to Bourdieu’s theorizing is the concept of *habitus*, which he defines as “a system of cognitive and motivating structures” (Bourdieu, 1990, p. 53) or as “a set of historical relations “deposited” within individual bodies in the form of mental and corporal schematic perception, appreciation and action” (Bourdieu & Wacquant, 1992, p. 16). In other words, *habitus* can be defined simply as people’s socially acquired dispositions. While embracing the importance of individual agency, Bourdieu is skeptical of overemphasizing the reflexivity of individual actors (Gomez, 2015). Instead, individual decision-making is seen to be shaped by *habitus*, which is how structure is embedded within each individual. Therefore, people are likely to act in accordance with their *habitus* and in ways that are not always rational. With structure so embedded in *habitus* it is difficult for actors to see structure as separate from themselves, and accordingly, Bourdieu assigns considerably less reflexive agency to individual actors than does Giddens.

In summary, practice theory proposes that individual agents. As carriers of practice, they “are neither autonomous nor the judgmental dopes who conform to norms: They understand the world and themselves, and use know-how and motivational knowledge, according to the particular practice” (Reckwitz, 2002, p. 256). Practice theory posits that “society is a system, that the system is powerfully constraining, and yet that the system can be made and unmade through human action and interaction” (Ortner,

1984, p. 159). As discussed, one of the main differences between various theorists, such as Giddens and Bourdieu, is the amount of agency they ascribe to the individual.

*Social practice as a “game.”* To illustrate how behaviour and social choices are often not deliberate, Bourdieu uses the metaphor of a game. Each player in a game will have different habitus depending on their social, educational, cultural, or economic backgrounds, and will possess different levels and forms of *capital* (economic, social, cultural, symbolic; Bourdieu, 1977, 1990), factors that together influence how each player plays each hand of cards. While the rules of the game are consistent within a particular game of cards, different players will play the same hand of cards differently. Rather than necessarily making rational decisions, as Giddens seems to suggest, for Bourdieu, the decision making seems to be more intuitive, where habitus give players a “feel for the game” (Bourdieu & Wacquant, 1992, p. 128). Gomez (2015, pp. 185–186) paraphrases Bourdieu (2002, p. 74) as follows:

Players are subsumed in the game, they are taken by the game. They feel that they are taking part in a larger system – not only the team and the match, but also the game itself. Every match is different, and players develop new strategies, new forms of actions, according to the position they occupy in the team. The forces attached to the players depend on their various strengths and weapons, and on their position in the playground. The one who plays as a defender will not have the same possibilities as the one playing as a striker. In the same way, players from a team at the top of the league will not develop the same strategies as those in an aspiring one.

Players act according to their feel for the game, the field and the rules, and by anticipating their co-players and opponents' actions. During a match the actions of players cannot be constrained to a simple application of the rules of the game, nor to rational and reflexive analysis of the situation, which would suppose a clear separation between action and thinking. The players use the way they integrated and interpreted the rules and their possibilities for action. It is a state of belief that characterizes the players' relation with the rules. They

learned various possible actions through the game and training. In every match, however, they will face new situations, during which they will not just use their knowledge but also restructure it. They possess a ‘sense of the game’ that is the result of initial predispositions, training and practice, through which they integrated the rules. The player ‘exactly knows what he has to do ... without need to know what he does. Neither automaton, nor rational actor’.

As previously stated, a main difference between Bourdieu and Giddens is the amount of reflexivity each ascribes to individuals. While both stress the relationship between structure and agency, Bourdieu rejects the extent to which Giddens suggests actors are reflexive (Gomez, 2015). Bourdieu is therefore also more pessimistic about the potential for individual actors to deviate from or change the rules of the game. However, it would be a mistake to overemphasize the amount agency Giddens ascribes to individual actors. For instance, Giddens stresses that all practice is institutionally situated, an aspect that much structuration-inspired research appears to have neglected (Whittington, 2015).<sup>7</sup>

Both Giddens and Bourdieu provide theoretical frames for investigating the practice of collective bargaining. Giddens’s structuration theory allows us to examine the ways in which structure (as in the collective bargaining routine) both constrains and enables individual behaviour throughout the collective bargaining process. In particular, the idea of individuals as reflexive and knowledgeable actors provides a way to explore the decisions behind the tactics and strategies negotiators employ. Furthermore, structuration also offers an examination of how prior negotiation decisions may have influenced current bargaining routines. But, Bourdieu’s game metaphor provides a rich illustration of how “players” may actually not be conscious of the structure in which they

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<sup>7</sup> Whittington (2015) also suggests that Giddens is critical of Goffman’s lack of institutional awareness.

operate. It is highly likely that negotiators will frequently just follow habitual processes without any reflection on why these processes follow certain steps or whether current practice is at all useful. I have included both Giddens and Bourdieu in my framing, because they may both be simultaneously applicable. It is quite possible that some actors are more reflexive of their position and practice than others, which could mean that different situations fit better with either Giddens's or Bourdieu's theorizing.

*Mutual intelligibility.* As practices are part of the social system, people need to have a somewhat agreed-upon understanding of their meanings. For example, a simple greeting, such as a handshake, will not make sense to someone unless they have previously learned its purpose through prior experience and interactions. Similarly, a double-ledger accounting system only works because accountants have a similar understanding of its functions and purpose. The same goes with language; people are only able to communicate because they have an agreed-upon understanding of a language, including its words and syntax. However, it is important to realize that language and the meaning of words change through usage, and that the same word can mean different things depending on the context and the people using it (see Wittgenstein, 1951).

As with language, practices are only possible and usable if the people participating (or acting and observing) have similar understandings of their meaning. In other words, the actions carried out have to be “mutually intelligible” (Schatzki, 2006).

As Nicolini (2012) states:

Put crudely, actions within a practice are linked by a practical understanding when most participants agree on what it makes sense to do—or at least participants tacitly understand that there is one particular way to go about it

(which means that they can disagree, yet they still understand each other and what is going on). (p. 165-166)

In the context of collective bargaining, negotiators may have vastly different perspective and opinions on what needs to be done, but they usually will have a common understanding of what is happening. As mentioned earlier in this chapter, bargaining follows a fairly specified number of steps where everyone involved has some understanding of their purpose. For example, when one party goes through the motion of reading through their opening demands at the first bargaining meeting, this action is fully comprehensible to the other party, as the parties have a “practical understanding” (Schatzki, 2001a) of how the act fits in with the overall practice of collective bargaining. When practices are mutually “intelligible” it means that the actors involved have a “shared practical understanding” of them (Schatzki, 2001a, p. 11). It could therefore cause problems in bargaining, for example, if some negotiators decided to act in ways that others could not make sense of, such as if a union came to the first meeting with no demands whatsoever. It is also possible that in cases where the same negotiators have been sitting across from each other over multiple rounds of bargaining, that they have developed particular ways of doing things and interacting that are “intelligible” to those involved. If these actors are replaced, i.e., there is an entirely new bargaining team representing one or both sides, this could lead to a lack of understanding between the parties of how the various steps in the process are to be carried out, likely resulting in more difficult negotiations.



## **Strategy-As-Practice**

As stated earlier, I employ a conceptualization of the practice perspective referred to as *strategy-as-practice* (SAP). Fundamentally, SAP is a field of research that uses practice theory to explore organizational strategy. SAP is an actor-centred approach that examines strategic actions, activities, actors, and routines at the micro level. With this line of research, scholars treat strategy as something organizations *do* rather than something they just *have* (Jarzabkowski, 2004). SAP research examines how people (including executives, middle managers, and consultants) “mobilize the tools of practice or adopt specific skills and roles when engaging in strategic activity” (Rouleau, 2013, p. 548). Much SAP research has been inspired by Mintzberg’s (1973) early observational work on what managers actually do (e.g., Rouleau, 2005).

Naturally, SAP research has focussed on “strategy,” but instead of taking a macro perspective of organizational strategy and on organizational outcomes, SAP has primarily examined the activities and practices through which strategy is made. SAP researchers have examined a wide range of strategizing activities and phenomena, including budgeting (Fauré & Rouleau, 2011), committees (Hoon, 2007), meetings (e.g., Jarzabkowski & Seidl, 2008; Liu & Maitlis, 2014), use of PowerPoint (Kaplan, 2011), strategic planning (Hoon, 2007; Jarzabkowski & Balogun, 2009; Nordqvist & Melin, 2008; Whittington & Cailluet, 2008), telecommunication (R. Thomas, Sargent, & Hardy, 2011), and strategy workshops (Healey, Hodgkinson, Whittington, & Johnson, 2015). The SAP approach has also been employed in a wide range of contexts, including family business (Nordqvist, 2012), universities (Jarzabkowski, 2003, 2008; Jarzabkowski & Wilson, 2002), public administration (Hoon, 2007), symphony orchestras (Maitlis &

Lawrence, 2003), museums (Balogun, Best, et al., 2015), multinational corporations (Ansari, Reinecke, & Spaan, 2014; Mueller, Whittle, Gilchrist, & Lenney, 2013; Regnér, 2003), interorganizational relationships (Paroutis & Pettigrew, 2007), airline alliances (Vaara, Kleymann, & Seristö, 2004), non-profit hospitals (Denis et al., 2011), building societies (McCabe, 2010), public broadcasting (Rouleau & Balogun, 2011), engineering (Laine & Vaara, 2007), and accounting (Ezzamel & Willmott, 2008; Jørgensen & Messner, 2010; Whittle & Mueller, 2010). SAP research even extends to examining the role that museum front-line workers play in realizing organizational strategy (Balogun, Best, et al., 2015). While SAP-inspired research has started to emerge in the study of human resource management (Björkman et al., 2014), the SAP approach, or any other practice approach, has not yet extended to the study of union-management relations.

SAP research utilizes a range of practice theory perspectives, some of which I have outlined above. What is unique with SAP research, apart from focusing on “strategy” phenomena, is that it has evolved into a framework that enables researchers to simultaneously incorporate both the routine and non-routine activities, as well as both the doing and thinking aspects of practice (i.e., the cognition-action duality; Callon, 1998; Latour, 1987). This framework, proposed by leading SAP scholars (e.g., Jarzabkowski et al., 2007; Whittington, 2006), divides practice research into three interrelated concepts: *practices*, *praxis*, and *practitioners*. According to this framework, *practices* refer to “shared routines of behaviour, including traditions, norms and procedures for thinking, acting and using ‘things’ ” (Whittington, 2006, p. 619). In other words, practices can be seen as normalized routines and habitual ways of thinking. *Praxis* is what people actually do in specific instances. Where practices are patterns that are established over time, praxis

is action that responds to needs of specific situations, action that may follow or deviate from practice norms. *Practitioners* are the people who carry out the actions. They have individual skills, knowledge and motivations for carrying out practice, based on “*who* they are, *how* they act and *what* resources they draw upon” (Jarzabkowski et al., 2007, p. 11, emphasis in original). In the following sections, I illustrate, and provide examples of how these concepts have been explored in SAP research.

### ***Practices and Routines***

Simply put, practices are the “tools, norms, and procedures of strategy work” (Vaara & Whittington, 2012, p. 287). Practices are the “shared routines of behaviour, including traditions, norms and procedures for thinking, acting and using ‘things’, this last in the broadest sense” (Whittington, 2006, p. 619). Practices form a foundation of what actually happens in praxis, at the same time as praxis that deviates from practices will, through repetition and over time, change and modify existing practices, or create new practices (see also Reckwitz, 2002; Schatzki et al., 2001). Some of the practices investigated in SAP research are tools such as strategic planning (Hoon, 2007; Jarzabkowski & Balogun, 2009; Nordqvist & Melin, 2008; Whittington & Caillaud, 2008), Porter’s five forces (Spee & Jarzabkowski, 2009), SWOT analysis (Spee & Jarzabkowski, 2009), and PowerPoint (Kaplan, 2011).

***Organizational Routines.*** As discussed, practice research examines behaviours that are both improvised and routine. For example, *practices* are “accepted ways of doing things, embodied and materially mediated, that are shared between actors and routinized over time” (Vaara & Whittington, 2012, p. 287) and involve activities that are essentially

the same regardless of who the individual actors are. *Practices* are thus strongly related to the concept of *organizational routines*. According to Giddens (1984), “The routine (whatever is done habitually) is a basic element of day-to-day social activity” (p. xxiii). Routines have a long history in organizational theory, where they have been seen as “as the primary means by which organizations accomplish much of what they do” (Feldman & Pentland, 2003, p. 94). Since Stene (1940), routines have been discussed as one of the essential ways organizations accomplish things (e.g., Cyert & March, 1963; March & Simon, 1958; Nelson & Winter, 1982; J. D. Thompson, 1967). Routines are important for organizations because they ensure stability and predictability in organizational activity. Often associated with *rules* (Pentland & Rueter, 1994; Reynaud, 2005), organizational routines are seen as important because they ensure predictability and continuity in organizational functions and bureaucracy, including accountability (e.g., Hummel, 1987; Kaufman, 1977; Stinchcombe, 1959). In addition to being an important part of organizational bureaucracy, routines are in the organizational literature also discussed in terms of “cognitive efficiency, habit, and standard operating procedures” (Pentland & Hærem, 2015, p. 466; see also March & Simon, 1958). In many ways, routines can be conceptualized as “work or behavior that is automatic, low skill, repetitive, or even habitual” (Pentland & Hærem, 2015, p. 466).

Feldman and Pentland (2003) define an organizational routine as “a repetitive, recognizable pattern of interdependent actions, involving multiple actors” (p. 96). Thus, for an activity or practice to be considered a routine, it needs to satisfy four criteria: it 1) has to be repetitive, 2) is a pattern of actions, 3) involves actions that are interdependent, and 4) has to involve multiple actors. The hiring process is a commonly used example to

illustrate the nature of a routine (e.g., Feldman & Pentland, 2003): it repeats every time someone has to be hired, is an established recognizable pattern of interdependent actions, and involves multiple interdependent steps (i.e., job posting, applicant screening, interviewing, reference checking, etc.).

Routines are often seen as essential for organizational operation, but they do have some negative consequences. While being important for organizational stability, routines have also been associated with less positive features, such as inflexibility (Gersick & Hackman, 1990; Weiss & Ilgen, 1985), inertia (Hannan & Freeman, 1984), and mindlessness (Ashforth & Fried, 1988). Routines can therefore also be an impediment to change. However, as Feldman and Pentland (2003) point out, routines can also be a source of flexibility and change, particularly through ongoing variation and adaptation, a dynamic that is reminiscent of the concepts of structure and agency, that were discussed earlier.

Considering the long track record in organizational research, the routines concept has been used to study a whole range of organizational phenomena, including the use of software “wizards” in the product development process (Hales & Tidd, 2009), “routinization as a precursor to learning” (Brusoni & Rosenkranz, 2014), quality standards in meat processing (Lazaric & Denis, 2001), waste management (Turner & Fern, 2012; Turner & Rindova, 2011), newspaper printing (Aroles & McLean, 2016), electronic equipment maintenance workshops (Reynaud, 2005), creativity in retail sales (Sonenshein, 2016), software implementation in automotive manufacturing (D’Adderio, 2003), routine transfer across complex organizational settings (D’Adderio, 2014), and interorganizational routines in strategic alliances (Zollo, Reuer, & Singh, 2002). At the

more cognitive level, research has explored the relationship between routines and organizational interpretive schema in research institutions (Rerup & Feldman, 2011), and how SWAT officers use reorganizing routines to create a sense of order in chaotic conditions (Bechky & Okhuysen, 2011).

Theoretically, there have been two main ways of looking at routines (Parmigiani & Howard-Grenville, 2011). The first, which preoccupied earlier organization theory, sees routines as “capabilities” that organizations have, an approach that leaves the routines themselves relatively unexamined. The second, which occupies most of the contemporary literature, focuses on the internal dynamics of routines, such as how routines are shaped, transported, and modified (Feldman & Pentland, 2003; Parmigiani & Howard-Grenville, 2011). The second view of routines is based on a practice theoretical perspective, and as such, the one I will primarily use in this thesis.

With its shared theoretical foundation with much of the SAP literature, the practice view of routines builds on many of the same theories (e.g., Giddens, Bourdieu, and Latour), and as with many of these theorists (primarily Giddens and Bourdieu), the interplay between agency and structure features prominently in the contemporary literature on routine dynamics (e.g., Feldman & Pentland, 2003). Feldman and Pentland (2003) see routines as structures that, on the one hand, constrain the actions of individuals even as, on the other, they enable particular actions, such as, when “routines enable bureaucracies to organize expertise and exercise power efficiently” (p. 94). Routines are thereby sources of both organizational stability and change in that they ensure continuity and predictability at the same time as they enable individuals to deviate from and change routine and through that process establish new routines. This recursive nature

of routines, which Feldman and Pentland (2003) refer to as the *ostensive* and *performative*<sup>8</sup> aspects of routines, is directly related to the duality of structure in structuration theory. For Giddens (1984), “*routinization*. . . is vital to the theory of structuration” in that routines are integral for individuals’ ability to engage in daily activities and are essential for the maintenance of societal institutions “which *are* such only through their continued reproduction” (p. 60; emphasis in original).

In relation to Bourdieu’s practice theory, routines can be seen as the “rules” of the game. While Bourdieu ascribes somewhat less agency to individuals than Giddens, Bourdieu frames the position of individual actors as that of the card players, described above, who intuitively improvise their actions at the same time as they follow the rules necessary to allow multiple to players to play together.

***Routines and collective bargaining.*** The concept of routine is very applicable to the study of collective bargaining as the negotiation process follows a number of almost universally established steps and involves a set of standard practices, activities, and behaviours (as discussed in the previous chapter). Some of these steps are formally prescribed in law or in prior collective agreements (such as notice time periods, ratification, conciliation etc.), while other steps and practices are mainly habitual (such as the timing, format, and typical content of bargaining demands). In other words, the

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<sup>8</sup> Some readers may find Feldman and Pentland’s use of the terms ‘performative’ and ‘ostensive’ somewhat different than the way Latour uses it in the original source. There may be a case of some misinterpretation on Feldman and Pentland’s part, likely stemming from fundamental ontological differences. However, this is a discussion that I do not have space to get into here.

collective bargaining routine has become an institutionalized process formed through history and “take[n] for granted” (Suddaby, Foster, & Mills, 2014) by actors.<sup>9</sup>

For collective bargaining, the established routine provides predictability for what the parties can expect in bargaining (in terms of the behaviour of others), which makes the parties better able to prepare. The institutionalization of the bargaining routine is also demonstrated in educational materials created for university courses (e.g., Hebdon & Brown, 2008) or union training programs.

*Negotiation routines.* Considering collective bargaining as a routine makes it possible to intersect structure and agency in the examination of individual behaviour. As I have discussed, there are strong structural elements shaping the negotiation process (mostly discussed in the traditional industrial relations literature), as well as individual, dispositional factors (mostly discussed in the psychological literature) that influence how individual choose to exercise their agency. A practice theory perspective on routines is important because this describes behaviour that cannot be attributed to individuals. While negotiation skill and experience are important, recognizing that collective bargaining is a routine that limits individual agency also helps illustrate limitations of focusing on individual attributes.

It is interesting that while there is some literature on repeated negotiations, examining issues such as interfirm relations (Sheppard & Tuchinsky, 1996), trust (Lewicki & Bunker, 1996), and reputation (Ferris, Blas, Douglas, Kolodinsky, &

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<sup>9</sup> It worth mentioning, however, that the alternative method of bargaining, commonly referred to as interest-based bargaining (IBB), or mutual gains bargaining, is a deliberate deviation from traditional bargaining routine. However, the use of IBB is rare and it is only in cases where it is used repeatedly over multiple rounds of bargaining that it could be considered a new routine replacing the old routine.



Treadway, 2005), there is a notable lack of literature considering the routine aspects of negotiation (Kesting & Smolinski, 2007).

While the general negotiation literature lacks consideration of routines, there has been some related and relevant discussion in the literature on interorganizational relationships, relationships that share some characteristics union-management relationships. In the context of strategic alliances, Zollo et al. (2002) define interorganizational routines as “stable patterns of interaction among two firms developed and refined in the course of repeated collaborations” (p. 701). The implication is that through repeated interactions, partnering organizations establish a set of routines for how to manage different aspects of their relationship, whereby over time they smooth out “interaction patterns” in order “to help mitigate coordination, conflict resolution, and information-gathering problems” (Zollo et al., 2002, p. 703). While routines serve some of the same functions as trust, they are conceptually distinct:

[W]hereas trust stems from interpersonal relations, we emphasize the development of routines at an interorganizational level and suggest that interorganizational routines are likely to explain [the beneficial effects] because of the tacit and semiautomatic nature of the routinization process, compared to the more deliberate efforts to assess the likelihood of opportunistic behavior, typical of trust processes. (Zollo et al., 2002, p. 709)

### ***Praxis***

Whereas *practices* refer to the tools and more routinized activities used in strategy making, *praxis* refers to the more immediate, sometimes spontaneous interactions. SAP researchers refer to praxis as “all the various activities involved in the deliberate formulation and implementation of strategy” (Whittington, 2006, p. 619), typically consisting of strategic episodes, or sequence of episodes (Hendry & Seidl, 2003),

including “board meetings, management retreats, consulting interventions, team briefings, presentations, projects, and simple talk” (Whittington, 2006, p. 619). These episodes, which are instrumental in an organization’s strategy making, include formal and informal, routine and non-routine events, as well as activities related to emergent rather than deliberate strategy (Mintzberg & Waters, 1985), and events occurring at the periphery of the organization (Regnér, 2003). Meetings are the type of episode most frequently studied in SAP research (e.g., Clarke, Kwon, & Wodak, 2012; Jarzabkowski & Seidl, 2008; Kwon, Clarke, & Wodak, 2014; Liu & Maitlis, 2014; Wodak et al., 2011). The SAP research on meetings includes examination of discourse (Clarke et al., 2012; Kwon et al., 2014; Wodak et al., 2011) and emotional expression (Liu & Maitlis, 2014).

Just as meetings can be a focal point for organizational strategizing (Jarzabkowski & Seidl, 2008), meetings are also an essential component in collective bargaining. Even if there is a whole range of informal communication happening between the parties between meetings, the bargaining meetings are central to the relationship. It is difficult to imagine any process of collective bargaining without the parties meeting face to face. It is at meetings that proposals and demands are exchanged, during meetings that parties explicitly agree or reject specific demands (even if the issues may be negotiated informally on the side), and it is at a face-to-face meeting that the parties formally agree on a final settlement. Thus, in order to examine that during collective bargaining, it is worth paying close attention to what happens during the meetings.

One aspect of praxis that has received considerable attention in SAP research is discourse. This research has explored the conversational aspects of meetings (Clarke et al., 2012; Kwon et al., 2014), meeting agendas (Clarke et al., 2012; Jarzabkowski &

Seidl, 2008), workshops (Healey, Hodgkinson, Whittington, & Johnson, 2015), and strategic planning (Hoon, 2007; Jarzabkowski & Balogun, 2009; Nordqvist & Melin, 2008; Whittington & Cailluet, 2008). SAP research on discourse has examined strategy discourse associated with the downfall of Enron (Whittington et al., 2003), power and emotions (Brundin & Liu, 2015), and power and politics in organizational decision making (orchestras) (Maitlis & Lawrence, 2003). A fascinating study by Kornberger and Clegg (2011) illustrates how the discourse through the strategic planning for *Sydney 2030* affected the power relations among the various stakeholders by legitimising certain views, helping to manufacture a consensus and avoiding contention and essentially silencing dissent, by limiting the discourse to certain “safe” issues.

### ***Practitioners***

From a practice perspective, practitioners are never simple individuals: they are social beings, whose socio-political and rhetorical skills, and even national culture and gender, all make a difference to how they work and what they can achieve. (Vaara & Whittington, 2012, p. 304).

While practices and praxis are the activities, tools, and events used in strategy making, *practitioners* are the ones who actually carry out both practices and praxis. Established practices will inform the ways in which practitioners perceive specific situations, and in this way, practitioners perform a mediating role between practices and praxis. While what practitioners do in praxis will often be entirely by routine – i.e., they make no cognitive evaluations of how they act in a certain situation – practitioners will also frequently act in their own individual ways. In other words, while they are strongly influenced by the norms of habitual practices, they also do have individual agency to act according to their individual knowledge, skills, and dispositions. Whittington (2006)

suggests that “[a]ctors become important because their practical skill makes a difference . . . Like Bourdieu’s (1990) card players, who may play the same hand differently according to their skill and the flow of the game, these actors are seen not as simple automata, but as artful interpreters of practices” (p. 615).

The examination of practitioners can be broken into looking at *how* they act (i.e., their particular behaviours), *what* resources they draw upon, such as tools, technologies, etc., and finally *who* they are, including the investigation into their background, skills, experience, and motivations. Research on practitioners includes the examination of the roles of middle managers (Balogun & Johnson, 2004, 2005; Mantere, 2005; Mantere & Vaara, 2008; Paroutis & Pettigrew, 2007; Rouleau, 2005; Rouleau & Balogun, 2011; Sillince & Mueller, 2007; Suominen & Mantere, 2010), top management teams (Jarzabkowski, 2003, 2008; Jarzabkowski & Wilson, 2002; Liu & Maitlis, 2014), consultants (Schwarz, 2004), “champions” (Mantere, 2005; Nordqvist & Melin, 2008), and strategy “professionals” (Whittington, Cailluet, & Yakis-Douglas, 2011), as well as the role of gender (Rouleau, 2003). In this study, I also consider practitioners’ psychological characteristics and/or processes, an area that has so far mostly been explored with regard to *sensemaking* (Balogun, Beech, & Johnson, 2015; Balogun & Johnson, 2004, 2005; Heracleous & Jacobs, 2008; Kaplan & Orlikowski, 2013; Liu & Maitlis, 2014; Mueller et al., 2013; Stensaker & Falkenberg, 2007; R. Thomas et al., 2011), with a small amount of research on emotions (Liu & Maitlis, 2014) and identity dynamics (Beech & Johnson, 2005).

***Practitioner skills.*** As portrayed in the card game metaphor, practitioner skills can be of vital importance, whether among top managers (Jarzabkowski, 2003), middle

manager (Rouleau & Balogun, 2011), or front line workers (Balogun, Best, et al., 2015). In the SAP literature, most attention has been paid to skills related to discourse. In this sense, if discourse can have strategic implication, practitioners who are highly adept in using language in shaping strategic discourse will have a greater influence on the outcomes. This literature is not yet very consolidated, and a review shows variety and nuance in the kinds of concepts and constructs on which researchers have focused. These include such concepts as *linguistic skills* (Balogun et al., 2014), *discursive ability* (Maitlis & Lawrence, 2007), *relational-rhetorical skills* (Samra-Fredericks, 2003), *discursive competence* (Rouleau & Balogun, 2011), *interactional competence* (Balogun, Best, et al., 2015), *narrative skill* (Laine & Vaara, 2015; see also Kaplan & Orlikowski, 2013), and *discursive leadership* skills needed for consensus building and “getting people on board” (Wodak et al., 2011). These skills can be instrumental for consensus building (Wodak et al., 2011), in terms of “middle managers’ role as interpreters and sellers of strategic change” in everyday interactions (Rouleau, 2005), or in how frontline workers are able to realize organizational strategy through their interactions with customers (Balogun, Best, et al., 2015). Going beyond the mere discursive and interactional, Fauré and Rouleau (2011) discuss how accountants’ and middle managers’ use of their “strategic competence” (i.e., the combination of strategic knowledge, discursive abilities, and technical expertise) can have important strategic implications in budget making.

Some of these skills are related to *political skills* (Pfeffer, 1981), defined as “the ability to effectively understand others at work, and to use such knowledge to influence others to act in ways that enhance one’s personal and/or organizational objectives” (Ferris, Treadway, et al., 2005, p. 127), or what Fligstein (2001) refers to as “social skill,”

simply defined as the “as the ability to induce cooperation among others” (p. 112). It is important to note that skills are often not used deliberately and can therefore be difficult to precisely define in the analytical sense. Comparing a manager to a potter, Mintzberg (1987) highlights the often very intuitive nature of management and strategy work:

In my metaphor, managers are craftsmen and strategy is their clay. Like the potter, they sit between a past of corporate capabilities and a future of market opportunities. And if they are truly craftsmen, they bring to their work and equally intimate knowledge of the materials at hand. That is the essence of crafting strategy. (p. 66)

***Tensions between agency and structure.*** It is important to mention here that while SAP research has highlighted the importance of individual *practitioner* agency (partly through the skills and capabilities mentioned above) little of this research has explored the *tension* between structure and agency, from the practitioner perspective. While there is considerable research on how *practices* can either enable and constrain agency (see Vaara & Whittington, 2012, for a review), there is little that explicitly examines how *practitioners* go about managing such constraints. Thus, while discursive, linguistic, narrative, rhetorical (e.g., Balogun, Best, et al., 2015; Balogun et al., 2014; Laine & Vaara, 2015; Maitlis & Lawrence, 2007; Rouleau & Balogun, 2011; Samra-Fredericks, 2003; Wodak et al., 2011), and “strategic” (Fauré & Rouleau, 2011) abilities have been explored, generally there has been less attention on the effect these have when the structural constraints are taken into account, and especially in terms of the strategies practitioners may employ to challenge or circumvent these constraints

***Cognitive engagement with practices and routines.*** Carrying out practices and praxis involves a considerable amount of mental processing. As praxis will often require a

certain amount of bargaining, *practitioners* will be faced with the “complex process” (Gelfand et al., 2011) that negotiation is. However, within SAP research, the psychological dimension has so far only received limited attention; this is perhaps not surprising considering the sociological origins of this field of research. There is, however, a small amount of research exploring cognitive frames (Kaplan, 2008) in strategizing, as well the tensions between the use of rational and intuitive mental processes (Calabretta et al., 2017; Hodgkinson & Clarke, 2007; see also *dual process theory*; Evans, 2008) to help better understand the relationship between practices, practitioners, and praxis.

In my review of conventional conflict and negotiation research, I outlined a range of psychological predictors of negotiation behaviours. I also mentioned that there are cognitive aspects to the use of routines, and it is therefore natural to discuss the cognitive implication of routinized negotiation processes. As Giddens (1984) states, “Routinization is vital to the psychological mechanisms whereby a sense of trust or ontological security is sustained in the daily activities of social life” (p. xxiii). As I indicated earlier, one of the benefits of routines is that they are cognitively efficient meaning that in carrying them out, individual actors only require minimal cognitive effort. The flipside of this cognitive efficiency is that once a certain action or activity has become routinized, it becomes a habit and actors may not contemplate the consequences. In a sense, the activity/action has become “mindless” (Ashforth & Fried, 1988). While in many cases this will be beneficial, it can also be detrimental. The most obvious case is when routinized behaviour directly harms the organizations or individuals, such as when a hiring routine leads to the hiring of the wrong people. In such cases, the routine likely just needs to be replaced with a different routine. In other cases, the routine may in itself not be directly harmful, but the

resulting inertia and inflexibility may be a problem. Once a pattern of behaviour has been fixed, it becomes much more difficult for individual actors to adjust to the nuances of particular situations. Furthermore, since the routine is set up to not require significant engagement, there is likely a tendency for individual actors to engage with them mindlessly, and as a result, they may not use their cognitive capability when they actually should.

However, some routine scholars (e.g., Pentland & Hærem, 2015) have pointed out that routine behaviour is not necessarily “mindless.” While routines involve pre-established patterns of action, there is frequently room for variation within the routine, and some elements of routines will often require considerable cognitive effort, as is the case in accounting (Pentland & Hærem, 2015). At a psychological level, routines often require considerable information processing, whether this processing is automatic (i.e., mindless) or analytical (i.e., mindful) (see dual process theory; Evans, 2008). It is important to note that *mindless* in this context does not refer to a lack of intelligence, but rather to “efficient and automatic utilization of past experience by heuristic processing” (Pentland & Hærem, 2015, p. 472).

The reader may recall from the earlier discussion that the use of heuristics tends to lead to decisions that are biased and lack careful deliberation, where decision makers frequently fall into a number of cognitive traps (Kahneman & Tversky, 1973) and simplified mental models associated with distributive, rather than integrative, negotiation behaviours. The result is that while routines and heuristics may prevent information processing overload – considering the complexity of the negotiation and the constraints of human cognition (March & Simon, 1958) – an over-reliance on heuristics will likely limit



the improvisatory and creative elements needed for integrative negotiations. As discussed, heuristics are also associated with the cognitive *need for closure* (Webster & Kruglanski, 1994) and are antithetical to the *epistemic motivation* needed for integrative, problem-solving negotiations (De Dreu & Carnevale, 2003; Kruglanski, 1989; Kruglanski & Webster, 1996). Thus, looking at the cognitive implications of routines leads us back to some of the similar considerations that were made in the discussion on negotiation and bargaining theory.

### ***Power in Practice and Strategy***

In a comprehensive review of the history of strategy, the war scholar, Lawrence Freedman (2013) argues that strategy “is the art of creating power”: “It is about getting more out of a situation than the starting balance of power would suggest” (p. xii). Similar to the practice view of strategy, Freedman suggests that strategy is not about a predetermined plan or objectives but rather about getting the most out any given situation using whatever tools and resources available. Furthermore, power is not only about the power parties already possess but also about the power parties are able to create through tactics and strategies. As Freedman (2013) writes, “This is why strategy is the central political art” (p. xii).

While Freedman suggests that power is an essential ingredient of strategy, Clegg and Kornberger (2015) highlight the absence of power considerations in strategy research. They suggest that this lack stems in part from the disciplinary divides between those who study organizational strategy (traditionally through an economic lens) and those who discuss power (in disciplines such as sociology, philosophy, political science). However,

with the advancement of practice (and process) perspectives in strategy research, there has been increased interest in power (e.g., Dick & Collings, 2014; Ezzamel & Willmott, 2008; Knights & Morgan, 1991; McCabe, 2010; Mueller et al., 2013).

***Power in bargaining.*** As discussed earlier in this chapter, traditional considerations of power in the industrial relations literature revolves around structural power, most of which can be defined as relating to the interdependencies between the parties, such as factors related to demand and supply as well as the ability to of one party to exert pressure on the other. Given the limited focus on practice and actual behaviour in industrial relations research, there is a concomitant lack of interest in how power is manifest in the bargaining interactions. The regular power considerations will obviously play a role in the bargaining. However, given the practice focus of this study, my main consideration is of the role power plays in practice.

Interestingly, prescriptive negotiation theory as well as the negotiation practitioner literature spends a considerable energy on power relations, especially in terms of how skilled negotiators can manage and manipulate the process in ways that minimize the role of power in the decision-making, at least where negotiators aim for a cooperative process. However, since there is only limited empirical research to back up these prescriptive theories, there is very little research on how power plays out in practice during negotiations. There is, however, some empirical research on the alternative bargaining process referred to as *interest-based bargaining* (IBB) or *interest-based negotiation* (IBN) (see McKersie et al., 2008; McKersie, Eaton, & Kochan, 2004). Unsurprisingly, considering the relative neglect of power structure in the *mutual gains* bargaining (i.e.,

IBB/IBN) literature (Friedman, 1994b), power receives only limited attention in these studies.

*Power in practice theory.* Power features fairly centrally for many of the social theorists who have influenced practice research, including Giddens, Bourdieu, Foucault, Garfinkel, and Latour. For Giddens, power is distributed to individuals so that “everyone has some sort of social power” (Whittington, 2015, p. 147). This power is mobilized through interactions and practice but is founded upon the structural resources (i.e., *facilities*) accessible to actors. Even though power is based on structural resources, this should not be equated with a deterministic understanding of relationship between structure and action. Rather, it is the case that access to resources is instrumental for individual agency. Again, Giddens (1984) demonstrates the recursive relationship between structure and agency by which structure either enables or constrains individual practice through which structure is maintained or changed. In contrast to conventional sociology, Giddens’s “version of social reality is essentially ‘flat’ ” (Parker, 2000, p. 105) and he theorizes power “without any positional concept of structure within which to locate actors” (Parker, 2000, p. 105). Jarzabkowski (2005) summarizes the structuration view of power as follows:

[1] Agency is connected to power. Power is the ability to draw upon the resources in the social system to lend meaning to action, which frequently reinforces that social system; [2] While power is weighted towards dominant groups within a social system because of asymmetrical access to resources, it is not solely their province; [and 3] Power is also accessible by other actors within a system. It is thus contested and open to change as well as reinforcement of the social system. (pp. 33-34)

As discussed previously, practice theorists agree that agency and power are enacted in practice, but they differ in terms of how much agency they ascribe to individual actors. In this sense, Bourdieu's conception of power is more in line with the structural hierarchical view of power in conventional sociology. For Bourdieu (1977, 1990), social positions are enacted through different forms of capital (economic, social, cultural, or symbolic). However, Bourdieu sees positions (i.e., capital) as intertwined with dispositions (*habitus*) so tightly that the "person and social self become indistinguishable" (Parker, 2000, p. 105). It is this internalization of social structure that makes domination possible through what Bourdieu refers to as *symbolic violence*, which is "the *violence which is exercised upon a social agent with his or her complicity*" (Bourdieu & Wacquant, 1992, p. 167; emphasis in original). Symbolic violence is possible because those dominated both play along with and take for granted historically and socially constructed beliefs and rules which, in practice favour the dominating party and help maintain social power structures, without any physical violence needing to be exercised. One way to explain this internalization of power structures is to consider how some women may carry the beliefs and rules of a patriarchal society within their *habitus*, and by acting according those internalized beliefs, contribute to their own domination (de Beauvoir, 2011).

Foucault (1980, 1995) is perhaps the most prominent social theorist on power in the late 20th century, and much of the research on power within strategy-as-practice has used a Foucauldian lens to analyze discourse. As with practice theory, Foucault's interest is not so much in the amount of power held by different parties but rather on how power is enacted in practice. According to Foucault, power is not hidden *behind* activities and

things but rather is enacted *through* them.<sup>10</sup> Rather than the “what” of power, Foucault focuses on the “how” (Prasad, 2005).

A great deal of Foucauldian analysis of power focuses on the role of discourse. This has also been the case in SAP research. Knights and Morgan (1991), who have inspired much of the research on discourse in strategy, define strategy as a primarily discursive process, i.e., “a set of ideas and practices which condition our ways of relating to, and acting upon, particular phenomenon” (p. 253) and further assert that “the discourse and practice of strategy is distinctively a mechanism of power” (Knights & Morgan, 1990, p. 476). According to Foucault, discourse is governed and structured by *internal rules* that “dictate what can be spoken about and what cannot; whose speech or writing may be considered legitimate; what sequence of arguments is to be followed in any discourse, and so on” (Prasad, 2005, p. 250). Thus, in any discursive process, which is what strategizing essentially is, there will be presentations of arguments and facts, but the agendas, sequence of issues, types of information and implicit “theories”<sup>11</sup> that are seen as legitimate can have instrumental effects on the outcomes.

Summarizing these predominant practice theorists, we can look at power as follows: 1) Giddens suggests that power is distributed and everyone is instilled with some agency to “do otherwise” than the structure suggests; 2) Bourdieu posits that people internalize social power structure and are frequently unknowingly complicit in their own

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<sup>10</sup> Latour (2005) suggests this is a distinction that has been somewhat lost in the translation from French to English.

<sup>11</sup> By “theory” I imply that all deliberate decision-making is based some kind of working theoretical assumptions, whether these are economic, sociological or psychological.

domination through symbolic violence; and 3) for Foucault, power is intertwined with and enacted through knowledge and discourse.

***Routines, power and truces.*** As mentioned, routines can have a profound stabilizing effect on process and organizational activities. This includes the shape of power relationship and the management of conflict. As discussed earlier, in addition to structural and positional power, a fair amount of power is enacted in practice. Hardy (1996) defines four modes through which power can be mobilized: resources, processes, meaning, system. Routines can affect power in a number of ways. Whereas individuals can mobilize their power in routinized practice (by using their resources and political skills), power structures and relationships become stabilized in routines. For example, in commenting on the relationship between scientific management practices and organizational power structures, Braverman (1998) argues that management's domination over labour rests on organizational decision-making routines and "the control over work through the control over the *decisions that are made in the course of the work*" (p. 73-74; emphasis in original), and where "variations can be viewed as evidence of resistance" (Feldman & Pentland, 2003, p. 110; see also Burawoy, 1979; Leidner, 1993). Routinization is thus a way to reinforce and stabilize power and to limit individual agency to either exercise or resist power.

In routines, roles, authority, language, and decision criteria are typically prescribed in advance. While this is efficient (cognitively or otherwise), it also reinforces existing power relations, without those holding the power needing to actively engage in mobilizing their power. In other words, power mobilization is being activated in advance. For example, in a budgeting routine, where accountants are seen as key actors, and where

accounting statements are used to guide the direction of the budgeting, accounting and accountants become key power holders and actors. Thus, instead of accountants needing to actively engage in politics, they only need to follow a predetermined script. As Burns (2000) suggests:

[B]udgeting routines emerge, and reproduce, over time, once budgeting rules and procedures (e.g. the budgeting “rules manual”) are established. In time, budgeting can then become taken for granted among personnel such that its re-enactment is performed without conscious recourse to the initial rules.” (p. 571-572)

A prime example of how power is inscribed in routines are rules that provide veto-powers to certain actors in decision making (e.g., the United Nations Security Council). The restrictions on when unions can go on strike are also a way to regulate power relations in the routine.

The same applies to discourses used in any routine. What is talked about, and in what language, does affect decision-making. In a non-routine meeting process, actors can try to shape language use and set agendas in ways that favour their preferred outcomes. But in a routinized process, language and agenda are often already set in advance. Thus, individual actors require less agency to mobilize existing power structures; at the same time, however, resistance to power becomes very difficult.

*Truces* are a common concept discussed in the routine literature. Nelson and Winter (1982) highlight the importance of routines for controlling the behaviours of individual organizational members, and assert that, thereby, routines ensure that individuals continuously act according to organizational rather than individual needs. Salvato and Rerup (2017) define *truce* as follows:

A truce is an agreement to cease fighting or disputing for a period of time. When observed in routine performance, a truce is an implicit agreement among routine participants to perform the routine task (e.g., developing a new product) for a period of time while suspending disputes about how to perform the routine task that would otherwise be engendered by their diverging interests. (p. 2)

Routines are thus important for managing both latent and manifest conflict and “are crucial in keeping the underlying conflicts among organization members from being expressed in highly disruptive forms” (Nelson & Winter, 1982, p. 109). In terms of intraorganizational conflict, Nelson and Winter (1982) suggest:

Conflict, both manifest and latent, persists, but manifest conflict follows largely predictable paths and stays within predictable bounds that are consistent with the ongoing routine. In short, routine operation involves a comprehensive truce in the intra-organizational conflict. There is a truce between the supervisor and those supervised at every level in the organizational hierarchy: the usual amount of work gets done, reprimands and compliments are delivered with the usual frequency and no demands are presented for major modifications in the terms of the relationship. (p. 110)

As is apparent, truces (enacted through routines) do not necessarily resolve latent conflict, but rather suppress the “highly disruptive” manifestations of them. As routines also enforce management control mechanisms, these truces do not resolve or change existing power dynamics.

While Nelson and Winter (1982) and others (e.g., Mangolte, 2000; see Burns, 2000 for further discussion) are mainly concerned with truces in intra-organizational conflict, routines as truces are also relevant for inter-organizational conflicts and relationships (e.g., Helms & Oliver, 2015; Helms, Oliver, & Webb, 2012). The industrial relations context is a prime example of this. Prior to the establishment of formal, regulated, and routinized employer-union relationships – whether regulated through statute, as in the Wagner Act in the USA (*National Labour Relations Act*, 1935), or



through the voluntary negotiations of the September Compromise in Denmark (J. L. Campbell & Hall, 2006) – industrial relations were generally highly disruptive (J. L. Campbell & Hall, 2006; Labour Law Casebook Group, 2011). In North America, for example, once the Wagner Act-type processes for union recognition, certification, and collective bargaining had been established, labour conflict became much more manageable (Cox, 1958). In essence, routinization resulted in a truce for many parts of the relationship. If we use a soccer game metaphor, the rules ensure that games are not chaotic and minimize the risk of players being injured. However, this *truce*, established through the rules, does not to any large degree change the relative strength of each team; in other words, the rules do not alter the relative skill level of each team.

In this chapter I have provided a comprehensive review of the literature on negotiation, conflict management, and collective bargaining, as these have been discussed in various fields of research, mainly negotiation, conflict management, and industrial relations. I have highlighted a number of gaps, primarily that prior research as insufficiently examined the context, and routinization in particular, has on both negotiation process and outcomes. I have proposed that using a practice-theory lens makes it possible to better investigate the contextual elements of negotiation. In doing so, I have focussed especially on the relationship between agency and structure, both in terms of how the structure shapes negotiation behaviour, as well as how individual negotiators go about exercising their agency within the confines of the structure.

### CHAPTER 3: METHODS

The objective of this study was to investigate the practice of collective bargaining in a way that examines the routine aspects of negotiation, the effect routinization has on process and outcomes, and the extent to which individual negotiators are able to shape negotiation praxis and outcomes. I focused specifically on the following main research questions: 1) In which ways does the structure of collective bargaining shape the negotiation process and its outcomes? 2) What influence do individual negotiators have on the negotiation process and outcomes, and what are the sources of such influence? and 3) What is the interplay between agency and structure within the routinized process and in what ways do individual negotiators manage this tension?

In accordance with the gaps in negotiation and conflict research, mainly caused by the predominant quantitative, laboratory based approaches in these fields of research, I have taken a qualitative approach that is better able to examine negotiation practice and behaviour in their real contexts, in part, based on the recommendations from scholars focusing on context (e.g., Bamberger, 2008; Johns, 2006). Qualitative methods are also the predominant approach in SAP and practice research more generally.

As an overarching approach, I used a qualitative grounded theory (Glaser & Strauss, 1967; Strauss & Corbin, 1998) approach. Grounded theory is an inductive approach where the aim is to let theory to emerge from the data rather than to deductively test predetermined theory and hypotheses. I did, however, use the “twin slate” approach to grounded theorizing proposed by Kreiner (2016), which is intended to reflect the fact that qualitative researchers rarely enter a research setting with a completely blank theoretical slate. This approach allows for theory to inductively emerge from the data at

the same time as existing theory is used to guide research design and construction of research questions. Using a qualitative inductive approach (e.g., Lincoln & Guba, 1985) allowed me to explore in-depth the process and interactions involved with the negotiations of collective agreement and to compare these observations with practitioners' lived experiences. It also allowed me to examine what archival documents reveal about formal context as well bargaining routines.

In the choice of case, I used a theoretical sampling approach where data sources are selected based on their relevance to the research questions (Eisenhardt, 1989). In choosing a context for my investigation, I followed Eisenhardt and Graebner's (2007) suggestion to select a case or setting that is "particularly suitable for illuminating and extending relationships and logic among constructs" (p. 27). In choosing a case, the purpose is not necessarily to find the most representative "sample" from a broader population of contexts, but rather to select a case based on its ability to generate theory on the relationships between the constructs of interest. As Yin (2014) states, the goal of case study research is "analytic generalizations" not "statistical generalizations" (p. 21).

Collective bargaining is an institutionalized process that is dispersed and taken up by the various different actors within a field, by a combination of coercive, normative, and mimetic forces (DiMaggio & Powell, 1983). The actors within jurisdictions – and even across jurisdictions – tend to adopt essentially the same process. However, the regulatory and cultural environment will vary considerably between jurisdictions (Hall & Soskice, 2001). For this reason, I chose to investigate a number of cases within one jurisdiction. I chose the small jurisdiction of the Faroe Islands (population of about 50,000) to be better able to treat the jurisdictional industrial relations as one case, which

nevertheless included multiple bargaining relationships within it. This is what Yin (2014) refers to as an *embedded case study design*.

## **Research Context**

The Faroe Islands are a self-governing jurisdiction within the Kingdom of Denmark with just under 50,000 inhabitants. Fishing and aquaculture are the predominant industries, but the public and service sectors are relatively large. Like other Nordic (and Scandinavian) countries, the Faroe Islands feature most of the characteristics of a coordinated market economy (CME; Hall & Soskice, 2001), such as a high unionization rate, centralized industry level bargaining, a policy of high government involvement in regulating labour markets policy, high levels of public funding of education, including tuition-free post-secondary education, and access to relatively generous study grants for all students. Moreover, as in other Scandinavian jurisdictions, the social support system is generous. For instance, unemployment benefit entitlements are 75% of earned wages up to a maximum of DDK 17,500 ( $\approx$  CDN\$ 3,300) per month for almost three years (Arbeidsloysissskipanin, n.d.), compared to 55% of earned wages (maximum \$2327 per month) in most Canadian jurisdictions for up to only 38 weeks, depending on province (Government of Canada, 2015). Hence, the Faroe Islands are an example of an economy where the industrial relations actors (as well as the general population) see the government as having central role in coordinating and regulating the labour market. In other words, a general logic prevails where it is assumed that simple supply and demand will not be sufficient to coordinate labour market needs.

### ***Collective Bargaining History***

Collective bargaining in the Faroe Islands has a long history, with the first collective agreement (between the Fishermen's Union and the Shipowners' Association) being negotiated in 1912 (Strøm, 1998). As a jurisdiction within the Danish context, the Faroe Islands have inherited a great deal of the Danish political, legal, and labour market institutions.

In Denmark, collective bargaining originates from the September compromise (J. L. Campbell & Hall, 2006; Madsen, Due, & Andersen, 2011), and since then, associations of employers and large (mostly national) unions have regularly engaged in voluntary bargaining. It is notable that in Denmark (as in other Scandinavian countries), industrial relations are based on a voluntary arrangement, whereas in North America, industrial relations are to a much greater extent based on statutory regulation (Menkel-Meadow, 1996). Even with these differences, the process is, on the surface, very much the same and follows very similar steps.

A central aspect of industrial relations in Denmark (that is different from other jurisdictions, such as the USA and Canada) is the tradition of centralized bargaining. Centralized bargaining involves the negotiation of one collective agreement covering multiple employers, instead of separate negotiations for individual employers (sometimes even different work sites within the same employer organization) that is the norm in Canada and the USA. Since its origin, this has been seen as the norm, a taken-for-granted assumption of how parties are to negotiate their wages. This is also the norm in many other European countries (Bamber, Lansbury, & Wailes, 2011), and a practice that has become part of the Faroe Islands industrial relations setup partly because many collective

agreements (in the public sector at least) were originally Danish (i.e., the Faroese employees were represented by Danish unions) and were only later been taken over by Faroese unions.

In the Faroe Islands, there are essentially three employer organizations: one representing the national government, one for municipalities, and one for the private sector. These three organizations negotiate with multiple, sometimes very small, unions. Some of these unions negotiated with all three employer associations/organizations. While things are very centralized on the employer side, they are much more fragmented on the union side. For example, the government has over 30 collective agreements with different unions and the private sector employers' association has over 20 collective agreements. This centralization on the employer side and fragmentation on the union side has important implications for the collective bargaining process, as I will discuss later.

## **Data Collection**

### ***Sampling***

Because I was interested in seeing the different ways that different negotiators engaged with bargaining, I sought to build as much variability as possible into the sampling, and I included both public and private sector bargaining. Whereas choosing one bargaining case would have allowed me to follow a single process from start to finish, taking a more cross-sectional approach provided me with a richer set of data and access to a wider range of informants, thus providing a more solid foundation from which to theorize general patterns of action and behaviour. Limiting myself to one case may also

have limited me to observing behavioural patterns that were more idiosyncratic to the particular actors involved.

While I stipulated in advance that my sample would include both private and public sector bargaining relationships, I followed the grounded theory theoretical sampling logic. According to this logic, not all sampling would be predetermined. This meant that the final sample ended up looking a little different than the one originally planned. Since sampling is supposed to be theoretical, the sample may change as new theoretical themes emerge from the data (Corbin & Strauss, 2008). Grounded theory relies on an iterative (inductive and deductive) process of going back and forth between the analysis of the various types of data. This iterative process allowed me to use early rounds of analysis to guide subsequent data collection to test and confirm earlier findings. This process continued up to the point of data *saturation*, the point where new themes no longer emerged (Strauss & Corbin, 1998), or where additional information became redundant (Eisenhardt, 1989). I describe the selection of interview participants, observation, and documents in the following sections.

### ***Interviews***

During the fall of 2015 and the spring of 2016, I visited the Faroe Islands twice, for a period of two weeks each time. I chose these periods consciously. Since the collective bargaining process is generally very concentrated close to contract expiration (Fall 2015 for the public sector and Spring 2016 for the private sector), there was a lot of negotiation activity during my visits. This allowed me to observe a number of bargaining meetings and to interview negotiators during the bargaining process. I conducted 28

interviews with practitioners with direct involvement with collective bargaining and interviewed a total of 26 different individuals (two participants were interviewed twice, before and after negotiations). The interviews ranged in length from 30 to 90 minutes with an average length of around 45 minutes. I conducted all interviews face-to-face, with the exception of two participants who had to be interviewed over the phone for scheduling reasons. The interviews were audio recorded and later transcribed *ad verbatim*. For one interview, I took handwritten notes because the participant preferred not to be audio recorded. The interviews were later professionally transcribed, with time stamps inserted after each paragraph, making it easy to compare the transcription with the actual recording. I have provided an overview of the interviewed participants and their respective roles in Table 1.

**Table 1. Total Interviews**

<b>Role</b>	<b>Number of Informants</b>	<b>Total Number of Interviews</b>
Management	10	11
Union	15	16
Neutral	1	1
<b>Total</b>	<b>26</b>	<b>28</b>

The purpose of the interviews was to seek negotiators' experience with past bargaining interactions, their assessment of the nature and quality of the relationships with bargaining counterparts, their perceptions and interpretations of past events, and how they thought these would impact future interactions. In addition to descriptions of process and activities, I asked them about their motivations, priorities, and strategies when it came



to negotiating collective agreements. I also asked them about their perceptions of the motivations, priorities, and strategies of their counterparts.

In line with the primarily inductive nature of this project, I employed an open-ended interview structure. While I focused on specific topics and issues of interest related to my research questions, I sought to avoid imposing too much direction on participants in the interviews, but rather invited them to share the aspects of topics they found to be of greatest relevance and importance. The interviews were, therefore, semi-structured (Kvale & Brinkmann, 2009) in nature and included a set of broad questions (“grand-tour questions”; McCracken, 1988) as much as possible (see Appendix 1 for the interview protocol).

Using an interpretivist lens (Blaikie, 2000), I sought, as much as possible, to elicit participants’ own thoughts and lived experiences (i.e., an “insider view”), even as I provided some structure to the interviews so that they remained focussed on my research questions. Mason (2002) refers to this approach as a “conversation with purpose” (p. 67). While interviews themselves were fairly fluid, especially in terms of the order the questions were asked, I did not follow this protocol strictly, but rather used it as a checklist to make sure key areas were addressed. Since participants would frequently segue to another issue on their own accord, I did not necessarily ask the questions in the order prescribed in the interview protocol. For each main question, I added a set of prompts I that I could use to probe further into the questions, depending on how much detail participants volunteered in their initial answers.

In addition to the information recorded in the actual interviews (audio recording and subsequent transcript), I also took note of other information surrounding the

interview. This type of information included the setting, any noticeable aspects of setting up the interview or recruiting the participant, as well as new things participants brought up after the audio recording had stopped (Warren et al., 2003). There were several instances where interviewees would make comments before the actual interview started, or just as I was packing up, comments that would provide additional insights that were not expressed in the actual interviews. Furthermore, there were a couple of occasions where the participant wanted me to stop the audio recording when they had something to say they felt was particularly sensitive. For these reasons, I wrote a note and commentary after each interview. This note and commentary summarized my observations and interpretation. Not only did this help me capture aspects of the interview that might not have been included in recording and transcripts, it also helped in getting a preliminary interpretation of the interviews. I could then use this initial assessment in the preparation of subsequent interviews to decide on whether the interview questions needed to be modified as I continued. I also recorded some specific characteristics of each participant, such as their level and length of collective bargaining experience, professional field, prior experiences, and educational background, since these could be factors explaining their perceptions and behaviour in the negotiations.

### ***Observations***

Observational methods are the backbone of much practice research. As understanding practices and processes were a big part of my research questions, getting access to observe interactions and meetings was a priority. I had access to observe ten bargaining meetings, ranging in length from two hours to a whole day. These

observations included sitting in on private caucuses. I wrote general notes on a computer during the meeting and I wrote daily memos reflecting on observations and interviews. In most cases, I was allowed to sit at the end of a boardroom table. I took note of the quality and nature of interactions between the parties, what type of process seemed to be established for each meeting, the number and kind of representatives for each party, the amount of time spend on non-business talk (such as small talk in the beginning), and which people (i.e., roles) tended to speak the most. Without going into the specifics of issues discussed (for confidentiality reasons), I recorded the ways in which different types of issues (such as wages, pensions, work rules, seniority, job classifications) were discussed.

I recorded the general flow of the conversation, the general tone (e.g., friendly or not), amount of small talk and humour, the extent to which parties used distributive or integrative strategies (and joint problem-solving), and whether the approach seemed to depend on the type of issues discussed. As I was entering what was, for me, a new context, I tried to record as much observable information as possible, because I did not know in advance what would be most interesting. This is akin to an ethnographer going into a field and treating everything as *strange*, meaning that “nothing should be taken for granted and nothing should be assumed to be uninteresting” (Neyland, 2008, p. 100). This included how people were dressed, how promptly parties followed scheduled starting and ending times, what types of refreshments were available, and whether or not parties had lunch together. While some of this information turned out to be of little relevance, some of it did help illustrate characteristics particular to each bargaining relationship.

Participating negotiators were surprisingly willing to allow access to observe meetings. Almost all negotiators I interviewed were keen to have me observe one or two the bargaining meetings in which they were involved (I often interviewed people on both sides of the same negotiations). Additionally, I also had several opportunities to observe internal private breakout meetings (i.e. “caucuses”) of each side. Obviously, access to meetings was limited to the times I was visiting the jurisdictions. As my goal was to capture a cross section of different negotiations, I was not able to follow any particular bargaining process from start to finish. Instead, the cross-sectional sampling provided me with a good representation of the variability in bargaining. Furthermore, I was able to use the interviews to get further information on the overall bargaining process, information that I could get from the negotiators’ (perhaps subjective) perspective, which I could then evaluate and compare with my own observations and the perspective of the process I would hear when interviewing people on the other side, which I was often able to do.

Prior to data collection I had concerns that access to meetings might prove difficult for confidentiality reasons; however, once I had explained the purpose of my research and the reason for observing meetings, as well as my ethics and confidentiality protocol, participants expressed very few (or no) concerns. The parties seemed very comfortable with an extra person in the room. It is possible that people were on better behaviour because they were being observed, something that some participants in one meeting jokingly commented on. I did, however, observe a range of friendly and hostile interactions, with at least one meeting featuring strong negative emotions.

In addition to the direct observation of the meetings, I wrote short field notes on a daily basis during my data collection periods. These memos were a way to capture some

broader contextual observations, sometimes involving reflections on what was said during a media interview compared to what I had observed myself in the negotiations or heard in interviews.

### ***Archival Material and Documents***

In addition to interviews and observations, I collected both publicly available and private archival data. Publicly available data included existing and prior collective agreements, industrial relations statutes, employer and union websites, newsletters, and news media coverage of collective bargaining (including, news websites, newspapers, radio, and TV broadcasts). In some instances, I was granted access to internal documents, including meeting notes from bargaining meetings, bargaining demands/proposal, proposals for settlement, and even some email correspondence between employer and union negotiations.

The archival documents served two main purposes: 1) they provided information about the broader industrial relations context (i.e., legal environment, history of collective agreements, etc.), and 2) they served as supplementary material to interviews and information as a way to help interpret and/or verify observations and expressions made in the interviews, i.e., they aided in *data triangulation* (Yin, 2014).

### **Analysis**

Once data was collected, I imported all data into the NVIVO qualitative data analysis software to help with managing the large amount of data. All coding was, however, done manually. I coded all the interviews and archival sources in the Faroese language, which is my native language, making me fully able to interpret the nuances of

everything that was said. Thus, I did all the analysis in Faroese but translated any excerpts used in the Findings into English. The analysis followed the grounded theory iterative process of constant comparison (Corbin & Strauss, 2008; Glaser & Strauss, 1967). This means that the researcher is constantly comparing incidents or themes in one data source with other data sources, whereby similarities and differences can be identified for the purpose of then defining the larger themes upon which theory is built.

For analysis, I used a qualitative grounded theory approach (Corbin & Strauss, 2008; Glaser & Strauss, 1967) with some modifications. The approach was inductive in that I did not start out with any predetermined hypotheses to test. Instead, grounded theory is based on the principle that theory should emerge from the data. However, qualitative researchers often do not start out with a completely blank theoretical slate, as pure grounded theory might suggest, but rather set out to explore a specific theoretical phenomenon or gap. For this reason, qualitative researchers will typically use pre-existing theory to construct research questions and research design. Thus, my main modification to the grounded theory was a simultaneous inductive analysis and a theory-based data collection and coding process (see “twin slate” analysis; Kreiner, 2016).

The main difference between the twin slate method and other approaches to grounded theory (e.g., Gioia, Corley, & Hamilton, 2013), is that it incorporates existing literature and theory early in the coding and analysis process (Murphy, Klotz, & Kreiner, 2017). While Kreiner (2016) has recently formalized this approach, labelling it as “*tabula geminus*” (twin slate), it is an approach that has previously been discussed by grounded theorists (e.g., Locke, 2015; Van Maanen, Sørensen, & Mitchell, 2007). In addition, this approach has been used in a number of prominent recent articles (e.g., Hollensbe,

Khazanchi, & Masterson, 2008; Kreiner, Hollensbe, & Sheep, 2006; Kreiner, Hollensbe, Sheep, Smith, & Kataria, 2015; Smith, Knapp, Barr, Stevens, & Cannatelli, 2010; Treviño, den Nieuwenboer, Kreiner, & Bishop, 2014).

One of the benefits of this approach is that it keeps the researcher from spending time analyzing, describing, and conceptualizing constructs that are already well defined and illuminated in the literature. In addition to being a potential time (and page) saver, it also helps the researcher avoid unnecessary replication. Instead, it allows the researcher to more directly, and earlier in the analysis process, link existing constructs and relationship with the more novel findings emerging from the data. In essence, the twin slate approach follows the constant comparison principles of grounded theory (Corbin & Strauss, 2008; Glaser & Strauss, 1967), but extends it to include the incorporation of existing literature from the start of the analysis process. This way, instead of the developing a new, free-standing, theoretical model emerging from the data, the twin slate approach aims to more directly incorporate existing theory in the model. For example, and as I discuss in more detail later, constructs such as *trust* and *routines* emerged as prominent themes in this study, but since these already have extensive bodies of literature behind them, it seemed unnecessary for me to redefine them, especially as findings essentially confirmed what we already know about them. Instead, I focused my efforts on analysing and explaining how these predefined concepts related to the other findings of this study. For this reason, I have included examples of references to existing literature in the findings chapter, something that is otherwise unusual in other approaches to grounded theory.

While Kreiner (2016) presents the twin slate approach as a distinct “flavour” of grounded theory (Murphy et al., 2017), there is nothing that prevents a researcher from

mixing it with other “flavours” such as the visual displays used in the Gioia method (Gioia et al., 2013). Similar to what other users of the twin slate approach have done (e.g., Knapp, Smith, Kreiner, Sundaramurthy, & Barton, 2013; Kreiner et al., 2015), I have used the twin slate analysis method together with the visual representation proposed by Gioia et al. (2013) to represent the data structure of the findings.

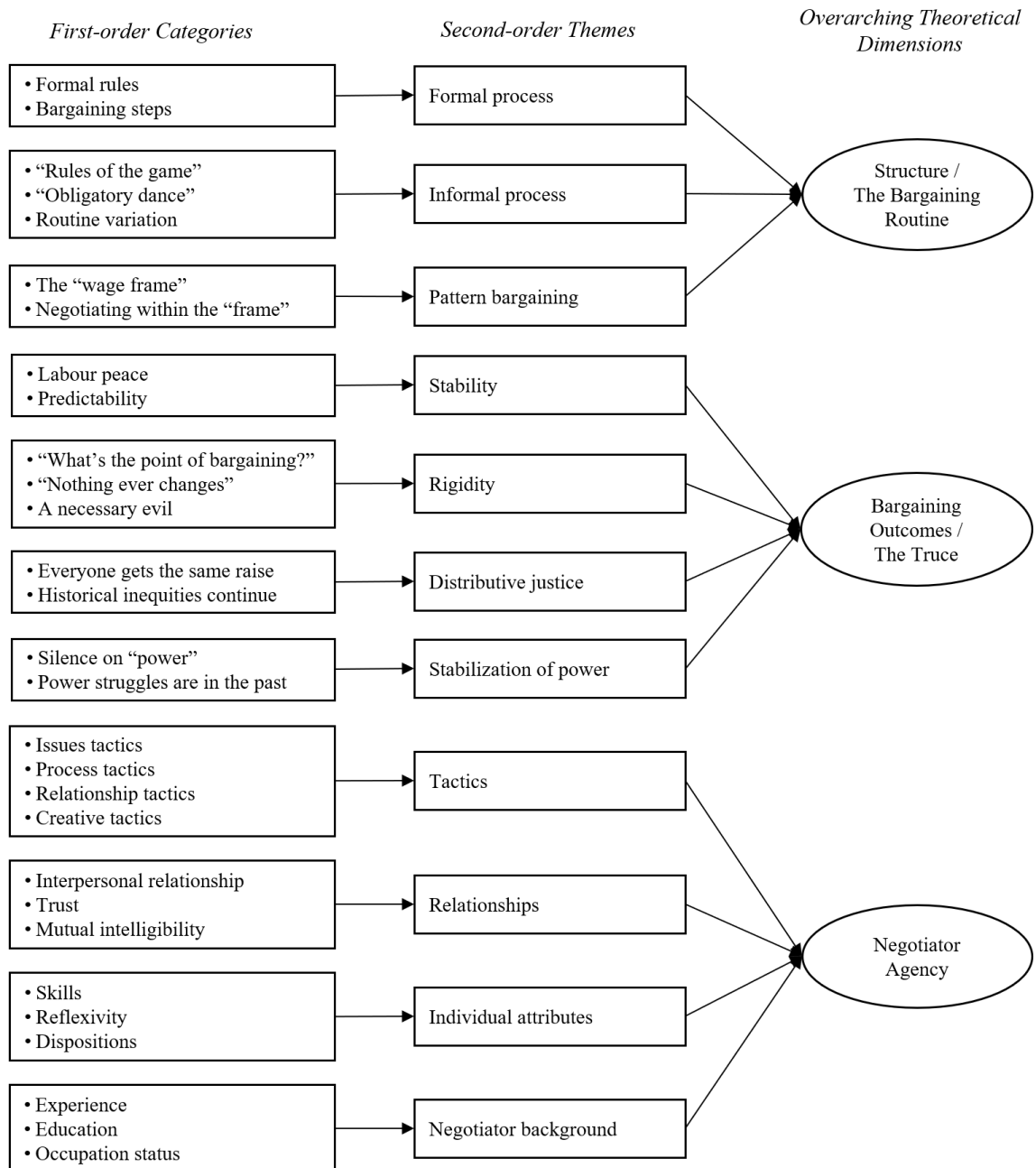
To structure my data, I followed the three-stage process recommended by Gioia et al. (2013). This method is intended to make findings more easily interpretable, and to provide the reader with a clearer trail of the relationship between raw data and emergent theory. The first step is to define first order codes that describe data close to the raw data. Typically, the first-order codes would be defined in terms the informants would recognize. The second-order codes are defined at a slightly higher level of abstraction, with labels defined by the researcher (Van Maanen, 1979). However, since I used a twin slate approach (Kreiner, 2016) that simultaneously is inductive but also uses pre-established theory to shape first-order data collection and recording, some of my first-order codes were categorized in somewhat theoretical terms. Finally, the third step involved arranging the second level themes in to higher level theoretical dimensions. I have presented the final data structure in Figure 3.

### **Ethical Considerations**

While this research posed relatively low risk to individual participants, there were a few ethical issues that needed to be carefully addressed. Since interviews relate to participants’ professional experiences and do not go into participants’ personal and private lives, the risk of psychological and emotional harm was very small. However, it



was difficult to predict what might cause participants to have emotional or psychological reactions. For this reason, participants were explicitly informed that they could decline to answer any questions they were uncomfortable with and that they were free to withdraw from the study at any time up until one month after the end of their participation.



**Figure 3. Data Structure**

The more likely risks to participants related to my responsibility as a researcher to fully protect participants' anonymity and confidentiality, breaches of which could have social and financial consequences. Examples of such consequences included the social implications of a participant's controversial opinions being publicly exposed or one party's bargaining position being compromised by confidential information being leaked. Anonymity was particularly challenging in the small jurisdiction in which I was researching. For example, in the Faroe Islands, with a population of less than 50,000, where there is a very limited number of industrial relations actors, there was a great likelihood that people would be able to guess the identities of some of my participants. Even if I personally treated every person and organization 100% anonymously, there might, for example, only be one or two people in charge of bargaining for each employer organization. However, during my data collection most participants were not particularly concerned about anonymity and would even talk to each other about participating in my research. Even though some of participants chose to compromise their own anonymity, I reiterated to all participants that I would not personally disclose to anyone whom I was interviewing or observing, and that in my written and oral reporting, I would do my utmost to conceal any characteristics that could reveal individual and organizational identities. In other words, I was very explicit with participants about what I would and would not do to protect their anonymity. What they chose to reveal about themselves to other people was not something I could control.

Confidentiality of the information I was exposed to was likely of greater concern, especially when participants compromised their own anonymity. Moreover, the exposure of confidential information was likely a primary way to identify individuals and

organizations. For this reason, in the reporting of my findings I am often unable to specifically identify who said what, even with a pseudonym. The proposal for this research was reviewed by the Interdisciplinary Committee on Ethics in Human Research and found to be in compliance with Memorial University's ethics policy. Memorial University ethics approval is included in Appendix 2.

## CHAPTER 4: FINDINGS

In this study, I set out to examine the extent to which routinization of bargaining constrains the possibility of individual negotiators influencing process and the outcomes. To do this, I asked the following specific research questions: 1) In which ways does the structure of collective bargaining shape the negotiation process and its outcomes? 2) What influence do individual negotiators have on the negotiation process and outcomes, and what are the sources of such influence? and 3) What is the interplay between agency and structure within the routinized process and in what ways do individual negotiators manage this tension?

The overarching story from the findings is that the highly structured and routinized process severely constrains what is possible in terms of outcomes. In most respects, what negotiators did during the negotiations had limited impact on the outcome, and this is especially due to the strong presence of pattern bargaining. Furthermore, the routinized structure of the bargaining process also constrained *how* negotiators went about the bargaining. However, even with the limited direct effect on outcomes, some negotiators seemed more effective than others at escaping (even if only in a minimal sense) the “shackles” of the routine. Although this did not always lead to material differences in outcomes, the negotiators demonstrated a very rich and highly varied repertoire of bargaining tactics, with the most creative tactics aimed specifically at getting around the constraints of the bargaining routine, and wage-frame pattern bargaining. In essence, this became a story of structure versus agency. Accordingly, this chapter is organized around the structure (as represented by the bargaining routine), the outcomes of routinized practice, and the agency of negotiators.

In this chapter, I will discuss my findings in the following order: 1) I begin by discussing the routinized bargaining structure because this turned out to be the dominant feature of my findings, and the feature that was most instrumental in determining negotiation outcomes. 2) Next, I will discuss the bargaining outcomes, in particular how these were determined by the bargaining structure and especially by the routinization of the process. 3) Finally, I discuss the role and agency of the individual negotiators, with an emphasis on the role of tactics, skills, cognition, and dispositions. I discuss how these were related to negotiators' backgrounds and experiences, and examine how tactics were affected by the bargaining relationships.

I also want to remind the readers more familiar with other approaches to grounded theory, that, in accordance with the twin slate approach (Kreiner, 2016), I integrated concepts and constructs already established in existing literature and theory early in my analysis. For this reason, I will make some references to literature in my description of findings, something that may be uncommon in other approaches to grounded theory.

### **Structure: The Bargaining Routine**

As outlined earlier, collective bargaining is a highly structured process. This became quickly apparent in my observations and interviews. All the different mini cases I investigated followed a fairly prescribed process that was relatively strictly adhered to by all parties. In essence, the process fit the characteristics of what Feldman and Pentland (2003) label an *organizational routine*. As such, bargaining consisted of 1) a pattern of actions (i.e., the various steps in the bargaining process), 2) the involvement of multiple actors (two opposing teams, each consisting of multiple members and representing many

more constituents), 3) interdependent actions (the execution of one step or activity, such as a bargaining meeting, depends on the execution of other activities, e.g., the termination of collective agreement), and 4) repetitive patterns (actions repeated for each round of bargaining). While there was a strong presence of a routine, the activities and actions within the routine varied in terms of their formality. Fundamentally, the strictly formal process only provided the skeleton for the routine, which was, for the most part, held together by a range of informal actions.

While this formal process was highly structured and prescribed, and on the surface quite rigid, there was nonetheless considerable nuance in how the various steps were enacted, as the negotiators did have some discretion in how they chose to perform each step. Furthermore, there were individual and contextual reasons for such variability, especially because bargaining between two parties was strongly influenced what happened in bargaining between other parties, particularly in relation to the order in which the various negotiations proceeded.

In addition to the variability within the formal process, there were also some informal elements involved. In fact, there was fluid interplay between the formal and the informal. There was not always a clear-cut distinction between formal and informal, and it would be more accurate to describe activities as ranging in level of formality: from very formal to very informal. The point here is not necessarily to develop a precise categorization but instead show that levels of formality varied. More importantly, whether aspects were formal or informal, they both seemed to be essential elements of the process and the routine, as I will describe below.

## ***Formal Process***

***Formal Rules.*** Collective bargaining in the Faroe Islands exists within a light regulatory context, particularly in comparison with jurisdictions such as Canada and the USA, where there are stronger statutory and legislative regulations of industrial relations. While there are agreed-upon formal steps in the process, as well as ways of engaging, very little of this is formally described. Unlike in other jurisdictions, like Canada and the USA, there is no statutory mandating of any *duty to bargain*, nor is there any requirement to bargain in *good faith*, i.e., the legal requirement of both parties to make honest attempts to reach agreement through negotiation (Cox, 1958). Much of the legislation that does exist relates to employment standards issues such as the stipulation of the number of holidays (*Løgtingslóg nr. 30 frá 7. apríl 1986 um frítíð við lön, sum seinast broytt við løgtingslóg nr. 56 frá 16. mai 2006*, 1986), unemployment insurance issues (Arbeiðsloysisskipanin, n.d.), and job security provisions, particularly for white collar workers (á Rógvi, 2013; *Starvsmannalógin*, 1970). As for the bargaining process itself, the statutory provisions are essentially limited to the requirement for third-party conciliation before the parties are allowed to call a strike or lock-out, and a recent law requiring parties to stipulate in their collective agreements an explicit notice period requirement for strikes or lockouts.

With the relatively light statutory framework, most of the formal regulation of industrial relations is contained within existing collective agreements, most specifically the notice period for the termination of the existing collective agreement (equivalent to the “notice to bargain” in the Canadian context) which is typically set at three months. A small number of bargaining units (i.e., sets of union-management bargaining pairs) have

made what they label “main agreements” which stipulate agreed-upon broader parameters around the bargaining process, such as the definition of who is included in the bargaining unit, agreement to not initiate any work stoppages during the term of a collective agreement, issues related to dispute relations, and notice of agreement termination (stipulations that are often later specified in subsequent collective agreements).

*Bargaining steps.* In almost all the cases I observed, bargaining followed some predetermined steps. The main steps included Notice to Bargain (as per the time frame stipulated in existing agreement), First Formal Meeting (exchange of demands/proposals), Negotiations (bargaining meetings), and Signing of Agreement. Bargaining always started with one party giving notice to terminate the existing collective agreement by the first allowable expiry date specified in the agreement (three months being the most common). Apart from the actual signing of the agreement, this was the only *strictly formal* part of the process.

Within the formal steps, there were strong norms around how these steps were to be performed. For example, there would generally be no explicit requirement for the parties to meet face to face, only that they initiate the bargaining, and by necessity, the parties would need to sign the agreement in order to complete negotiations. However, as meetings were customarily considered the main mode of negotiation (in most sectors of society), they were taken for granted as a core component of the process. Accordingly, the first formal meeting between the parties was considered the official start to the bargaining process. At this meeting, the parties would exchange demands and proposals for desired changes to the collective agreement, another formal and standard, but not regulated, part of the process.



At this stage, the parties would listen to each others' proposals and stated priorities but would generally not respond to specific requests. No negotiation would happen at this meeting, except for the discussion of scheduling of subsequent meetings. Occasionally, there would be issues with the sequencing of different concurrent rounds of collective bargaining.

### ***Informal Process***

In addition to the most formal aspects of the process, collective bargaining involved a range of events and activities that varied in degree of formality. There were norms around how meetings were to be scheduled and called, and what a meeting agenda might look like. However, what happened within the meetings was often relatively informal, though again, there were norms around how some of the interaction was to happen. For example, as stated previously, at the first meeting it was customary for the parties to present their demands; the only other agenda item would be to schedule a time for the second meeting. At the second meeting, each party would, in turn, respond to the other party's opening proposals or demands. Only minimal back and forth negotiations would happen during this meeting. At this stage, discussions would mainly be about seeking clarification from the other party about the proposals and responses to demands. Depending on the time scheduled for the meeting, the parties could continue immediately with negotiating, but normally only after a break where each party had had the opportunity to discuss the other party's position internally before deciding how to respond. The normal routine was that the parties would meet, present their position on a particular issue, or their response to a party's latest offer or demand, probe for

clarification on particular points, and then go their separate ways to discuss the latest responses. This could involve nothing more than a short break where the parties could internally discuss a small point that they could respond to immediately (if time permitted), or they could agree that the parties needed more time to consider the issue internally and continue the discussion at a subsequent meeting. In essence, the basic sequence involved: 1) present position, 2) probe for clarification, 3) break for internal discussion, and 4) present response or counter position after a break or at the next meeting.

Because there usually are many issues to negotiate in collective bargaining, and steps 1 and 2 of the above basic sequence would be reiterated in relation to each issue during the same meeting before the parties went their separate ways. Thus, there was a behavioural communication pattern that was routinized for the negotiation meetings, consisting of the sequence of presenting a position, probing for clarification, parties meeting for private internal discussion, and then responding to the position at the subsequent meeting. While this sequence of events was informal, it was also, nevertheless, essentially a script that everyone was expected to follow.

There were also certain customs around the order in which the parties discussed the various issues. Generally speaking, it was common practice to leave the monetary issues to the end. In part, this was because there was usually more overlap of interests on non-monetary issues, such as the process for applying for leave without pay, which made it possible to establish relationships before getting to the more difficult and divisive monetary issues, where negotiations were usually considerably tenser. Because the steps in the process – and how they were enacted – were not equally regulated or scripted, there

was a grey area between what constituted the formal and the less formal aspects of the process.

**“Rules of the game.”** As described, the collective bargaining involved a number of specific steps that everyone took for granted. None of the participants interviewed questioned the need for these steps. The absence of such questioning in response to my questions about their thoughts about process highlighted that these were, for the most part, taken for granted. The collective bargaining steps were thus habitual parts of routine “standard operating procedures” (Pentland & Hærem, 2015, p. 466; see also March & Simon, 1958).

A number of negotiators referred to bargaining as a “game” that was possible because “players” operated within some agreed-upon “rules of the game.” Because these rules were taken for granted, they often only became explicit when people breached them, sometimes because they lacked the experience to have internalized them. Such a breach of the rules could cause the negotiations to become much more difficult. As one negotiator explained:

[It’s important] that you somehow know the existing rules of the game, and the implications these have. . . . But if you experience ending up in bargaining where the entire bargaining team is new, then it won’t be easy. These people, they don’t know that they shouldn’t go out to the news media to promise “gold and green forests,”<sup>12</sup> because they won’t be able to live up to that.

Thus, it was apparent that the behavioural rules of the bargaining routine were not something that new negotiators could just pick up from reading a manual. To be manageable, the bargaining process required a lot of nuanced behaviours, the

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<sup>12</sup> Faroese saying referring instances where people make extraordinary promises on which they are unlikely to fully deliver.

understanding of which negotiators only gained through experience and engagement with the process.

*“Obligatory dance.”* Further on the theme of bargaining not being an entirely rational endeavour was the notion of the negotiation routine being some form of “obligatory dance.” Even though bargaining could technically be completed in a few meetings in some cases, some negotiators felt that there were customs embedded within the bargaining process that did not directly contribute to constructive negotiations. One negotiator suggested that while in many circumstances it should be possible to conclude the bargaining after just two meetings, the negotiations sometimes appeared to be drawn out simply to fulfill some expectations that bargaining should take a certain amount of time:

It feels [exactly] like you are doing some kind of obligatory dance to end up in a place, where you conceivably could have got to after one or two meetings. . . . My guess is that [the employer] feels that some customs have to be followed. The unions should not feel that they are getting anything too easily, and they should not get the impression that someone will put all their cards on the table right away, because, perhaps, if you can save the employer some [pennies] here and some percentages there, and get a [stricter] wording in someplace, then it is a big victory. The [employer negotiators] have something to prove to their own employers. . . . that [the name of the union (which might be perceived to be in a privileged position)] can’t come in and get everything done within two meetings. But in reality, it could be over and done with in two meetings.

As this quote highlights, one reason for this “obligatory dance” was to give the process more legitimacy in the eyes of constituents and other stakeholders. Essentially, negotiators had to demonstrate that bargaining was a challenging process where negotiators had to work hard to achieve outcomes that were fair to the people they were representing, and to show that no union got anything more easily than other unions. But,

as will be discussed in more detail later in this chapter, experienced negotiators knew that the process and outcomes were for the most part fixed in a pre-established truce, where they could predict with relative ease which issues were worth “fighting” for and which ones were unrealistic, which meant that, technically, negotiations could be completed in a very short time. However, for those outside the process and not fully aware of this, completing bargaining in two meetings would not make sense in terms of feeling that their interests were being vigorously pursued.

***Routine variation.*** While there was a standard routine for the overall process of bargaining, with a number of specific steps that everyone followed, there was some variation in how these steps were performed, and some bargaining units complemented the standard routine with some additional, usually informal, steps as they saw necessary. For example, there was variability in how the first step happened. Some bargaining units had started to schedule an initial formal meeting before either party had given notice to terminate the existing agreement, where the parties could discuss scheduling and perhaps some of the issues that might be prominent in the negotiations. Thus, while only one of the cases observed provided for this explicitly in the collective agreements, other bargaining units (i.e., union-management pairs) had started to do this informally.

Within meetings, there was also variability in how the parties interacted. Some would stick to the bare-bones routine while others devoted a considerable amount of time to problem-solving discussions during the meetings. Other bargaining relationships involved extensive private side negotiations between the lead negotiators for each team. In other words, the negotiations varied considerably in terms of formality. Other variations included the number of meetings, the timing of meetings, the length of

meetings, the format, content and length of opening demands, the portion of time spent in joint meeting versus separate caucuses, and the extent to which the lead negotiators would talk in private. However, there was still a sense of a strong routine; it was basically a slightly different version of the routine, depending on the particular characteristics of each bargaining relationship, such as individual negotiator attributes, the type of tactics generally used, and the quality of interpersonal relationship between negotiators.

### ***Pattern Bargaining***

*The “wage frame.”* Over the last two decades, a pattern has emerged that increasingly imposed a form of pattern bargaining on all parties. In recent years, this has become a core component of the bargaining routine. This pattern bargaining involved a “wage frame,” where the employer would negotiate an agreement with one of the larger unions first and then use this as a frame to determine the wage-increase pattern for all subsequent negotiations with other unions. The use of the wage frame was possible because of the centralized bargaining where there was essentially only one employer (or association of employers) negotiating with all the unions, putting them in a position to be able to insist on giving the same overall wage package to all unions.

With the centralized bargaining, there were two overall rounds of bargaining. In the public sector (both jurisdictional and municipal), almost all collective agreements expired on the same date. Private-sector bargaining followed the same pattern, with the expiration dates for private- and public-sector agreements usually being roughly one year apart from each other. With the collective agreements typically being two years in length, this meant that every year there is a major round of negotiations in either the public or

private sector. While the public and private sector negotiations are independent of each other, the wage pattern established in the most recent negotiations in one sector will influence the outcomes of the subsequent negotiations in the other sector. It is not uncommon for the Year 2 increase in one sector to be replicated in the Year 1 increase in the agreement that follows.

The impetus for the establishment of the wage frame practice seems to have come from the experience of more tumultuous industrial relations in the Faroe Islands (prior to the 1990s) when strikes and labour disruptions were much more common than they are today.<sup>13</sup> It was also partly due to frustrations among the employers with the fragmentation of the number of unions that the employer had to negotiate with, which made negotiating a different level of pay increases in each case almost impossible, especially because employers had to try to consolidate the demands from 30+ unions and negotiate 30+ different wage packages. As a former employer negotiator expressed:

It is the employer who is forced to do it. If you have 32 unions, and if you give number 3 more, then number 1 and 2 are going to feel screwed. And then it will be much more difficult to get an agreement next [time]. And therefore, you are forced to set a “frame.”

Furthermore, negotiators were cognizant of the Danish model, according to which there would only be one major negotiation on wages. Therefore, they started to insist on everyone accepting the same overall wage frame. At the time, a fair number of Faroese public sector employees were represented by Danish unions, and since these were accustomed to the Danish model, they would come to the table already expecting there to be a wage frame. In the words of a former employer negotiator:

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<sup>13</sup> Based on information from informants. Official statistics not available.

But it was easy with the Danish unions. They accepted the frame because they were used to it from Denmark. [They would] get straight to the point: “What is the frame? Is it set? OK.”

*Negotiating within the frame.* With the wage frame in place, the employer would insist on giving all unions essentially the same wage package. There was no real bargaining on overall wage increases. Without exception, all unions would get practically the same deal in overall monetary terms. As a result, bargaining ended up being mainly about adjustments within the overall wage frame, such as adjustment on job classifications, or allocating some of the package to specific provisions, such as overtime. For example, if the union wanted to add an extra step to the pay-scale, the cost of this extra step would be subtracted from the overall percentage wage increase. Similarly, the union could “buy” an extra holiday by subtracting the calculated value of from the wage frame increase. There was, however, considerable flexibility on how the gains were allocated, as long as the total package did not cost any more than the wage frame offered to others. As one employer negotiator expressed:

Oh, there is still much to negotiate. Because then one union will say, if the frame is 3%, then we would like to use all of it to raise the wage of one particular group of employees . . . or they can use it to raise the pensions for some, etc.

Thus, even though wage frame limited the negotiators’ options, something negotiators could find very frustrating, many felt that there was still a lot to work on. As I discuss later, there was a rich variety of ways negotiators tried to get the most out of the negotiations within the wage frame, particularly in terms of the range of tactics they employed.



## **Bargaining Outcomes: The Truce**

The routinization of bargaining in the Faroe Islands appeared to have a substantial effect on the bargaining outcomes. On the one hand, the routine brought considerable stability to the conflict and reduced the occurrence of strikes. In essence, the routine had resulted in a truce that minimized the extent to which the underlying union-management conflict was “expressed in highly disruptive forms” (Nelson & Winter, 1982, p. 109). In other words, the rigidity and stability ensured that the manifestation of the latent industrial relations conflict was kept at a manageable level. On the other hand, the routine, and the wage frame in particular, caused an enormous amount of frustration among negotiators due to the constraints it put around their ability to negotiate. Finally, the routine truce ensured that wage increases were applied equally to all occupational groups, resolving some distributive justice issues, while also introducing new ones. The pattern bargaining therefore established a truce that allowed bargaining to continue with relative “efficiency,” even as it limited possibly necessary wage adjustments between bargaining groups.

As described, the routine pattern involving a wage frame ensured a consistency in outcome, in that all parties would get very close to the same outcomes, in terms of wages. The routinization also established some predictability in the negotiations, which, in most cases, made it easier for the negotiators to manage the various steps in the process. My interviews and observations demonstrated that the routinization of collective bargaining provided many of the same effects discussed in the organizational routine literature, including stability, predictability, rigidity, and the establishment of a truce.

## *Stability*

The bargaining routine (in part due to the wage frame) had a number of important benefits for all parties. Not only did it resolve some of the practical problems described above of having 30+ different major negotiations, it also made it possible to negotiate quite efficiently; that is, if the parties were generally accepting of the frame. And it removed the distributive justice issues and possible outrage, should some unions be able to negotiate materially higher gains than others. As reported by my informants, the stability provided by the routine was perhaps most explicitly demonstrated in the significantly reduced number of work disruptions in the Faroese industrial relations since the emergence of the wage frame pattern.<sup>14</sup>

The routine also provided a high level of predictability in negotiations, which allowed negotiators to prepare well for the negotiations because they knew what they could expect in the process and they were able to predict what type of issues their counterparts would bring up and they had a good sense in advance of how the issues would be discussed, and in what order. Even at the more intuitive level, negotiators had a sense of how the negotiating “game” would be played, something that was only disrupted when some people did not play by the rules, often because newer negotiators had yet to learn and internalize these rules. In some cases, this predictability of the routine did help make the process more expedient as it allowed some parties to complete the negotiations in a relatively quick manner. However, this may have depended on the specific parties

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<sup>14</sup> As reported by informants. Industrial relations statistics are not officially tracked in the Faroe Islands.

involved, because while there were examples of negotiations being completed in two meetings, other negotiations would take much longer.

### ***Rigidity***

Most of the negotiators interviewed had strong feelings about the bargaining routine. The biggest frustration was that some felt that the frame essentially resulted in their right to free negotiations being taken away from them, with one union negotiator exclaiming, “what on earth is the point of bargaining, then?” Other negotiators, while appreciating the purpose and need of the wage frame, complained that routine and habitual thinking (see *mindlessness*; Ashforth & Fried, 1988) in bargaining meant that nothing really important in the union-management relationship (or contract) ever changed, since it was possible with considerable accuracy to predict in advance what the other party would bring to the table and, as a result, what a final agreement would look like. As one employer negotiator reflected:

I know from experience and having observed what happens in bargaining, that very little actually changes. We can predict almost 100% what union is going to come with. And even if at one point the union comes with these drastic demands, it really only ends up in the usual stuff and small details we always see. There is no surprise. And we never get around to making any improvements more broadly speaking.

Thus, for a negotiator interested in a more integrative approach to negotiations, where broader discussions could be held and where the parties could problem-solve on particular work-site issues, the routine would encourage entrenchment and habitual thinking with the result that nothing really ever changed. However, many had come to see the wage frame as a necessary evil, because they could see that the alternative would

mean chaos. As one employer negotiator stated, “[the unions] keep fighting against that frame. But if you negotiate a new frame for each of the unions then it will turn into anarchy.”

While the rigidity of the routine certainly constrained what was possible to negotiate, it was, however, sometimes possible for unions to get a tiny bit extra, but usually in ways that were difficult for other parties to fully see through. At the same time, it seems that employers differed in how willing they were to engage in such creative exchange of gains and concessions and some would simply be much more insistent on sticking to the wage frame. I discuss some of these frame-circumventing approaches in more detail in a subsequent section on negotiation tactics.

### ***Distributive Justice***

Over time, the routinized wage-frame bargaining has ensured a consistency in outcome, in that all parties would end up with very close to the same outcomes, in terms of wages. This consistency resolved some distributive justice (see Adams, 1963) issues because it removed the possible effect that varying bargaining power could have on the outcome. Almost regardless of how powerful some unions potentially were, they would essentially get the same deal, which had become the expectation of almost all parties. It would likely be a source of considerable outrage should any union be able to negotiate materially higher gains than others.

One of the most highlighted implications of the constraints imposed by the wage-frame model was that it made it very difficult to make adjustments to the wages of particular occupational groups relative to other occupations. Thus, a downside of this

stability was that it made it virtually impossible to rectify perceived distributive injustice. This meant that occupations that were perceived to be historically underpaid (even by the employers) had almost no chance of having this perceived wage injustice rectified. Such adjustments would require breaking the frame, something the employers had committed themselves to never do (due to the almost certain chaos that would result), and there would likely be considerable outrage from the other unions if the employers were to suddenly break this supposedly un-breakable principle.

As expected, the greatest concern around this issue came from the unions that were struggling to raise their wages compared to other occupations. One union negotiator stated:

The way we negotiate, we are never going to be able to [lift] one area. It is simply impossible. The only thing we are doing, is to increase the difference with those more highly paid; they actually get further ahead every time we negotiate [as the same percentage of a higher wage results in a higher monetary raise]. It is not really acceptable from my perspective. I don't think that just because someone once, historically, has been lower paid; it can't be true that you should always be [lower paid].

This concern was actually shared by many employers, as well. There were instances when they, too, thought adjustments in relative wages were appropriate. But none them could see a feasible way to do this because breaking the frame was a non-starter, for the reasons explained above.

### ***Stabilization of Power***

It also appeared as if the bargaining routine had essentially stabilized power in the truce. Power has been central to industrial relations and collective bargaining theory (as well as to negotiation generally). Traditionally, bargaining power has been perceived as

coming from one side's ability to make the other side do something they otherwise would not do. In industrial relations, this type of power has typically been exercised through strikes and lockouts. The Faroe Islands have had their fair share of strikes in the past (lockouts have been rare), but most negotiators currently involved in negotiations appeared to have learned that the strikes rarely accomplish much: the cost of the strike has often cost more than the gains the unions made as a result. With the more rigid implementation of the wage frame in the last couple of decades, gains from strikes have been minimal. The employers would insist on not deviating from the wage frame because doing so would make the whole system collapse. Most unions did accept, even if grudgingly, that it would cause outrage from other unions if some were able to gain more. Therefore, the wage frame became the essence of a truce where power relationships have been stabilized. However, a few years ago, one union, unsatisfied with being part of the wage frame pattern, attempted to push for something more than they would get in the frame by going on a protracted strike. However, even with considerable public support, what they gained in return was negligible.

It is quite likely that the stabilization of power in the routine favoured the employers more than the unions. For employers, the wage pattern was an efficient way to control costs. Furthermore, my interviews indicated that employers were in control of what could be discussed on the bargaining table in that union negotiators often saw themselves in a position to be asking (or even begging) for certain concessions while employers had the power to give or refuse. Prior to the routinization of the wage pattern, individual unions were certainly better able to assert their individual demands and employers were less able to use a pattern as a bargaining tool. As mentioned earlier,

however, this added potential power in individual situations was on balance probably not of sufficient enough benefit in terms of cost versus outcomes, which is likely why parties accepted the trade off of labour peace over direct bargaining power.

### **Negotiator Agency**

While the routinization of bargaining imposed a similar and consistent pattern for all negotiations, there were still considerable differences in how the bargaining was carried out across different sets of negotiations. Individual negotiators had a wide range of (sometimes unique) approaches to negotiations, and these, combined with the particular relationship with the negotiators at the other side of the table, gave each set of negotiations a unique flavour. In the following sections, I illustrate how the bargaining interactions were shaped by 1) the range of tactics individual negotiators used and 2) the nature and quality of the relationships between the parties. I then discuss how tactics and relationships were affected by 3) negotiators' individual attributes and 4) the negotiators' backgrounds.

### ***Tactics***

Despite the severe constraints imposed by bargaining routine and the wage frame, the majority of negotiators found that there was still a good deal left to negotiate. Negotiators had a wide range of approaches to negotiations, to the extent that each set of negotiations was substantially shaped by each negotiators' favourite set of deliberate negotiation tactics. In other cases, the tactics were not as much deliberate as they were part of intuitive improvisation.

Through my observations and interviews, I was able to identify an extensive list of tactics, of which I will describe a subset in more detail (See Appendix 3 for the complete list). I separate the tactics into three main categories: issues tactics, process tactics, and relationship tactics. These categories mirror distinctions made in Walton and McKersie's (1965) *Behavioral Theory* between issues (distributive vs. integrative) and relationship ("attitudinal structuring") tactics, as well as the separation between people, issues ("problems") and process made in much "prescriptive" negotiation and conflict management literature (e.g., Cloke & Goldsmith, 2005; Fisher & Ury, 1981). Additionally, I highlight a few tactics I refer to as "creative tactics" that a few negotiators used to try circumventing the constraints imposed by the routine and wage frame.

*Issues tactics.* As the main issues on the bargaining table are monetary and thereby distributive in nature, distributive negotiation was the focal point in all the negotiations. Since the wage frame had already been set in most of the negotiations, this constrained the bargaining in a way that implied that the bargaining "pie" had already been "fixed." Therefore, the negotiations were mostly about how to distribute what was already in the pie.

*Trade-off bargaining* was by far the tactic that negotiators most commonly discussed, as it involved trading of gains and concessions within the constraints of the wage frame, as discussed previously. This tactic is based on the principle that anything you want to gain has to be paid for by some concessions elsewhere, because whatever adjustments (or gains and concessions) the parties negotiated had to fit within the pre-established wage frame so that each set of negotiation had practically the same overall



monetary outcome, at least on the surface. Using the example of vacation days, one union negotiator explained:

Regardless, we are told, the frame is 4%, for example. If you want to have an extra holiday [vacation day], then it is going to cost this and this amount will be subtracted from the frame. Which means that you will get less in wages.

Another negotiator referred to this process as a form of horse trading:

What you can do is to 'buy' from the frame for other things, you know? It could be that for half a percentage that is worth one percent, or something like that. So, horse trading like that can happen. So instead of having the frame changed from 2.25% to 2.5%, then we can say that we will take 2% this year and say that we will use it for something else.

Employers were generally flexible in the adjustments they were willing to make, as long as this was within the frame. However, there were limits at times. Because even if the outcome was materially the same, and within the frame, some things were not perceived as politically plausible. In the words of an employer negotiator:

For example, [union] would like that we give [name of classification] zero increase, zero increase. They can wish for that, but it isn't really possible. We can't just say with [these employees], sorry you won't get any increase, because the union wants it. Do we want it? We also have an opinion. You can't treat people like that, you can't do that. So, the unions might have their wishes, but they need to be modified a bit, so that it is possible psychologically and politically.

*Bottom line bargaining.* A few negotiators talked about the traditional distributive bargaining tactic of deliberately considering of the *bargaining zone* and how this related to each party's *bottom lines*. Such explicit considerations were more likely among negotiators who had taken negotiation training or had otherwise been exposed to bargaining theory. As an employer negotiator noted:

In the end there is a number, that is not defined, without people knowing about it. So, we have 'pain threshold.' We haven't necessarily defined [this point]. It

is there somewhere. And they [other party] has one. And then you have an overlap, what in negotiation theory is called a ZOPA, with a 'z'. It is called Zone of Possible Agreement. The parties are not always aware of it, but there is a 'window' there, where if you could see inside people's heads, you could see approximately where it was going to be. That is where we are able to do the work. And you need to be conscious of this, when you negotiate, of where are we ourselves? Like, where is the 'zone' where there might be an agreement?

Thus, these negotiators had the idea of a bargaining zone at the back of their heads, and deliberately made, and responded to, demands with this bargaining zone in mind. As distributive negotiation was the norm, parties would routinely make wage demands beyond what they knew they could realistically get. A union negotiator put it this way:

Of course, we go in and set some demands that we know are too high. But at the same time, we have a good sense of where [our] 'pain threshold' is, even if we use a few meetings to test out [what might be possible]. We want, of course, to sell as expensively as possible and they want to buy as cheaply as possible.

As the last quote suggests, negotiators would sometimes use the negotiation discussion to get an intuitive sense of where a possible bargaining zone might be and would not introduce specific any wage demands or offers until they had a clear sense of where the zone was. In some instances, negotiators would refuse to even consider demands they considered not serious and far beyond what they considered a realistic bargaining zone.

It goes without saying that bargaining zone considerations were of less relevance once the wage frame had been established. However, even where bargaining was limited to trading off within the wage frame, there were instances where parties had clear bottom lines on particular issues. In the words of a union negotiator:

I said this also to our team yesterday, that now [name of employer negotiator] says that he/she wants to have half, and the others here by the table, who work at [particular site], they say, no, no, our pain threshold is 0.2, you know? [Employer] says half, and it ended up being 0.45, or something like that. So, this [insistent whining], yes, there has to be some [middle point] there, you know? But I said internally today, that this was bloody nonsense. [The employer negotiator] is so determined on that point, that if they get their way there, then I will get my thing through somewhere else. Not sit there and 'whinge,' you know?

*Integrative tactics.* A problem-solving tone was present in many negotiations, but mostly this was at a level that could be contained within the wage frame. In other words, there was no sense of parties trying to solve the larger wage issues integratively. If anything, any mentions of integrative bargaining came from negotiators who had been exposed to negotiation theory and who wished that other parties would be more open to integrative approaches. Even on non-monetary issues, which are typically better suited for integrative negotiation, some negotiators felt that since departmental managers were rarely present in negotiations, important work-design issues could never be discussed. As one union negotiator put it:

I think we should be bargaining more directly with the leadership and management of [name of institution]. Because that would have led to some much better agreements, which would have been much better for the end user, I think. Now, I'm sounding a little "born again" [or preachy], but it is taxpayers' money after all. . . Then we could all have been reasonable and focused more on what the best work arrangements are.

*Process tactics.* Overwhelmingly, participants looked at tactics as a way to make the process more efficient, rather than simply as tools to make gains. Most of these tactics had to do with process and how meetings were conducted. Many negotiators expressed that sticking rigidly to formal process was not going to lead to productive negotiations. While most recognized that the wage frame imposed constraints on what could be

negotiated in monetary terms, they still wanted to work on the real issues that needed to be addressed. Many of these tactics were aimed (not necessarily consciously) at improving relationships, increasing problem-solving, and in general making the process more productive in terms of reaching an outcome.

*Meeting structure, scheduling, and location.* While the bargaining routine was rather flexible in terms of how long meetings were, it was common to have meetings that were about two hours in length, often separated by a week or more, depending on the stage of the bargaining process. Some negotiators were cognisant of how the process was affected by this type of scheduling. As a response, some strongly preferred to have full-day meetings. They felt that the short meetings accomplished very little, because a good portion of the meetings went to reminding everyone where they left off last time. with the result that very little got accomplished each time. In contrast, longer meetings allowed for more continuity in the discussions. One union negotiator observed:

We think it is important to have rather long meeting days, because if you have this with two or three hours, then... it is as if you have to start from the beginning again. Because you don't get very far... If you have to stop all the time, then you have to remember, what was it? Where did we get to?

In some bargaining units, it had become common to have more concentrated negotiations. In these instances, the parties would usually have short initial meetings, but change to longer and more intensive meetings once they got deeper into the negotiations. This could mean that the parties would meet almost non-stop, possibly late into the night and with very short breaks between meetings.

While most negotiators interviewed did not highlight meeting location as one of the most important themes, it was something of which many of them were cognisant.

Typically, the meeting location was simply chosen on the basis of what was the most comfortable location. In most cases, it was the employers who had the best meeting room facilities, but when the union had good facilities, the meeting could be held there. However, in the negotiations where the parties scheduled long, intense meetings, the parties would often book a hotel to get more privacy and to get away from everyday work distractions. According to one union negotiator, this approach was inspired by prior experience with conciliation, a process that is typically intense and non-stop:

We agreed that we would set aside one weekend. . . We went to Hotel [name of hotel] so that we would be at a neutral location. . . where [each party] would have its own room. . . This actually makes it possible to walk back and forth between the rooms we are in, then the lead negotiators could also possibly have some discussions in the corridors, and then we all meet together once in a while. But otherwise, we walk into each others' [rooms]. . . And nobody knew that we were [at the hotel]. It meant that we were completely undisturbed. There was no news media, or anything like that, that knew we were there. So, there was nobody lurking around in the corridors.

*Informal (“coffee/therapy”) meetings.* A somewhat recent trend was for one or both parties to request an early meeting with no set agenda for the purpose of building rapport, getting a sense of the potential problem issues, and establishing expectations around timelines. Some bargaining pairs would also schedule similar “therapy meetings,” as some participants called them, in the middle of the bargaining process. Not all cases utilized these types of meetings, but whether or not they did, all cases followed the same steps of formal meetings.

There was variability in the number of meetings and in the resulting length of time required to complete the negotiations. This was mostly reflective of the complexity of the

negotiations, as reflected in the number of issues that needed resolving as well as in how contested the issues were. An employer negotiator outlined their process as follows:

We have found a model where we first have these [initiating] meetings; and then we have a meeting where we exchange demands, and then we have some meetings we call “therapy meetings” where we talk, talk, talk, talk. Small talk frequently, too.

These informal meetings also had a *legitimizing* function to demonstrate to parties’ constituents that serious effort was being put into bargaining. Potentially, this also involved demonstrating to other unions that no union got any easy deals, and thus these informal things formed a part of the “obligatory dance” described previously. In the words of an employer negotiator:

[Some will have] meeting after meeting, and we well know that it is therapy. It is necessary, there need to be this and this many meetings before we can make a settlement. It as if we need to be massaged at bit, you know? They need to impress on their constituents that we have really tried, but we can’t get further than this.

However, not everyone was equally happy with these coffee meetings, with some considering it a bit silly to just sit there and tell jokes over a cup of coffee. A union negotiator observed:

But my impression is that we attend an awful lot of coffee meetings where we sit and tell jokes across the table, [just] to show that it looks that it took a certain amount of time.

*Caucusing.* It is essential in any negotiation process that each party takes the time to manage its internal negotiations around what issues to prioritize, how to strategize, and how to respond to demands and proposals from the other side. Obviously much of this process was part of each party’s preparation for bargaining, but the parties needed to have these internal discussions in order to process recent events at the bargaining table so that

the whole bargaining team could agree on what to say next in the negotiations.

Frequently, parties would take a break in the middle of a joint meeting in order to discuss particular issues internally before continuing to discuss them with the other party. In the cases observed, there was considerable variability in the extent to which this type of caucusing was used. In some instances, the parties resorted to having mostly relatively short joint meetings (less than two hours) with little or no interruption and chose to discuss the issues internally in between the scheduled meetings. In other cases, the parties would spend only a minimal amount of time together in the same room, with the majority of the time during scheduled meetings in separate rooms, often just waiting while the other party decided how to respond to a particular issue. My notes from one of the bargaining sessions state:

For one negotiation, where I did not get access to the joint bargaining meetings, I was allowed to sit in on the caucus of one side. During the two hours I joined them in the afternoon, they only met jointly with the other bargaining team for two minutes. The rest of time was spent formulating a response to a particular demand from the other side, waiting while the lead negotiator conversed with the other lead negotiator, or waiting for a response from the other side. But mostly, the time was spent on unrelated small talk.

*Private off-the-record meetings.* A tactic some lead negotiators used was to hold private side negotiations. This tactic was often used in conjunction with caucusing so that each bargaining team would wait in separate rooms while the lead negotiators discussed the details of particular issues. A main purpose of these private meetings was to allow the negotiators to explore options in confidence without making promises or raising the expectations among other members of the bargaining teams. These discussions would allow for a deeper level of problem-solving as the lead negotiators would be more open

about their respective parties' positions on the issues than they felt they could when everyone was present. Often this involved trying to get a better sense of the sentiments within the other party's team and exploring which options might be agreeable to the other side. Some negotiations used this tactic extensively, while others mainly held these side discussions when things seemed to become stuck. A former employer negotiator articulated it this way:

Well, you can have chat where, ... there is no playing for the gallery. Like, 'how far can you go, how far can we go? Are there really no possibilities?' Usually, you would not make any commitments, but rather say, 'OK, if you can give us this, then I expect to be able to work things out on our side,' or something like that. It is quite common in all negotiations, that you try... in smaller groups to try to find out where the problem is, you know?

***Relationship tactics.*** Relationship building is instrumental in any negotiations. As Walton and McKersie (1965) highlight, *attitudinal structuring* is one of the core sub-processes in negotiations. Relationship factors were a common theme emerging from the interviews. In essence, a productive relationship is an important ingredient in a productive process. In the following, I highlight some of the core factors that contributed to poor and good relations respectively. I also illustrate some examples of how the quality of relationship affected the negotiation process and outcomes.

***Small talk and humour.*** A considerable amount of small talk was present throughout almost all the negotiations. People would talk about the weather, current events, and even about politics (in a friendly non-partisan manner). The Faroe Islands are a small place and it would not be uncommon for people to meet each other outside of work, at family or community events. Therefore, some of the negotiators might share the same social networks, aspects of which might become part of the non-business, small talk



conversations. While using small talk in these types of meetings is likely not unique to the Faroe Islands, the smallness of the society meant there was greater likelihood of negotiators having overlaps in their social networks. Almost all meetings would start with a considerable amount (depending on the length of the meeting) of small talk before the parties would turn to the official agenda. In case of the informal (“coffee” or “therapy”) meetings described above, small talk was essentially the only agenda item, with some of the more serious issues sprinkled in between the chatting and joking.

The switching between small talk and serious business discussion could be quite fluid. In fact, during the introductory small talk, there were instances of pointers being made to the business at hand, as well as lighthearted off-topic comments being made in the middle of serious discussion. In both cases, this would often be in the form of a joke, as one of my observations from one of the meetings illustrates:

Someone mentions that it is [union president]’s birthday. People congratulate him/her. Union rep jokes that they are expecting presents. Everyone laughs.

Sometimes, negotiators would use sarcasm to get a particular point across, as was evident in a moment when an employer inquired about how accepting rank and file members might be of a particular potential new provision. I made the following observation:

[Employer negotiator] jokes about a handful members negatively affected by a reclassification: “Do they show up at meetings?” Union rep replies, “They will when they hear about this.”

*Workshopping.* While much of the relationship building was ad hoc and casual, some negotiators talked about deliberate intervention intended explicitly for the purpose to improve relationships. At one point one party proposed that both bargaining teams to

go on a retreat together to build a better relationship. As a former employer negotiator recalled:

We made that trip in [year]. We [both bargaining teams] went to [name of place/foreign city] together. Not everyone came along, but it worked anyway. It created a climate where we dared to converse a little better. And then, for the first time in a long time, we were able to come to an agreement without the involvement of conciliators.

*Creative tactics.* Some of the most interesting observations of these negotiations were about the tactics negotiators used to try to circumvent the trappings of the wage frame. Because they aimed to get more than was allocated in the wage frame, these tactics cannot be labelled distributive; however, they are also not integrative since they did not necessarily “expand the pie.” Nor did they integrate the interests of both parties. What was common in all these tactics is that they involved making it look as though the parties had stuck to the wage frame, even as one party managed to get in some gains that were not immediately obvious from the outside.

*Allocation of gains.* While some unions may just have accepted the offered wage frame as is; that is, as a simple overall percentage wage increase for everyone, most unions aimed to make adjustments to classifications or other provisions within the limitation of the frame. These prioritizations were typically very strategic and deliberate. Some negotiators prioritized specific provisions, some prioritized the final step of the wage scale, and some prioritized the putting it all on wages, because the basic wages form the basis of the calculation of most other benefits and of future increases. Thus, how parties chose to allocate them depended on their priorities. In the event that a union wanted to address some distributive justice issues within the bargaining unit, it could opt

to allocate a greater portion of the wage frame to some select classifications. As discussed previously, there were cases where a union had used a portion of the wage frame to allocate a larger wage increase to particular occupational groups within the bargaining unit.

Many unions would be very deliberate and strategic in how they allocated the available wage frame. Some unions would also take a longer term strategic view, such as anticipating what the negotiated benefit would be worth in the future, not just today. For example, instead of putting the frame only toward a general percentage increase, some unions felt that it would benefit their members to prioritize the higher wage steps, because with the wage scales in the Faroe Islands being relatively short (sometimes only 10 steps), that was where most of their members would end up anyway, relatively soon. As one union negotiator described:

We [also] want to build an incentive in our contract, where it pays off to take additional education. So, we try to put the wage [increases] on the final [classification] step, or get an additional step added, so that everyone can end up with a higher wage, eventually.

*“In the fog.”* A particular tactic that was much discussed by informants was the concept of negotiating “in the fog.” “In the fog” (or “in the shadow” or “between the inside and outside walls,” as other negotiators put it) implied that it was possible to negotiate provisions in addition to what was stipulated in the wage frame in a way that was not transparent to outsiders. In other words, other unions would not be able to tell exactly how much a provision was worth because they would not have access to the information necessary to get a close estimate of the true cost of the provision. Typically,

this involved adjustments of some technical nature that would make it difficult for others to interpret. A union negotiator illustrated:

I think if you want a better outcome than the one you will get from the frame, then it is about negotiating something that is hidden, where it looks like, when you read the settlement, 'OK fine, they get this and this.' But the art is in trying to get something where it is in between the lines, where people can't [easily] calculate the cost of it.

*"Long game" tactic.* Another tactic mentioned by only a few participants, was to play the long game, where in the bargaining of one collective agreement, the union would ask for a particular (essentially no-cost) clause to be added, with the goal to add small incremental adjustments in subsequent rounds of bargaining in a way that was hardly noticeable to the employer. While the clause would initially have no or only negligible cost, this provision could gradually be improved through arguments of reason and justice so that over time it would become a substantive benefit. The negotiators using this strategy believed these were important gains that were achieved in addition to the wage pattern. As a union negotiator argued:

There are some things that you think ought to be in the agreement. This is where we try to... that maybe it doesn't cost too much, in the contract, you know? Because the demand is so small. But when you first have it on paper and it becomes part of the agreement, then we can begin to add to it later. Then we look at it and say, "You know what, we ought to get more for that." Things like that. . . [Mentions extra compensation for a specific task, as an example] We started with [being paid for] one hour but ended up with three hours after a number of years.

It appeared that such tactic was only possible when there was an amicable relationship between the parties, something that would motivate parties to be a tiny bit flexible, and make it a little more difficult to "just say 'no.'"

## ***Relationships***

As mentioned, the quality of the relationship could significantly impact whether particular tactics ended up being useful. For instance, integrative tactics typically required a certain level of trust. For trust to exist between bargaining parties, there needed to be trust at the interpersonal level. However, the quality of the relationships also depended on the level of understanding of the motivations and interests of the other party. Furthermore, negotiators also needed to make sense of the behaviours of their counterparts, meaning that the behaviours of negotiators representing different parties had to be “mutually intelligible” (see Schatzki, 2006). Finally, the relationship between the parties was significantly shaped by the history between the parties, at both the interpersonal and organizational levels. In fact, just as each bargaining case was shaped by the range of tactics each negotiator employed, bargaining was also coloured by some of the unique relationship characteristics each case featured.

***Interpersonal relationships.*** Almost all negotiators found the quality of the relationships to be of considerable importance for the bargaining process. There were several examples of there being respectful and amicable relationships between the parties. Many negotiators were cognisant of the fact that they were dealing with other human beings who also deserved to be respected and treated with civility, even if they made ridiculous claims or arguments. One union negotiator highlighted:

So, the civility [is important]; that is, the respect for the other party, because regardless of how silly something you propose is, I still need to respect that it is your opinion, and I need to consider it in a reasonable way.

Even one rather hardnosed negotiator could not help him/herself from being influenced by the positive demeanour coming from the other side of the table:

It is actually unfortunate with the group of people at the other side of the table, that they are so awfully nice. Each person is nicer than the other, and it is going to be very regrettable to go to say to them tomorrow that, “You know, I have thought about it [particular proposal/solution], but it is not going to work.” Even if it works on paper, it is not going to work. Yes, this really regrettable. A real shame. Yes, it is also my job to upset people at the other side of the table.

The agreeableness from the counterparts made this negotiator feel almost uncomfortable because their modus operandum was to say an almost automatic “no” to what was thrown their way, and they found it very difficult to say not to such a nice group of people.

There were also a number of examples of poor relationships between union and employer negotiators. There were even a few instances of outright hostile communication. This included (perceived) severe rudeness, including the use of profanity. Because negotiators found this behaviour from their counterpart an impediment to any kind of constructive communication, they experimented with getting an outsider to lead the negotiations for their team. A union negotiator recounted:

Then we had our lawyer with us to lead the negotiations, to see if this could change the quality of the conversation. And our lawyer is experienced with negotiations in the private sector, for other unions. And he was rather shocked by the tone and mode of communication. He thought it was unheard of. He considered, or speculated, whether they could be reported [to some authority. Unclear]. Report them to [. . .]. He was completely shocked. [. . .] He was not used to people saying things like “fuck you” to him.

Some negotiators were, however, not as bothered by such behaviour (e.g., shouting and slamming of doors), suggesting somewhat jokingly, “But if you have grown up in a dysfunctional family, then things like this don’t scare you [laughter]. It is not a big

deal. . .” It is possible that such behaviour could have been intentional and part of a theatrical ploy to intimidate opponents. In addition to door slamming, negotiators might use more subtle intimidation tactics, such as trying to demonstrate superior technical skills. As a union negotiator stated:

Now, I don't know what you have experienced... What I have experienced is that [name of negotiator] ... he/she is such an actor. He/She comes in often he/she does a kind of exercise like teaching how to calculate, as if to tell us that we are idiots, you know? Like calculating percentages. Where he/she starts by saying that we agree that you calculate percentages by dividing by 100 and multiply by... you know?

Something that irritated some employer negotiators immensely was what they perceived as “whinging” and sulking from some union negotiators. Some negotiators saw bargaining as an inherently aggressive game, where people should be able to tolerate a little bit of mudslinging without other people being offended and taking it personally. It goes without saying that this was not a constructive dynamic, and neither party reported positive experiences from these bargaining relationships. In the words of an employer negotiator:

The truth is that they are sulky if you say something that can could seem offending or something, you know? I have experienced it with [name of union], where I said something, and then one of them says that it was incredibly rude/offensive; how could you demean [the profession], demean us like that. You have no idea, you have never been... Yes, they do take it personally, or something.

**Trust.** Trust was also a theme throughout most of the interviews. Not only was trust important for parties following through on commitments and promises made in previous meetings, it was particularly important because negotiations would often happen in private off-the-record meetings, where lead negotiators could explore options in

confidence without making promises or raising the expectations among other members of the bargaining teams. These discussions would allow for a deeper level of problem-solving as the lead negotiators would be more open about their respective parties' positions on the issues than they felt they could when everyone was present. Often this involved trying to get a better sense of the sentiments within the other party's team and exploring which kinds of options might be agreeable to the other side. However, the use of such off-the-record discussion was only possible if the negotiators could trust the other negotiators to not reveal to their team what was said in those discussions. An employer negotiator explained:

[Trust] is important, because - can I give you a concrete example? So, they have a lead negotiator. If I am not afraid to say to a lead negotiator, "You know, I might be able to get the people on my team to say yes to 2%, on the condition of this other issue being resolved. But I can't promise it. And this is not an offer." Then [negotiator] is not going to go to the other side and tell them that we agreed to 2%. But it could be that [negotiator] told them, "OK, I have now got the devil to agree to 2%. And let us just catch him in that," or something like that. But if [negotiator] does that, then there is no more trust, you know? Accordingly, if you have trust, you can be more open [in communication].

***Mutual intelligibility.*** As discussed in the Findings chapter, for practices to work – in this case the bargaining routine – people need to have a similar understanding of the meaning of the various activities and behaviours involved. In other words, practices require that the behaviours of various parties are "mutually intelligible" (see Schatzki, 2006). Transferring this idea to collective bargaining, this would mean that in order to have good and constructive relationships, it would be important to have some common understanding between the parties on how to engage in the negotiations. And, in fact, there were a number of examples in this study that demonstrated how the varying degrees



of mutual intelligibility could affect the bargaining relationships both positively and negatively. As I observed, the similarity between employer and union negotiators' expertise and level of knowledge allowed for a level of discussion where the parties seemed to be on a similar wavelength and therefore better able to engage in problem-solving and collaborative discussions. One employer negotiator reflected:

[Segment not recorded; based on handwritten notes] Sometimes the chemistry just doesn't work as well. [Thinking very hard and carefully how to say it, or how much to say it. Wonders how "honest" to be]. Some unions [no names mentioned] are just not on the same wave length. How does the union understand the game or the 'fight'? Do they really know or understand the 'game' as well? Sometimes they don't quite know how to play the game, what it involves. It specifically tends to depend on certain occupational groups [no names mentioned].

For one thing, employer negotiators appreciated that the union negotiators could understand management issues and concerns, hence the perception of them being "nice," but union negotiators, due to their similarity in educational background and professional experience, were more easily able to understand employer negotiators' thinking and engage in the negotiations accordingly. Some negotiators highlighted that skills were needed on both sides of the table and lamented the occasional lack of skills among parties on the other side, something they felt often could impede effective negotiations.

One fairly assertive union negotiator found that the ability to bargain hard on the issues was uneven among the negotiators on the other side. This negotiator was prepared to make serious changes to the collective agreement that would both improve the union members' working conditions as well as increase the effectiveness and efficiency in the workplace. But in order to be able to negotiate such changes, there needed to be stronger and more determined problem-solvers on the other side. As this union negotiator stated:

I'm ready sell what we have to offer, for a reasonable price, but I don't think that this capability [to bargain] is there among those on the other side, except for with [name of negotiator]. So, what ends up being considered a reasonable agreement becomes rather attached to particular person.

### ***Individual Attributes***

As highlighted in my research questions, I was interested in the degree to which individual negotiators were able to influence the process and outcomes. I have already described the ways in which routinization severely constrained the negotiating room negotiators had available to them. However, it was very striking that there was great individual variability in how effective negotiators were at creating space to both influence process as well as to negotiate better outcomes on behalf of their constituents. There were two main categories that determined the level of negotiator agency. One was related to negotiator ability, involving behavioural and cognitive characteristics, such as skills, processual awareness, and negotiation dispositions. The other category was more structural and related to the negotiator's background, such as their experience, education, and the status of their profession.

***Skills.*** As suggested, the use of tactics varied considerably between individual negotiators. When asked to reflect on the characteristics of a good negotiator, the interviewed participants expressed their opinion about certain core capabilities required of lead negotiators. Their answers reflected what they saw as the important aspects of their own approach to negotiation, and also reflected what they perceived as being important capabilities observed in other negotiators that they had observed from experience over time. While most of the participants interviewed had leading roles in negotiations, most of them had, at one time or another, taken more supporting roles on a bargaining team,

experience that had given them the opportunity to observe other negotiators. In their own more direct experience as negotiators, they had seen what did and did not work and most had also had experience sitting across the table from other negotiators and had been able to observe which of their counterparts' behaviours were more effective than others.

The fact that negotiators were able to extract different levels of concessions by using a variety of tactics, suggests different levels of skills. Some negotiators were very conscious of the role that skill and technique had in negotiations. As the following excerpts illustrate, negotiators were able to identify an impressive range of necessary skills and capabilities. The skills identified ranged from the technical and analytical skills, to relationship and process-oriented skills. In essence, the skills were closely related to the use of the various tactics. For example, some negotiators highlighted the need for relationship-building skills and processual awareness, as well as technical content expertise as being important. The skills identified by participants are illustrated in more detail in Appendix 4.

The skills appeared to be critically important for the use of tactics, because most of the tactics described above would not have been possible or effective without the abilities and/or the strategic awareness of the individual negotiators. Additionally, apart from the straight negotiation skills, it also proved to be vitally important to have content knowledge and technical abilities (such as calculative skills) because this background proved to instill considerably more power in the people possessing them. This is because having such skills put these negotiators in a much better position to argue strongly in one direction or the other and made them better able to critically evaluate the proposals of other. In some cases, the level of expertise compelled some less knowledgeable

negotiators to rely on the knowledge their counterparts presented since they did not have any better source of information themselves.

As discussed in the tactics section, there was a certain amount of improvisation in the ways some negotiators employed various negotiation tactics. This suggests that some negotiators engaged with the process intuitively rather than deliberately. While there was plenty of suggestion that many negotiators had picked up skills through training, or simply through experience, some informants nevertheless believed that some negotiators were pure “naturals” and that many important negotiation attributes were innate. Referring to a particularly skilled negotiator, a fellow negotiator suggested: “Well, [name of negotiator] has it. It is innate [i.e., you are born with it]. You notice it when you are bargaining. It is real pleasure [to experience].”

Furthermore, some informants suggested that the best negotiators were those who possessed the whole package of skills. While many negotiators possessed strong skills in particular areas – i.e., some were particularly adept at building relationships, some had strong processual awareness and knowledge, and some have very good analytical capabilities – the best negotiators had strong skills in all areas. By simultaneously having a deep understanding of the issues and the relationships, having a good overview of the whole process, being able to convey demands in a way more likely to be accepted (or even considered) by others, and having the interpersonal abilities conducive for building trust and understanding (including the ability to establish a relaxed tone and atmosphere, with the occasional use of humour), these negotiators were best able to integrate the different types tactics. An employer negotiator summarizes things this way:

It requires broad knowledge, insight, and awareness. And extreme patience. . . And good analytical capability to be able to analyze how to find solutions to the situations at hand, also in relation to, what should I say, how do we put together our demands so that we get the most out of it. . . Also, that you don't see the negotiations only as something that happens at the table rather that you see the negotiations as an ongoing process the whole time, also in between rounds of bargaining. So that at the bargaining people, you are ready, but relaxed and able tell the occasional joke across the table to make the negotiations a little more positive.

*Reflexivity.* As I was interviewing participants on their use of skills and tactics, it became strikingly apparent that negotiators' awareness and conscious engagement with process ranged from the highly deliberate use of tactics and skills for shaping (and in some cases, manipulating) the bargaining process, to what Ashforth and Fried (1988) refer to as a "mindless" following of the bargaining routine. In the middle, there were negotiators who were neither entirely deliberate (in the analytical sense, at least) nor were they totally mindless.

And as with the use of tactics, there was great range in how aware (or *reflexive*; Giddens, 1984) negotiators were about process and how they saw themselves intervene in it. At one end (of a continuum) were those negotiators who were very deliberate in their negotiation strategy and use of tactics, while at the other end, those who were essentially mindless followers of the routine, as they knew the basic steps of the process, but had very little awareness of how they could try to adjust the process.

*Deliberate.* There was a strong relationship between the possession of skills and processual awareness. The most skilled negotiators – as indicated by the range of skills they were able to talk about, or the what other negotiators said about them – were also the ones who were most knowledgeable about process, and sometimes also about collective

agreement content. The negotiators who spoke explicitly about tactics (as discussed previously) were also the most deliberate; in other words, they had the highest degree of “discursive consciousness” (Giddens, 1984).

While the extensive range of tactics may give the impression of a very high level of deliberate strategic thinking, this was not necessarily the case, except with a few exceptions. In most cases, negotiators were more deliberate in some areas and less so in other areas. And in many cases, the small interventions negotiators recalled using or observing were somewhat automatic reactions to what happened in a particular situation and not part of an overall planned strategy. However, there were negotiators who were very deliberate and planned in particular aspects of the negotiations. In preparation for bargaining, one negotiator spent a lot of time deliberating their position on the issues, where an acceptable wage level might be, where their bottom line would be, what (non-monetary) settlements they could accept in principle and which not. This negotiator would also try to anticipate the issues their counterpart would go after, and how to strategize possible responses to demands. Another informant, who had past experience on the management side in public sector bargaining, explained:

It's precisely those points such as “Where is our limit? What are the principles and limits to wages, etc.” It's very much in the hands of the politicians to decide how far they will go in wage increases. But then there is the principle of which ones you can accept which ones you can't. And then in the preparation there's a lot of time spent discussing the opponent. Which position are they in and what can we expect. First you analyse what your position is and where the opponent is.

Other negotiators were more focussed on the strategy around process, particularly with regard to the order in which issues were to be discussed. An employment negotiator outlined the process as follows:

We usually plan it so that we deal with all... or I usually think to first process all the things that are not about money. Which then is what you talk about last. It's because... if there is too much noise when you discuss money and wage increases, then it can become very distracting.

And finally, some negotiators were also highly deliberate in their thinking about the relationship and how these affected the overall negotiation process. One example is the case where one negotiator proposed that both bargaining teams go on a two- to three-day mini cruise so as to build better rapport, relationship, and understanding between the parties.

It is clear that the negotiators' use of tactics was closely associated with their conscious awareness of situation, context, and process. Those who were most deliberate were the most reflexive, meaning that they were able to reflect on the context and their own role in it. Thereby they were able to be more strategic with their tactical interventions. These were the negotiators who were effectively able to alter process, in great part due to their understanding of what the various aspects of the bargaining process accomplished, and they had some understanding of the human and interpersonal dynamics involved. In essence, it was the deliberate negotiators who were best able to escape the constraints of the routine. Some were even able to use the routine for their advantage, sometimes by deliberate modification of the routine.

*Mindless: "Strategy, what is that?"* One of my most striking observations was when I asked negotiators about what strategy they used in negotiation. Frequently, this

question was met with a blank stare from the informants. It was as if a deliberate approach to bargaining was an entirely foreign concept. This somewhat mindless approach stood in stark contrast to the way the more deliberate and highly reflexive negotiators approached bargaining. Perhaps the starkest example came from a relatively experienced negotiator who, in response to my questions on their usual negotiation strategy, answered:

Oh God, that [strategy] is something, something, that I have never, not ever thought about. I started in [year] when they started with these cuts to the public sectors, all I have been thinking, “No you must really watch out for the handbrake” . . . No, no, I haven’t really thought about that.

In other words, all this negotiator seemed to be explicitly conscious of was the need to stand guard against cuts, and possibly concessions, demanded by the employer. The mindless negotiators would take the process for granted and would follow all the pre-established steps of the process without questioning them, and therefore never considered any variations for deviations from the routine. Accordingly, these negotiators’ use of tactics and skills was very limited. This is not to say that they never employed any of the tactics described previously, but when they did so, it was almost always out of habit, and without any contemplation of whether or not these “tactics” were useful or effective. For example, I observed some of these negotiators engage in small talk or use humour, but since they did not have the processual awareness, these interventions were not necessarily employed in a useful way, such that the meeting could end up containing too much small talk, to the extent that it became a counterproductive distraction.

*Improvised.* While many of the tactical interventions just described were deliberate, in many instances, there was an element of improvisation, i.e., negotiators did



not have a clear motive for a particular action, but rather deviated slightly from the script based on their intuitive feeling of the situation. After the completion of an interview where I had posed questions about negotiation strategies, one negotiator reflected further on the issue of strategy. As I wrote in my field notes:

The informant then mentioned something about my question about strategy, which made them think about what their strategy really was because it is not something they really articulate or consciously think about. But they did concede that over the years they have, in fact, developed some strategy through practice. However, it was not a strategy they could readily articulate.

This making-it-up-as-you-go approach also indicated improvisatory tendencies of many negotiators. Most negotiators had little or no negotiation training and thus had been forced to learn on the job, either by imitating others or by trial and error. Thus, while there was certainly an improvisatory element to negotiating, there were still expectations of certain unwritten rules to be followed. In terms of Giddens's (1984) conceptualization of reflexivity, these negotiators relied primarily on their "practical consciousness."

**(Negotiation) Dispositions.** As mentioned earlier, it appears as though there were almost as many ways to engage in negotiations as there were individual negotiators. Each negotiator seemed to have a unique combination of skills, attitudes, experience, and education, which, in combination with the situational characteristics, such as the relative status of the professions, and relationship with the other party, led to a tendency to engage in collective bargaining in a particular way. While I am, for space reasons, unable to go into a detailed discussion of the various negotiating dispositions, it is possible to summarize this range of tendencies in a number of negotiation "styles" which can be broadly classified as *task-oriented* ("just get it done"), *aggressive* (Machiavellian),

*problem-solving* (dialogue seeking), *contrarian* (“I just say no”), *whinging* (“we are not appreciated”), and *non-assertive* (obliging). These negotiation styles have similarities with, but are not identical to, those commonly discussed in the conflict management literature (e.g., Pruitt, 1983; Rahim, 1983). While, as I will explain in the following section, the way negotiators engaged with the bargaining process was to a large degree influenced by their background, such as their education and experience, the negotiation styles highlight that there also was a dispositional (or personality) element shaping negotiation behaviour (see Appendix 5).

### ***Negotiator Background***

The differences between negotiators in terms of their approach and skill level related to bargaining seemed to be shaped to a considerable degree by their background. Experience and education seemed to have greatly influenced individual negotiators’ capabilities, while the occupation status (possibly associated with the gendered characteristics of the occupation) they represented seemed to influence how the negotiators were perceived by their counterparts.

***Experience.*** Direct bargaining experience was likely the most important factor determining how people engaged in with the negotiation process. While some suggested that negotiation skill was something people were born with, it was through experience that negotiators developed their understanding of the process and learned what worked and what did not. In addition to having learned from past negotiations which of their own behaviours and interventions had worked and which ones had not, they had also been able to observe how the behaviours of those on the other side had affect the process. Just as

some of the most experienced negotiators were often the most skilled, there were also strong indications that the lack of experience could be a real obstacle to productive negotiations. Not only did the lack of experience usually cause a lack of tactical repertoire (to maximize outcomes for the party the negotiators represented), the limited understanding of the process would often lead to frustration among counterparts, due to lack of understanding of the “rules of the game” or of the steps in the “obligatory dance”:

Researcher: What is required of the parties to make the negotiations go well?

Employer negotiator: That they know the craft. . . That they know the rules of the game. . . It comes from experience. . . But then sometimes new people take over, and it takes a while. . . Like if you if you get into a negotiation where there is an entirely new union executive [or bargaining team], then it is more difficult. They don't know that they shouldn't go to the press and promise all sorts of things, things they can't achieve.

***Education.*** There was a very strong relationship between the level education negotiators had and their awareness and knowledge of process and content. Those with the highest level of university education (some had multiple graduate degrees) were usually the ones with the strongest analytical skills. They were generally also the ones who had the most awareness of process (i.e., were the most reflexive), and they were usually able to use that awareness to manage the negotiation process. This was especially the case when the education was directly relevant to the negotiation process. For example, having a substantive business, finance, or economics background was often of considerable help with dealing the technical and financial aspects of the negotiations. One negotiator known for his/her mathematical skills would effectively use and demonstrate these during bargaining meetings, sometimes (inadvertently or intentionally) deceiving or even intimidating the other side. A union negotiator reflected:

But you have to watch out with the calculations, also those of [name of employer]. There were figures that we had asked for, because we had been told that it was not possible make subtraction that we had proposed, in the way we wanted it. And then we sit there at the Hotel and negotiate, and then suddenly this column appears [in the spread sheet], as [employer negotiator] is showing us. [Employer negotiator] is incredibly good at these things. [Employer negotiator] shows us a load of tables and calculations, and then this column appears. And we say, wait a minute, what is that? Oops! [Employer negotiator] had the numbers but just didn't want to show them to us. So, you have to watch out. You have to at least take the time to make the calculations yourself, because they are quick. [Employer negotiator] is incredibly quick when it comes to math and calculations.

While there was a clear tendency for the more highly educated negotiators to be more skilled and more reflexive (in terms of *discursive* consciousness), not all of these highly educated negotiators were equally skilled. In fact, some negotiators for some blue collar (trades) unions appeared to be just as effective as some of the negotiators with higher degrees, suggesting that education was not everything, and that other individual characteristics also played a considerable role. At the same time, the negotiators for manual labour unions (i.e., occupations that required no training program or education) were certainly the ones with least skill and knowledge on both collective bargaining content and process, something the employer negotiators highlighted a number of times:

The competency among some unions is very low. The fear of getting into a discussion is so great that you don't get a real dialogue. And then nobody changes their position...If they had been better at it, we would have been able to sit and discuss things more directly across the table to a greater extent.

**(Occupation) Status.** In many respects, level of education was associated with occupational status of the particular union negotiating. For instance, high-level professionals, especially those likely to hold graduate degrees, generally had high status and (relatively) well-paying jobs. In addition to likely having better skills and

understanding of content and process, they also seemed to have earned (or inherited due to status) better respect from negotiators at the other side of the table. The relative status of an occupational group had some effect on the negotiation process. There was a pattern that those most dissatisfied with the bargaining process were the unions struggling to assure better recognition for the occupations they represented. In particular, these unions (often representing workers in the health and personal care sectors, which tend to be heavily female oriented) felt that they were (and had historically been) underpaid relative to other occupations requiring similar level of education and responsibilities. Furthermore, the dissatisfaction was not only with pay. In many ways, the perceived underpay was just one of several indicators of the lack of the respect for the profession. Even though job and education requirements were just as high, or higher, than for other occupation, the union representatives felt that these professions had a lower status than they deserved. An employer negotiator described:

It has been a recurring theme for [name of union], the lack of recognition and respect. “We have university education, why then are our wages so much lower than [other occupation]?” for example. They seem to like sulking about this.

The feeling of undeserved lower status appeared to affect interaction at the bargaining table. These unions would often demand more respect from the employer, and they were generally the unions most vocally dissatisfied with the constraints of the wage frame. However, this insistence for greater respect often irritated employer negotiators who felt that these unions were unreasonable in continuing to ask for things the employer negotiators could not deliver: to their mind, the employer negotiators felt just as constrained by the wage frame – because breaking the frame would have unmanageable

repercussions – and respect was not something they could negotiate into a collective agreement. The result seems to have been that employer negotiators would often end up perceiving these unions as “whinging” which in turn might compel these negotiators to act with even less respect.

It is difficult to ascertain whether this perceived lack of respect was purely a response to perceived whinging and supposedly unreasonable demands, or if it was actually in part caused by lesser respect for these particular occupations and the negotiators representing them. Certainly, it seemed that the perception of nagging and “sulkiness” did not in any way increase the employers’ regard for these professions. Further to this point, some key negotiators admitted that they were maybe a little more lenient with the demands of union negotiators they perceived as amicable and “nice,” which suggests that they may have been considerably more rigid with union negotiators they found irritating. While there seems to have been a relationship between the status of the unions and the quality of the relationship with employer negotiators, especially in terms of respect, it is not clear whether the poor relationships were caused mainly by an original lack of respect for a lower status profession or mainly a result of frustration with the tactics the other side try to employ. Possibly, both factors were at play and if so, they were likely mutually reinforcing.

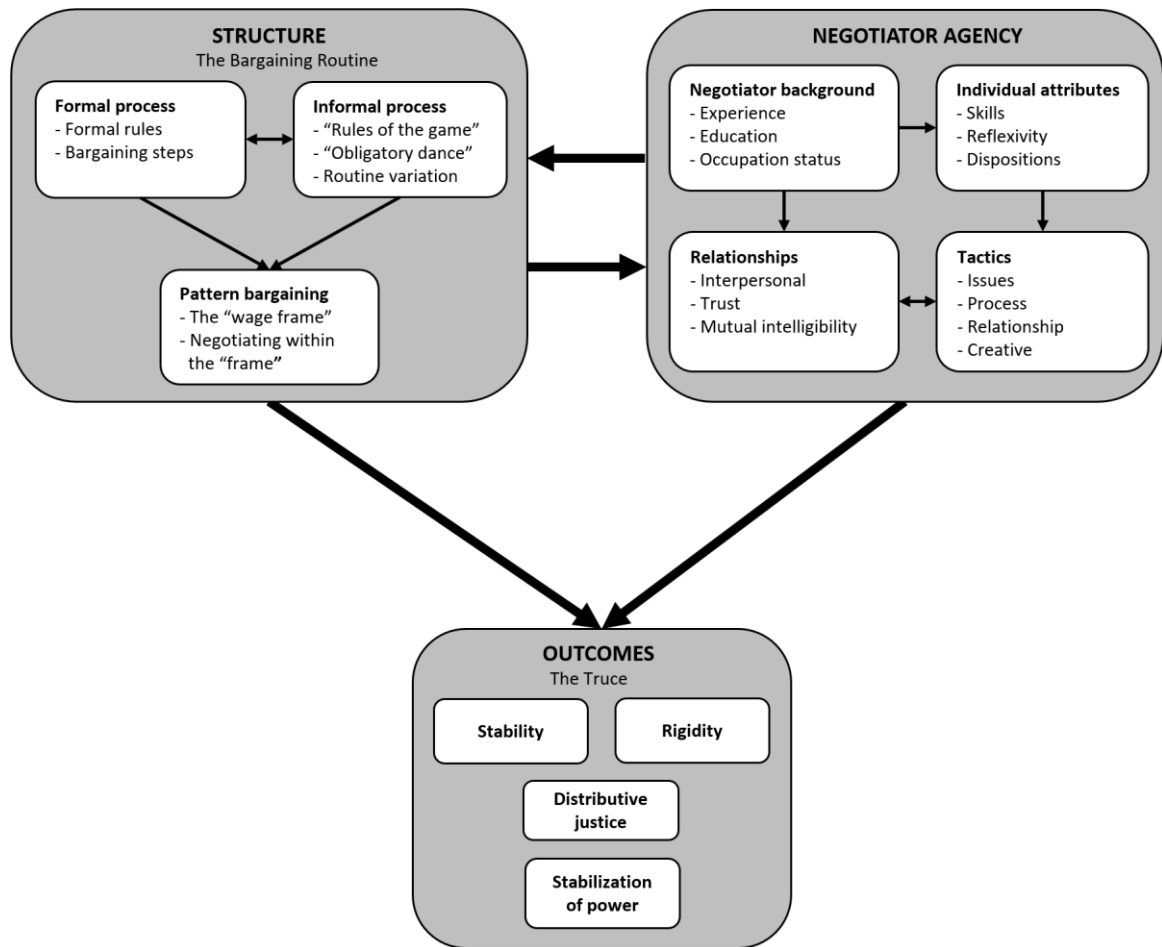
## **CHAPTER 5: MODEL: STRUCTURE, AGENCY, AND TRUCE**

My findings, described in the previous chapter, and summarized in Figure 3 in Chapter 4, illustrate how structural factors interact with individual inputs during the collective bargaining process, and the outcomes resulting from this interplay. In this chapter, I describe and discuss the resulting theoretical model (Figure 4), a model that essentially becomes a story of structure versus agency in structured negotiations. The model features three main components: bargaining structure, negotiator agency, and bargaining outcomes. In the following sections, I discuss the relationship between these main components as well as some of the lower-level dimensions within them and the interrelationships between those. I follow the same order as in the Findings chapter, starting with the Bargaining Structure, followed by Bargaining Outcomes, and ending with Negotiator Agency.

### **Structure: The Bargaining Routine**

As illustrated in the model, the bargaining structure consists of both formal and informal processes (e.g., Ring & Van de Ven, 1994), which together form a routine, i.e., “a repetitive, recognizable pattern of interdependent actions, involving multiple actors” (Feldman & Pentland, 2003, p. 96), where pattern bargaining (i.e., using the outcome of one negotiation as a template for subsequent negotiations; Craig & Solomon, 1996) becomes a focal activity. In the Faroe Islands industrial relations context, there are relatively few formal rules in the legislated or regulated sense. Through time, however, strong established norms and traditions have been established around how the parties are to interact, to the extent that actors take them for granted almost as if they are formal

rules. It is difficult to clearly delineate between the formal and informal, some parts of the process are considerably less formal. This is especially the case with the parts of the process that often are not explicitly discussed. An example of this is when negotiators (typically the more experienced ones) expect other “players” to follow a number of informal (and often unspoken) rules – like in a game (Bourdieu & Wacquant, 1992) – in addition to the more formal and explicit rules.



**Figure 4. Theoretical Model**



While the formal process may prescribe a certain timing and sequence of steps, there are unwritten expectations around some of the interaction patterns, such as the timing of when in the process to discuss monetary issues, how to go about the give and take of gains and concessions, or the extent to which issues should or should not be discussed publicly while bargaining is going on. In a way, bargaining almost becomes a ritual (Johnson, Prashantham, Floyd, & Bourque, 2010), or “obligatory dance,” where a certain choreography must be followed in order to give the process legitimacy in the eyes of both internal and external stakeholders.

Pattern bargaining is mostly an informal component of the bargaining routine. However, it is a dominating feature with significant implications for what is possible to negotiate during the bargaining process. In each round of bargaining, the accompanying wage frame sets the cost level for each negotiation so that no union is able to negotiate a better package that costs more (in terms of percentage increase) than any package negotiated by another union. As a result, the vast majority of the time spent in negotiations is spent on negotiating adjustments that can be made without changing the overall cost of the package on the table. While this severely constrains what is possible to do and achieve, it can at times also make negotiations easier because knowing the wage frame in advance enables negotiators to more easily focus on the issues they can realistically negotiate.

As the routines literature reminds us, routines are never fixed. Instead they are continuously morphing entities shaped by prior practice at the same time as they shape future practice (Feldman & Pentland, 2003). Routines theorists, especially those who focus on *routine dynamics* (e.g., Feldman & Pentland, 2003), propose that routines are

simultaneously *ostensive* (i.e., the formal, or routine in principle) and *performative* (i.e., the ways in which the routine is actually performed). According to this model, there are certain formally described (or assumed) aspects of the bargaining process, such as the prescribed steps in collective bargaining. At the same time, the bargaining routine is continuously adjusted through experimentation and use of situational tactics, and these variations do occasionally become part of the future routine, which is why there are frequently slightly different versions of the routine for each bargaining relationship. Even the rigidity of the wage frame is something that emerges over time as a main feature of the routine. Thus, while *practices* are prescribed, and sometimes routinized, there can be considerable variation in *praxis* (Feldman & Pentland, 2003; Whittington, 2006). In this sense, the ostensive and performative aspects of the routine appear to map fairly closely on to the conceptualization of *practices* and *praxis*, respectively, as defined in the SAP literature (see Feldman, 2015).

### **Outcomes: The Truce**

As described in the findings, the routinized structure of the collective bargaining process has had profound implications for the outcomes, where individual negotiators only have marginal influence on the outcomes. The central outcome of the routine is that it produces a truce that minimizes the expression of potentially destructive conflict (Nelson & Winter, 1982). Four main themes form part of this truce, namely stability, rigidity, distribute justice, and stabilization of power.

***Stability.*** The use of pattern bargaining, and general (even if sometimes reluctant) acceptance of the wage frame in the routine ensure a considerable level of stability. First

and foremost, this is demonstrated in the low level of labour unrest and disruptive conflict compared to the time prior to the solidification of the bargaining routine. In addition to ensuring relative labour peace, the truce also stabilizes the more direct negotiation outcomes such that relative outcomes (between different occupational groups) are kept consistent; that is, the relative differences in wages between groups stays consistent. While the truce allows some of the issue parameters to be renegotiated in every round of bargaining (typically every two years), the overall industrial relations truce in the Faroe Islands has remained in effect for almost two decades. Most negotiators consider attempts to change the overall shape of the truce (mainly by trying to break the wage frame) to be futile. While the model here refers to an *inter*-organizational truce, it corresponds with Nelson and Winter's (1982) theorizing on *intra*-organizational truces, where they suggest that "it seems safe to say that fear of breaking the truce is, in general, a powerful force tending to hold organizations on the path of relatively inflexible routine" (p. 112).

***Rigidity.*** While the truce has minimized the volatility and increased the stability in industrial relations, it has also imposed a severe rigidity that is not only frustrating for negotiators but also makes it difficult to make any fundamental and important contractual changes. In particular, the lack of flexibility and the rigidity of the truce makes it difficult to make changes to contracts that involve changing the pay of one occupation relative to another. For example, there may be a labour shortage within a particular occupation which might be helped by an increase of relative pay, but making such an adjustment would break the wage frame and undermine the truce, something that employers do not want to risk. Thus, just as the organizational routines literature has suggested, the benefit of stability in routines is often accompanied by inertia (Hannan & Freeman, 1984) and

inflexibility (Gersick & Hackman, 1990; Weiss & Ilgen, 1985), something that generally is not considered in the negotiation and conflict management literature, which has explored what happens when negotiation is routinized.

***Distributive justice.*** There is one implication of the truce that has immediate and direct effects on outcomes. When there is one overarching truce affecting multiple parties within it, the truce constrains what outcomes each party is able to reach relative to other parties. On the one hand, the truce ensures some level of fairness, in that everyone receives essentially the same raise each round of bargaining. On the other hand, the constraints of the truce prevent historical issues around distributive justice from being rectified. While the effect of freezing wages of different occupational groups relative to each other could be considered a positive in the sense of distributive justice, this has a particular negative effect on the unions representing occupational groups perceiving themselves as historically underpaid. Because the wage frame imposes the same percentage increase on all unions, the unions that are perceived to be underpaid seem unable to escape the underpayment trap. Not surprisingly, it is also these unions that are most aggrieved by the rigidity of the wage frame. In contrast to most negotiation literature, which has not fully embraced the contextualized nature of negotiations (Gelfand et al., 2012, 2008), and especially not routinized negotiations (Kesting & Smolinski, 2007), this model demonstrates some of the macro level effects of a routinized truce.

***Stabilization of power.*** As the truce limits the variability in what each party can achieve in bargaining, to a large extent it reduces the role power plays in the negotiation process. The truce essentially leads to a stabilization of relative power, where individual

power-plays become somewhat ineffective. Before the pattern bargaining became routinized (something that happened in the last 20 years), it was somewhat possible for individual actors (unions or employer) to use their bargaining power to push for greater concessions. However, with the (sometimes reluctant) acceptance of the wage frame pattern, power relations have, in essence, been stabilized at the level prior to the entrenchment of the routine.

With power stabilized and embedded within the routine, the latent power dynamics become less obvious (Feldman & Pentland, 2003), to the extent that participants often do not explicitly speak or think of them. Even when participants are aware of these latent power dynamics, participants seem for the most part powerless to affect any meaningful change to the process. This stabilization of power may possibly benefit the employers more than the unions because employers have more control over the wage pattern in that they essentially have control over which union is part of setting the wage frame. As the more centralized negotiating party, the employers have more control over how the frame is being implemented across different bargaining pairs.

### **Negotiator Agency: Negotiators, Tactics, and Relationships**

As discussed, the routinization of bargaining dominates the bargaining process and to a large extent shapes what is possible in terms of outcomes. However, the bargaining routine is not a fixed object. Rather, it is enacted and maintained through the continuous and repeated interactions between the parties involved. Much of this interaction is routinized, but as the findings show, there are several factors that shape or enable variations in how the routine is performed, and sometimes modified or deviated

from. These factors can be grouped under bargaining tactics and relationships, factors that are further shaped by individual attributes and backgrounds of the negotiators.

*Tactics.* The findings of this study demonstrate a vast range of tactics negotiators use in order to try to influence the process and outcomes, even with the awareness that the difference they can make in tangible outcomes is marginal. These tactics target different aspects of the negotiations, with some aiming directly at the outcomes (issues tactics) and others at managing the process and relationships. This categorization of tactics corresponds with much of the prior negotiation and conflict management literature, some of it “prescriptive” (Friedman, 1994a; see, for example, Cloke & Goldsmith, 2005; Fisher & Ury, 1981). It also matches Walton and McKersie’s (1965) distinction between distributive and integrative issues tactics and attitudinal structuring (i.e., relationship building) tactics. The negotiators employed this considerable variety of tactics, well aware of the structural constraints imposed by the routine. In this model, I have added a category labeled “creative tactics,” because these tactics went over and above what is normally possible with issues tactics. Rather than simply trying to “expand the pie” – a common aspect of integrative tactics – a tactic such as negotiating “in the fog” is like bargaining for an extra small piece of pastry hidden away in the corner of the oven, where few people can see it. I have also put these tactics in a separate category, because they require a certain amount of extra creativity, and it is only through such creativity that negotiators are able to bargain for anything in addition to what is already fixed in the wage frame. In addition to the tactics directly targeting the issues and outcomes, those aimed at the process and relationship are also critically important. Not only do a smoother process and better relationships make for more pleasant, sometimes more constructive,

negotiations, but they are also important contextual factors that can be of great relevance to what otherwise is possible in the negotiations, especially regarding which other tactics negotiators can successfully employ, something I discuss in further detail below.

***Relationships.*** As just discussed, some tactics are especially targeted at managing the relational dimensions of negotiations (see *attitudinal structuring*; Walton & McKersie, 1965). These tactics are important because the relational dynamics can be critically important in negotiations, because many of the tactics discussed are only effective if the parties have a positive relationship with each other, at least if the parties were attempting employ any form of integrative negotiation. And a positive relationship is essential when trying to employ any of the “creative” tactics.

*Interpersonal relationships and trust.* The quality of the relationship between two bargaining parties can have profound impact on the proceedings of the negotiations as well as on outcomes. This is the case even in highly constrained negotiations, such as the ones that were part of this study, where process and outcomes to a considerable degree are prescribed in advance. The need for trust in any integrative (or cooperative) negotiations is well established in the literature (Friedman, 1994a; Zaheer et al., 1998). In order to come up with solutions that benefit both parties, negotiators have to disclose some of their core interests to each other, information that could be used against them by more competitively oriented negotiators, the prisoner’s dilemma being the most basic example of this (e.g., Rubin & Brown, 1975). Interpersonal relationships are critically important in interorganizational relationships (Klein et al., 2000; Zaheer et al., 1998), where interorganizational trust is foundationally based on interpersonal trust, which at the individual level is defined as “a psychological state comprising the intention to accept

vulnerability based upon positive expectations of the intentions or behavior of another” (Rousseau et al., 1998, p. 395). In addition to trust, getting along at the interpersonal level also seems to have an impact. There is one example in my findings where one negotiator, generally known for a contrarian, hard-bargaining approach, struggled with having to say no to a demand from an opposing bargaining team whom they had an otherwise very amicable relationship. In other words, negotiators’ decision on whether to resist or acquiesce to specific demands may at times be influenced by how “nice” they consider the other negotiators to be.

*Mutual intelligibility.* In addition to trust and good or reasonable interpersonal relationships, negotiations are also deeply affected by how well negotiators understand each other’s behaviours and motives. When negotiators talk about needing a good “chemistry” with the people on the other side, they do not only refer to the ability to get along on an interpersonal level. In fact, it is just as much about the chemistry of the bargaining interactions. For the process to flow, the negotiators need to have a mutual understanding of the process and the interactions within it. Some negotiators associate this to knowing the “rules of the game.” This relates to the concept of *mutual intelligibility* which is central to much practice theory (e.g., Schatzki, 2006). Mutual intelligibility is needed for practices to work, because the actions of all actors have to be interpretable by other actors. If negotiators are experienced and have participated in bargaining numerous times, they will have a better understanding of the behaviours of others in the process. In other words, it is partly through repeated interactions that the actions of the parties become mutually intelligible.



In addition to experience, mutual intelligibility is also affected by the negotiators' backgrounds. For instance, there are examples in this study where negotiators were generally getting better along with counterparts with similar educational and professional backgrounds. In cases where parties differ more in their perspectives on industrial relations and process of bargaining, there appears to be much less understanding (or willingness to understand) of what the other party is trying to do.

Having a mutual understanding of process, practices, and behaviour is critically important for constructive negotiations. When negotiators do not have this common understanding, one party can easily come to see the other as unreasonable and unrealistic. This will often be the case when experienced negotiators sit across with inexperienced bargaining teams. In addition to being an irritation that can negatively affect the overall relationship, it can also make it difficult to jointly problem-solve on issues, because part of the art of persuading the other party is to be able to speak on issues in language and terms the other party can accept.

When playing according to the defined (formal and informal) rules of the bargaining routine, where general acceptance of the wage frame is expected, strong resistance to this frame by one party can be seen as not playing by the rules, and as a result the actions and behaviours of the resisting party are likely to be seen as a lack of skill and understanding of what is supposed to happen in bargaining. This can have considerable consequences for the relationship between the parties, with difficult and unconstructive negotiations as a consequence.

***Individual attributes.*** As described earlier, negotiators are able to employ a vast range of tactics in the negotiations. One of the most interesting things is how much

variability there is in the tactics used by different negotiators. In many ways, each negotiator tends to use their own unique style of negotiating (more on styles later) that is based on their very individual skills, reflexivity (social, processual, and situational awareness), and dispositions.

*Skills.* The main reason for the varied repertoire of tactics used by different negotiators is their considerable differences in skill level. In order to effectively utilize the different types of tactics (issues, process, relationship, or creative), negotiators need to have particular skills related to the respective tactics. Accordingly, negotiators with a high level of content knowledge and technical skill are particularly capable in dealing with the concrete issues being negotiated. Possessing strong mathematical skills, for example, can give negotiators an advantage over negotiators weak in this area, as they can be much more confident in understanding the implications the adjustments being considered (typically within the wage frame), especially in situations where they may need to make a quick evaluation to a proposal coming from the other side. Similarly, some negotiators may have a strong, sometimes intuitive, understanding of process and are able to mold the process, if not for their own benefit, then in order to make the process more efficient. At the relationship level, some negotiators appear to have strong interpersonal skills and the ability to instill trust with other people.

In the strategy-as-practice literature, skills are often discussed in terms of their linguistic, discursive, rhetorical, and narrative nature (e.g., Balogun, Best, et al., 2015; Balogun et al., 2014; Laine & Vaara, 2015; Maitlis & Lawrence, 2007; Rouleau & Balogun, 2011; Samra-Fredericks, 2003; Wodak et al., 2011). Many of these skills are certainly relevant in collective bargaining. However, the difference is that as collective

bargaining is primarily an inter- rather than intra-organizational process – with SAP research so far mostly focused the latter – the model presented here applies particularly to the skills in negotiating with parties external to the negotiations, much as in Mintzberg’s (1973) “negotiator” role. The strongest negotiators are those who possess the full range of skills (content/technical, process, and relational), similar to what Fauré and Rouleau (2011) refer to as “strategic competency” (a combination of technical expertise, discursive abilities, and strategic knowledge).

As suggested in the substantial training literature on negotiation and conflict management (e.g., Cloke & Goldsmith, 2005; Fisher & Ury, 1981), many of these skills can be learned. But there are also strong indications that some of the most skilled negotiators have a very intuitive approach to negotiation. For them, negotiating seems very much like a craft (Mintzberg, 1987), where they rely considerably upon improvisation, which is necessary for some of the more creative tactics.

***Reflexivity.*** Not all negotiators are equally deliberate in how they engage with the bargaining process. Some negotiators will have a highly deliberate strategy (Mintzberg & Waters, 1985), while others will follow the routine somewhat mindlessly (Ashforth & Fried, 1988). Most negotiators will fall somewhere in the middle of this continuum, with a few being nearer to either the deliberate or the mindless end. Somewhere in between are the negotiators who are neither mindless nor fully deliberate. Instead these will rely more on their intuition and be somewhat improvisatory in their approach.

The deliberate negotiators will be highly conscious, and often analytical, of the process. Due to their knowledge of process, they will usually be very skilled, and highly strategic in their use of tactics. Some may have special strengths relating to certain

aspects of the negotiations and be particularly deliberate in these areas. For example, a negotiator could be especially focused on content and issues and spend time in advance planning what kind of distributive bargaining tactics to use. Another negotiator may spend more time on how to deliberately adjust the process, for example, by changing the parameters around how the meetings are scheduled and conducted. And finally, a negotiator particularly attuned to the relational aspects of negotiations may take the initiative to try building better interpersonal relationships. In terms of Giddens's (1984) conception of reflexivity, the deliberate negotiators have a high level of *discursive consciousness*, which refers to the extent to which people are able to articulate in words (to themselves and to others) reasons for their actions.

In contrast to the deliberate negotiators, there are those who rely more on improvisation. While these negotiators do have a strategy of some sort, it is one they have developed intuitively over time and through experience, and one they cannot easily articulate. These negotiators rely on what Giddens (1984) refers to as their *practical consciousness*. Some of these negotiators can be quite effective, as they can be very good intuitive players of the game (Bourdieu & Wacquant, 1992). However, because they often cannot articulate the reasons for their actions, they do not have the same level of reflexivity as the more deliberate negotiators.

Finally, those negotiators with the least reflexivity tend to follow the bargaining routine somewhat mindlessly (Ashforth & Fried, 1988). For these negotiators, the idea of having a "strategy" can be somewhat of a foreign concept. These negotiators tend to be unreflexive of context and will usually take the process for granted. These negotiators will generally be the least skilled and will have the smallest utilization of tactics.

*Dispositions.* In addition to the different skill level and range of reflexivity, negotiators will often also have different preferences for how to approach negotiations and conflict, similar to the dispositional styles laid out in the dual concern model in the conflict management literature (e.g., Pruitt, 1983; Rahim, 1983; K. W. Thomas & Kilmann, 2002). The findings from this study, however, suggest some different styles (or at least variations of) than the ones specified in the dual concern model. In addition to the styles suggested by the dual concern model, such as contenting, integrating, obliging, avoiding, or compromising, these styles add an element of task orientation (“just get it done”-attitude), different ways of contending (*aggressive, contrarian, whinging*), in addition to the more common conflict styles *problem-solving/integrative*, and *obliging*. Thus, in addition to the simple two dimensions, concern-for-self and concern-for-others, this demonstrates how assertiveness can be expressed in different ways.

*Negotiator background.* While negotiators have individual attributes that affect their effectiveness in negotiations, many of these attributes are shaped by their background. For instance, length of negotiating experience seems to be directly related to negotiating skill. Level of education is strongly associated with reflexivity and cognitive capability. Furthermore, some negotiators have had specific training in negotiation, or have been exposed to negotiation theory during their higher education, something that contributes to both higher skill level and awareness of process.

A third factor, occupation status, is less about who the negotiators are as individuals but rather about the group of people they represent. The primary evidence of the role occupation status plays is in how the ability to influence bargaining outcomes seems more constrained by the unions perceiving themselves as historically underpaid.

These unions consistently feel that they are less respected by the employer negotiators, something they attribute to the perceived lower status of their profession. These professions are typically in the personal care sector, and there are strong suggestions (from negotiators representing these unions) that these occupations being female-dominated is an important factor affecting their historically lower status, something they believe impacts their success at the bargaining table. It is these unions that are consistently the most dissatisfied with pattern-bargaining truce. Accordingly, they are less willing to accept the regular “rules of the game” and are, as a result, sometimes perceived as unreasonable, unrealistic, and “whinging.” In essence, this dynamic affects the mutual intelligibility between the parties, something that then undermines the establishment of the positive and productive relationships necessary to make any extra gains in the negotiations.

### **The Tension Between Structure and Agency**

A recurring theme in this thesis, is how the routinized structure of bargaining severely constrains the agency of individual negotiators. However, another strong theme also emerging is the rich variety of ways negotiators try to work within these constraints and sometimes around them. In this regard, I have particularly focused on factors that might explain the somewhat varied amount of agency negotiators seem to have. A focal point of this discussion are the attributes of the individual negotiators, who are quite different not only in terms of their levels of skills and reflexivity, but also in terms of their psychological dispositions. At one level, there is a purely psychological dimension to this

discussion. At another level, the psychological discussion leads us back to the disagreement Giddens and Bourdieu have on individual agency.

There seem to be both psychological and sociological factors shaping the degree of individual negotiator agency. From a psychological perspective, routines could be referred to as “strong situations” (Cooper & Withey, 2009; Mischel, 1977) where personality and dispositions will have less relevance for behaviour than the situational characteristics. While this is likely true in this case, as demonstrated by the constraints of the bargaining routines, my findings also show that there are considerable differences in how people engage with the constraints, differences that seem to be determined by negotiator “dispositions” (broadly defined, and qualitatively assessed). Essentially, those negotiators who are more reflexive of the context and routine seem to feel freer to deviate from the standard routine and to think of creative ways to circumvent the wage frame. Thus, the greatest effect of dispositional differences seems to have been that the situation strength may have been a matter of perception: where those more reflexive find themselves to be less constrained (due to their higher level of awareness, knowledge, skill, and self-efficacy) and those less reflexive find themselves much more constrained. The findings therefore suggest a considerable psychological dimension of individual agency.

As discussed in the literature review (in Chapter 2), individual dispositions and behaviour are socially situated, and cannot be considered out of context. Not only are individual dispositions largely socially acquired, in what Bourdieu (1977, 1990) refers to as *habitus*, they also interact with the individual’s social position (i.e., “capital” Bourdieu, 1977, 1990). Bourdieu suggests that power structures are internalized by individuals and

that individuals only have limited reflexivity (awareness) of their own social position. My findings, however, suggest that some negotiators do indeed have a high level of reflexivity and awareness of their social position. The fact that many are able to creatively deviate from prescribed routines – i.e., have cognitive wherewithal to “do otherwise,” as Giddens (1984) proposes – suggests that in the disagreement between Giddens and Bourdieu on the level of agency possessed by individuals, both perspectives have merit.

Interestingly, this theoretical disagreement between Giddens and Bourdieu, exposed by my findings, can be somewhat reconciled by further consultation of Bourdieu’s own theoretical work, even though it is a dimension of his theorizing that he himself has perhaps underexplored. While Bourdieu is less concerned with varying levels of agency (the ability to otherwise), my findings suggest that the level of agency an individual negotiator has is determined by the individual’s level of reflexivity, a dispositional dimension that, to a large extent, is interrelated with the person’s intersecting types of capital (social, educational, economic, etc.) (Bourdieu, 1977, 1990). Someone with a high level of reflexivity will often have a high level of education, something that is likely associated with high intellectual capability; a higher level of education is often also associated with relatively higher social class. Lastly, a high level of education is also more likely to lead higher status jobs. Meanwhile, someone with a low level of reflexivity is likely to have less education, be in a lower status profession, and be less used to dealing with process due to the typically more manual type of labour. In my study, there were several exceptions to this broad conclusion, but most can be explained by other factors. Individual dispositions vary within one category, as not everyone is equally reflexive within the same profession, nor are they equally skilled.



Furthermore, some negotiators may be highly educated but be in a low status profession (e.g., personal care profession), where they are so positionally disadvantaged from the outset – or their counterparts do not have a generous attitude towards this particular party – that no amount of skill or creative tactic is going to make much difference in the outcome. Thus, the lack of creativity and pondering of process may well be shaped by them not seeing any point in trying, because any such previous attempts may have been futile. Furthermore, if parties see themselves as unfairly served (i.e., significantly underpaid) by the wage frame routine, they may be reluctant to simply accept the wage pattern routine – because that would be akin to giving up on their historical grievance – which would generally be required for being able to use any of the creative (and generally cooperative) tactics others have successfully used. These findings also align with social psychology research which suggests that an imbalance of power is likely to lead to adversarial approaches to negotiation (Rubin & Brown, 1975).

This model highlights the need for a better conversation between psychology and sociology. As demonstrated, routines (including negotiations) are strong social situations that involve a considerable amount of cognitive and psychological processing. While some of this processing might be at the passive (mindless) end of the scale, it still requires some level of intellectual engagement, even if this is mostly automatic and habitual. However, some negotiators will be much more actively and deliberately engaged with the process at a cognitive level (i.e., be more reflexive). While all negotiators likely portray some level of active versus passive engagement with the process, they differ significantly in the balance between active and passive cognitive processing (see “dual process theory”; Evans, 2008).

While individual factors appear to be critical in shaping individual agency, some factors are primarily relational. Some of these factors become apparent when one looks at which negotiators are able to achieve some small extra gains, over and beyond what they are supposed to, according to what was, at least officially, a very restrictive wage frame pattern. Interestingly, the small, incremental, or “in the fog” gains never seem possible for the unions that were already perceived to be disadvantaged by the system. Whereas employer negotiators claim to understand the plight, and possible unfairness, of the constrained wage frame, they claim not be able to do anything about distributive injustice, because giving any union more would make the-wage frame truce fall apart. At the same time, they are knowingly giving incremental gains (or “in the fog”) to some, but not to those already behind in wages.

### **Model Summary**

As the emerging theoretical model shows, the routinization of negotiations results in a truce that provides stability in industrial relations. While providing stability, this truce also imposes considerable rigidity around possible outcomes, at the same time as routinization severely limits the agency of individual negotiators. However, even within the constraints of the routinized truce, some negotiators appear to be better able to exercise their agency, mainly through their varied use of tactics. The factors explaining this varying level of agency appear to be: 1) individual attributes, such as skills, reflexivity, and behavioural dispositions; 2) relational factors, such as negotiators’ interpersonal relationships, level of trust, and the degree of *mutual intelligibility* (i.e., commonality in the understanding of practice and behaviour) between the negotiating

counterparts; and 3) factors related to negotiators' backgrounds, such as level of experience and education, as well as the status of the occupation negotiators represent.

Central to this model is the intersecting ways in which the various components contribute to negotiators' agency. Successful use of tactics is dependent on individual skill and reflexivity as well as on the relationship with negotiating counterparts, a relationship that to a considerable degree can be shaped through negotiating tactics. Negotiators' backgrounds can shape both individual attributes and relationships. For instance, a higher level of education tends to increase the level of skill and reflexivity, at the same time as similarity in educational background contribute to a higher degree of mutual intelligibility, something that can then affect negotiators' ability to employ negotiation tactics.

As this study was set in specific context (collective bargaining in the Faroe Islands), I want to briefly discuss the extent to which this model can be generalized to other contexts. While there are certain factors that are idiosyncratic to this context, such as the specific negotiators involved and the overall industrial relations climate, a number of things can be extrapolated. Firstly, when negotiations are routinized, there is a greater likelihood that they will result in a truce, with both the positive and negative consequences. While not all negotiations (including collective bargaining) will be equally routinized, similar outcomes are likely to occur. In this sense, it does not matter so much what the exact details of the routine (idiosyncratic factors such as the actors, legal context, and specific steps in the negotiation process) are. It is more that when there is routinization, negotiations are more likely to produce a truce, constrain the range of possible outcomes, and limit the agency of individual negotiators. Secondly, while each

context will feature a unique combination of negotiators' individual attributes, backgrounds, and relationship factors, the considerable variability on these factors within this study demonstrate relationships between these factors that likely will occur in other contexts.

## CHAPTER 6: DISCUSSION

In this study, I sought to examine the extent to which the routinized structure of collective bargaining shaped the activities and interactions between negotiators, and what effect routinization might have on outcomes. On the flipside, I also explored the roles individual negotiators played in the process, especially in terms of the tactics and strategies they used, and assessed to what extent they were able to influence the process as well as outcomes. Having described and discussed the emerging theoretical model in the previous chapter, in this chapter, I will discuss the theoretical and practical implications of the findings as well as the limitations and areas for future research.

### **Implications for Negotiation and Conflict Management Research**

One of the motivations for this study was that negotiation and conflict management theory and research has, to a considerable degree, neglected context (Gelfand et al., 2012, 2008). In particular, there has been a lack of research on negotiation as a routinized phenomenon. In contrast to laboratory-based research, context plays a considerable role in shaping the behaviour and interactions in actual real-life negotiations. There are often highly developed relationship dynamics between the parties, both at the organizational and interpersonal levels, which shape behaviours. Not only are there historical relationships between individual negotiators, but the individual negotiators have also inherited a relational history at the organizational level, and this historical relationship shapes the broader relational context. We saw this, for example, in relationships where some negotiators' attitudes toward a specific bargaining group were shaped by past interactions, even though the individual negotiators had changed.

As also discussed previously, the actual *process* of negotiation has received relatively limited attention in empirical negotiation and conflict management research, even though the “prescriptive” negotiation theories (Friedman, 1994a) emphasize manipulation of process as a way to get as much as possible out of the negotiation, whether through distributive or integrative means. By focusing specifically on individual level interactions, I have shown how individual negotiators manage the multiple multi-level dynamics in negotiations with a mix of issues, relational, and process tactics.

One of the key findings in this study is that routinization of negotiation has profound effects on both process (strategy and tactics) and outcomes. Considering that negotiations are very commonly “repeated” and very often routinized – even when different parties are involved, negotiation often follows an assumed standard process (or “ostensive routine”) (Feldman & Pentland, 2003) – it is surprising that there has been so little attention paid to routines in negotiation research.

Much negotiation and conflict management literature focuses on how individuals differ dispositionally in their approach to negotiation and on what individuals can do to achieve better negotiated outcomes (e.g., Fisher & Ury, 1981; Mayer, 2000; Ury, 1991). This study, however, demonstrates how these individual attributes can be severely constrained in real contexts. Certainly, there was plenty of evidence of negotiators being differently skilled and differently cognitively disposed. These factors impacted how negotiators thought about negotiations and affected the tone and relationships in the bargaining. But the effect on actual outcomes was actually relatively small, at least in the short term.

Probably the most significant contribution this study makes to negotiation theory and literature is the use of practice theory. Practice theory helps address the ontological gaps left by the individual reductionist tendencies of the psychological perspectives on negotiation and conflict management and the structural determinism of predominant industrial relations theory. The focus on practice (or routine) as a unit of analysis helps us escape the trap of considering behaviour to be caused by *either* individual psychological factors *or* macro-level structural factors. Instead, focusing on practice allows us to consider behaviour and activities not only as outcomes shaped by other factors, but also as structuring elements in themselves that can have substantial effect on further behaviour as well as structure, and even individual psychological processes (e.g., “mindlessness”; Ashforth & Fried, 1988). This study demonstrates that while macro-level structure and individual psychology both play a role in shaping negotiation process and outcomes, practices and routines also play a significant role that cannot necessarily be explained by micro and macro factors.

I have highlighted a number of effects routinization can have on negotiation (e.g., stability, rigidity, and truce). These findings correspond closely with much of what is already well established in the organizational routines literature. While these findings are not necessarily surprising from an organizational routines perspective, these findings provide novel insights to negotiation literature, where the consideration of routines is essentially non-existent.

## **Implications for Strategy-As-Practice**

While using a strategy-as-practice (SAP) approach has made it possible to address some critical gaps in the negotiation, conflict management, and bargaining literatures, the findings also make specific contributions to SAP research.

To my knowledge, this study is the first to apply an SAP lens to an industrial relations context. For strategy-as-practice (SAP), this context differs from those typically examined. First, whereas SAP contexts are typically intra-organizational – such as meetings (e.g., Jarzabkowski & Seidl, 2008; Liu & Maitlis, 2014), strategic planning (Hoon, 2007; Jarzabkowski & Balogun, 2009; Nordqvist & Melin, 2008; Whittington & Cailluet, 2008), and budgeting (Fauré & Rouleau, 2011) – collective bargaining provides an inter-organizational setting. Second, collective bargaining provides an ideal case for studying the interplay between structure and agency, given that collective bargaining is highly routinized, while being influenced by individual negotiators. This rarely explored context, therefore, provides some interesting and unique insights for SAP research.

As discussed earlier, union-management relations are of strategic importance to organizations, even if many organizations do not have a deliberate industrial relations strategy (see M. Thompson, 1995, for examples of deliberate labour relations strategies). In this study, the organizations generally did not have any deliberate industrial relations strategy. Instead, strategy was often rather improvised, or even mindlessly accomplished. Thus, most of the cases examined were examples of emergent rather than deliberate strategy (Mintzberg & Waters, 1985). Instead of the strategy being conceived at the top-management level, it typically emerged from the interactions between negotiators. This study therefore extends the conception of *who* can be considered strategic actors in



organizations (Jarzabkowski et al., 2007). Whereas prior research has explored the roles of top management teams (Jarzabkowski, 2003, 2008; Jarzabkowski & Wilson, 2002; Liu & Maitlis, 2014), middle managers (Balogun & Johnson, 2004, 2005; Mantere, 2005; Mantere & Vaara, 2008; Paroutis & Pettigrew, 2007; Rouleau, 2005; Rouleau & Balogun, 2011; Sillince & Mueller, 2007; Suominen & Mantere, 2010), accountants (Fauré & Rouleau, 2011), consultants (Schwarz, 2004), “champions” (Mantere, 2005; Nordqvist & Melin, 2008), this study adds the category of labour negotiators, who in some cases could be categorized as boundary spanning (Friedman & Podolny, 1992) middle managers. This research, therefore, has relevance for research (primarily within SAP) that examines the strategy that is enacted on the periphery (Regnér, 2003) of organizations by a multitude of different personnel who, unlike member of top management teams, are not traditionally considered to be strategic actors.

Apart from the novelty of the particular context studied, this study’s biggest contribution to the SAP literature is perhaps the examination of the relationship between structure and agency in a highly routinized context. As discussed earlier, one of the primary features of the SAP approach is the separation of the distinctive aspects of *practices* (i.e., shared routines, tool, procedures, and behavioural routines), *praxis* (i.e., events, meetings, communication, and behaviour), and *practitioners* (i.e., the people engaging with practice and enacting praxis) (Whittington, 2006). The findings in this study highlight a number of factors related to the negotiators’ (i.e., *practitioners*’) ability to shape process and outcomes within the constraints of the bargaining routine. In other words, it addresses central aspects related to individual agency within rigid structures.

A considerable amount of SAP literature has examined the constraining and enabling effects *practices* can have on individual agency (see Vaara & Whittington, 2012, for a review). This study shows how strong these constraints can be within a heavily routinized process. However, the research on *practitioners* has tended to focus more on the roles and identities of actors (see Vaara & Whittington, 2012, for a review). There have been a number of studies that explore *practitioners'* agentic abilities, such as linguistic, discursive, narrative, and rhetorical abilities (e.g., Balogun, Best, et al., 2015; Balogun et al., 2014; Laine & Vaara, 2015; Maitlis & Lawrence, 2007; Rouleau & Balogun, 2011; Samra-Fredericks, 2003; Wodak et al., 2011). But, in terms of the tensions between structure and agency, there has, in SAP, been more attention paid to the structure part of the equation. As the review by Vaara and Whittington (2012) illustrates, the literature has predominantly examined the constraining (or sometimes enabling) effect of practices, with much less attention paid to *how* practitioners go about managing these constraints, and even less attention on the sources of practitioners' agency in such situations.

A particular contribution of this study is the examination of the factors that can explain the varying degrees of agency individual practitioners may have. The first individual factor is skill. In this study I have highlighted a range of skills categorized as technical, processual, and relational skills. These skills complement the types of skills previously discussed in the SAP literature, most specifically what Fauré and Rouleau (2011) refer to as “strategic competence” (i.e., the combination of discursive abilities, technical expertise, and strategic knowledge), in addition to the discursive and rhetorical abilities just referred to above. By exploring a broader range of skills, this study extends

the still somewhat limited literature on practitioner skills within SAP. A second critical factor affecting individual practitioners' agency is their level of *reflexivity*. The issue of reflexivity touches on some of the deeper sociological disagreements between the theories of Giddens (1984) and Bourdieu (1977, 1990). Where Giddens attributes a certain level of agency to individuals, assuming them to be reflexive beings who have to capability to be either *discursively* or *practically conscious* of the their situation and actions, Bourdieu appears to be skeptical of the existence of such flexibility (Gomez, 2015). The findings of this study suggest that there are cases where Giddens's theorizing fits better and others where Bourdieu's is a better fit. The differences in the level of flexibility seem to depend on the combination of practitioners' *habitus* and *capital* (to use Bourdieu's terms). As my findings showed, reflexivity depends to a large extent on each individual's unique combination of personal characteristics, including the more *unconscious* (Giddens, 1984) dispositions (some of them socially acquired; Bourdieu, 1977, 1990), and social status, background, and education.

It is important, however, to recognize that individual agency only exists in context. In addition to the constraints of embedded practices and routines, people exercise their agency as they engage in activities with other people. The nature and quality of the relationship with these other people also plays a significant role in the agency other people have. In addition to purely interpersonal relationships, the level of agency depends considerably on having a "shared practical understanding" of practices, where the behaviours are "mutually intelligible" (Schatzki, 2001a), something that is influenced by relative status and capital (Bourdieu, 1977, 1990).

This analysis gives us a better of understanding of how agency works in practice. As this study featured a highly routinized context, the findings are particularly relevant for other similar structures, as where there is a high level of routinization and rules-based practice.

*Relevance for other interorganizational contexts.* While collective bargaining is somewhat of a unique context, I believe these findings are of relevance to other interorganizational contexts and negotiations. Some of the contextual similarities have previously been illustrated by scholars who have applied Walton and McKersie's (1965) *Behavioral Theory* to other interorganizational relationships, such as strategic alliances (Kumar & Das, 2010) and mergers (Monin et al., 2013). While interorganizational negotiations are often not as standardized and formalized as they are in collective bargaining, there are norms and standards (often taken for granted and institutionalized) in business negotiations that will, to a large degree, shape the negotiation behaviours of individual negotiators. While my findings show that individual attributes matter a great deal in negotiations, they also show that strategy and tactics are very often habitual, and that the routine structure puts a considerable constraint around process and outcomes. As most studies on interorganizational routines (e.g., García-Canal, Valdés-Llaneza, & Sánchez-Lorda, 2014; Reuer, Zollo, & Singh, 2002; Zollo et al., 2002) demonstrate, repeated and routinized negotiation can make interorganizational relationships considerably more effective; it is to be expected then that some of the negative aspects of routines will also be present. However, with some relatively rare exceptions (e.g., Ariño & Reuer, 2004; Ariño & Ring, 2010), most studies on interorganizational negotiations do not examine process to a considerable degree, thus making it difficult to verify

similarities with the present study. That said, Ring and Van de Ven (1994) do suggest some conceptual propositions regarding the relationship between formal vs. informal processes in interorganizational relationships.

As routinization is something that happens over time, the routine effects (positive and negative) are likely to become more relevant the longer and more established the interorganizational relationships become, and the more routinized the interactions and negotiations become. While there are efficiencies (cognitive and otherwise) created through the routinization, there is a high risk of increased inflexibility and inertia. While interorganizational relationships are increasingly being studied at multiple levels (Klein et al., 2000), there is still much left to be studied at the individual level, especially in terms of process and practice. Therefore, this is an opportune area for further strategy-as-practice research.

### **Implications for Industrial Relations**

Most texts on collective bargaining allot only a small amount of space to bargaining tactics (e.g., Craig & Solomon, 1996; Godard, 2005; Hebdon & Brown, 2008), and when they do, they often dedicate the greatest portion of the discussion to distributive bargaining tactics related to the “bargaining zone,” etc. These texts dedicate even less space to individual negotiation skills, if at all. This is in contrast to most of the “prescriptive,” practitioner-oriented texts (e.g., Fisher & Ury, 1981) which generally discuss techniques and strategies useful to individual negotiators. Models such as the IRS, while being fairly comprehensive in including macro level forces, and meso/macro level actors, and being fairly detailed in the description of *conversion mechanisms*, do not

sufficiently include the roles of individual negotiators and micro-level processes at play in shaping outcomes. As a result, the industrial relations system framework has become somewhat detached from the process-oriented “behavioural theories” (Walton & McKersie, 1965), and in this way the macro-micro divide is sustained. By using a practice theory perspective to study the process of collective bargaining, this study helps illuminate this gap by examining practices and routines as structural elements at the same time as it examines the individual characteristics that shape how individuals engage with and try to manipulate the structure.

### **Limitations and Future Research**

The uniqueness of the choice of context in this study has both benefits and limitations. On the one hand, the smallness of the context allowed for deeper insights into the bargaining process where there was close proximity between the various actors. Furthermore, using a small context made it more likely that there would be consistency in the bargaining process, which would help illuminate variety in how different negotiators engaged with the same routine. For this study, I made the decision to do observations and interviews across a multitude of mini bargaining cases. While difficulty in getting access to observe a whole case from start to finish was part of the reason for this choice, the main reason was that I wanted to explore the perspectives of as many negotiators as possible within a relatively confined context, so that I could get a greater variety of views and perspectives on essentially the same process. However, what I gained in data richness in terms of variability, I likely lost in terms of the nuances and intricacies that might have been observed within one particular case.

In addition, it is possible that some of the findings could be idiosyncratic to the particular context of the Faroe Islands and the individuals involved. However, I do believe that I have alleviated this concern somewhat because I highlighted how these differences in individual attributes did indeed play a significant role in shaping negotiations. As I have discussed, the tone and feel of the negotiations in each mini case was strongly shaped by individual negotiator attributes as well as by the unique nature of each relationship across the bargaining table in each case. Thus, the variability of the flavour of bargaining is therefore an important part of the story. I have highlighted negotiation skill, reflexivity, dispositions, experience, education, and occupational status as factors that seem to contribute to this variability. However, since I focused mainly on process, and not on measurement of individual attributes measurement, it was difficult to precisely determine exactly how these factors interact in shaping bargaining behaviour. It is indeed the interaction between these factors that makes such determination difficult.

As I have discussed, since there is a strong relationship between these factors, such as education, reflexivity, and skills (factors that together could shape or influence negotiation dispositions), it became difficult to separate them out in order to determine causal and interactional relationships between them, at least if one were to do so quantitatively. Add to this the strong effects of situational, relational, and contextual characteristics, and this quickly becomes a very complex web of variables, many of which are very difficult to measure. This complexity reminds us of the opening quote by Gelfand and colleagues (2011) which highlights how “[n]egotiation is arguably one of the most complex social processes to study” (p. 495) because of its demonstrated entanglement of a multitude of both psychological and social processes, as well as social

contexts. Due to this complexity, it is perhaps not surprising that there has been so little research on negotiation and conflict management research that has fully explored the role of context (Gelfand et al., 2012). Due to the quantitative paradigm dominating these fields of research (De Dreu & Carnevale, 2005), it is possibly too difficult to measure the relationships between these variables in a way that researchers feel is robust and generalizable enough. This was one of the main reasons for employing a practice (theory) lens in this study. Furthermore, this study also demonstrates that while there is very interesting nuance and variety in how people negotiate, such individual differences can have limited influence on the outcomes, even though individual influence certainly should not be discounted.

Based on my findings, I suggest that there is much more to be explored in terms of negotiation and conflict management using similar qualitative approaches, whether the context is collective bargaining, grievance dispute resolution, inter-organizational relationships, merger negotiations, multi-stakeholder negotiations, intra-organizational conflict management, or alternative dispute resolution (ADR), in a variety of contexts. Furthermore, I have highlighted the effect routinization has on the negotiation process. I therefore also suggest that future negotiation research take more seriously the notion of routines, both in terms of how routines shape negotiation as well as how the negotiators shape and maintain the routine.

### **Practical Implications**

The findings of this study, and the emerging theoretical model, show that context matters a great deal in negotiation situations. First and foremost, it shows that as



negotiation and bargaining become routinized, there is a tendency for the process to become rigid, something that can lead to inflexibility in outcomes. While the resulting stability is certainly beneficial for the management of latent conflicts, there is a risk that important issues remain unresolved. In collective bargaining, likely one of the most structured and rigid negotiation contexts, the resulting relative labour peace comes at the cost of not being able to address historical inequities or to adjust wages to reflect labour market supply and demand. Addressing inequities will be of more concern to labour unions and society as a whole, while making contracts reflect labour market supply and demand will likely be more of a concern to employers, because this might make it difficult to recruit people with qualification that are in high demand and short supply. However, other jurisdictions have demonstrated that even if the process is complex, it is possible to rebalance historical inequities between occupational groups somewhat by engaging in broad-scale multi-party pay equity bargaining (see for example Hart, 2002a, 2002b). In other words, where there is a will, there often is a way.

A second practical implication is that even when the bargaining process is highly structured and routinized, negotiators do have a certain level of agency in affecting outcomes, as well as in shaping context. What the practice theory lens tells us is that structures and routines are, to a large extent, maintained through the practitioners' repeated engagement with them. This means that as the negotiators are the ones performing the routines and structures, they also have some power to modify them. In this study, we did see some examples of such attempts. What is most striking is the varying level of skill and ability in this area. Some negotiators seemed to be mindless followers of the routines, while other negotiators were much more reflexive of their situation. It was

the latter who were better able to bend the process to their benefit and, at times, to achieve a better bargaining outcome as a result.

Thus, in addition to demonstrating the constraining effect that context can have on negotiators' ability to negotiate, this study also shows that individual negotiator attributes are of great importance. Not only are negotiating skills, like the ones taught in common negotiation and conflict management programs, of primary importance for using and understanding the various kinds of tactics, negotiation competency also involves being able to understand the overall process, and to see what the different components do. The findings show that the most reflexive negotiators had better grasp of the effects caused by the process structure. Some were able to see how the process severely constrained what was possible to negotiate, but they also understood the very risky implications of trying to break the pattern, especially the wage pattern. Therefore, it is important that a deep understanding of process structure be considered an essential part of negotiation competency.

Finally, while negotiators might increase their skill level and process awareness through training, some of the best negotiators had developed their competency in both areas simply through experience. Furthermore, it seemed that some negotiators were naturally disposed to become good negotiators. However, it is also very clear that general level of education (not restricted to negotiation training) played a significant role in negotiators' comprehension of structure and process, their level of reflexivity as well as their skills.

I have highlighted some areas where this study's findings may have practical implications, without necessarily making specific recommendations. To a large extent,

such recommendations will depend on the particular context. However, what I can summarize from these findings is that because the structure of the process impacts outcomes more than most people – and even practitioners – realize, it is of great importance for negotiators to become more reflexive of their role in the process because it is only through such awareness that they will know which levers they can use to affect substantial change (see Senge, 2006). They will also need this awareness to understand the risk of modifying aspects of the process, something that could undermine the stability the process provides. And lastly, those with overall responsibility for organizations (unions or employers) need to understand the importance of having the right individuals in charge of the negotiations: people with the right experience, education, training, skills, and aptitude.

## **Conclusion**

In this thesis, I set out to examine collective bargaining as a routinized process of negotiation. This study used a practice-theoretical lens to examine the gaps left by the divides between the micro- and macro-level approaches to conflict and negotiation research. These gaps have left us with relatively limited understanding of effect of context on negotiation, especially when it comes to negotiations that are routinized. A central theoretical interest for this study was the desire to more deeply explore the tension between structure and agency. The findings of this study demonstrate that the context and structure of the negotiation matter a great deal. While there is a vast range of tactics and skills that negotiators can learn to use, the context (especially when routinized) can severely constrain the effectiveness of these interventions. However, even within these

constraints, negotiators appear to be differently able to exercise their agency, agency that is not only shaped by their individual ability, but also their background and their relationships with their counterparts. This research has been highly interdisciplinary and contributes to a number of different fields of research, including negotiation/conflict management, industrial relations, and strategy-as-practice.

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## APPENDICES

### Appendix 1. Interview Protocol

#### Background/Introduction

1. Can you tell me briefly about your background and experience? That types of jobs you have held?
2. What is your educational background?
3. What is your experience with collective bargaining? [Prompts: What specifically did you do and for how long?]
4. How would you (in general terms) describe your current labour relations work?

#### Bargaining process

5. Could you describe the overall shape of a typical bargaining process? [Prompts: What are the typical steps and timelines the parties follow? What kind of communication do you have with your counterparts leading up to (and in between) bargaining sessions?]
6. Overall, how do you feel about the bargaining process you have just described? [Prompts: Which aspects do you find useful? Are there things you would like to be different?]

#### Factors

7. What do you think are the main factors that influence collective bargaining as you experience it? [Prompts: What about law, regulation, society, tradition, economy, political, and bargaining patterns established in other negotiations?]

#### Bargaining approach and relationship

8. What do you see as your main role as a negotiator?
9. What do you see as your main objectives in this role?
10. What is required from both parties for the process to go smoothly?
11. What characterizes an effective negotiator? [Prompt: Can you provide some examples?]
12. Do you have a specific approach or strategy for negotiating collective agreements?
13. Can you describe some negotiations that have gone well? What made them go well?
14. Can you describe some negotiations that have been difficult? What made them difficult?

#### Issues and context

15. Are there some issues/topics that are easier or more difficult than other topics to negotiate or discuss?
16. To what extent do different individual representatives shape the bargaining process in different ways? [Prompt: Can you provide some examples of characteristics and differences these make?]
17. Is there anything that stands out for you with regard to how collective bargaining is framed and shaped in your sector or industry? [Prompts: What do you think of these aspects? How did this come to be? Do you see any alternatives?]
18. What effect do you think other processes (e.g., conciliations, arbitration etc.) may have on the collective bargaining process?

### **Structure and context**

19. What is your general opinion about the current state of (union-employer) relations?
20. Do you think there is anything specific or unique about labour relations and collective bargaining in the Faroe Islands?

### **Closing**

21. We have come to the end of this interview. Do you have any questions, comments or concerns for me at this point in time?
22. I want to thank you for being willing to participate. Would you be interested in receiving a copy of the summary report that will be created with this project is completed?

## Appendix 2. Memorial University Ethics Approval



Interdisciplinary Committee on  
Ethics in Human Research (ICEHR)

St. John's, NL, Canada A1C 5S7  
Tel: 709 864-2561 icehr@mun.ca  
[www.mun.ca/research/ethics/humans/icehr](http://www.mun.ca/research/ethics/humans/icehr)

ICEHR Number:	20160680-BA
Approval Period:	October 7, 2015 – October 31, 2016
Funding Source:	The Faroese Research Council
Responsible Faculty:	Dr. Gordon Cooke Faculty of Business Administration
Title of Project:	<i>Institutions, culture and labour relations in Newfoundland and the Faroe Islands</i>

October 7, 2015

Mr. Bui Petersen  
Faculty of Business Administration  
Memorial University of Newfoundland

Dear Mr. Petersen:

Thank you for your email correspondence of October 5, 2015 addressing the issues raised by the Interdisciplinary Committee on Ethics in Human Research (ICEHR) concerning the above-named research project.

The ICEHR has re-examined the proposal with the clarification and revisions submitted, and is satisfied that the concerns raised by the Committee have been adequately addressed. In accordance with the *Tri-Council Policy Statement on Ethical Conduct for Research Involving Humans (TCPS2)*, the project has been granted *full ethics clearance* to October 31, 2016. ICEHR approval applies to the ethical acceptability of the research, as per Article 6.3 of the *TCPS2*. Researchers are responsible for adherence to any other relevant University policies and/or funded or non-funded agreements that may be associated with the project.

If you need to make changes during the course of the project, which may raise ethical concerns, please forward an amendment request form with a description of these changes to [icehr@mun.ca](mailto:icehr@mun.ca) for the Committee's consideration.

The *TCPS2* requires that you submit an annual update form to the ICEHR before October 31, 2016. If you plan to continue the project, you need to request renewal of your ethics clearance, and include a brief summary on the progress of your research. When the project no longer requires contact with human participants, is completed and/or terminated, you need to provide the annual update form with a final brief summary, and your file will be closed.

The annual update form and amendment request form are on the ICEHR website at <http://www.mun.ca/research/ethics/humans/icehr/applications/>.

We wish you success with your research.

Yours sincerely,

Kelly Blidook, Ph.D.  
Vice-Chair, Interdisciplinary Committee on  
Ethics in Human Research

KB/lw

cc: Supervisor – Dr. Gordon Cooke, Faculty of Business Administration  
Director, Research Grant and Contract Services  
Associate Dean, Research, Faculty of Business Administration

### Appendix 3. Negotiation Tactics

<b>ISSUES TACTICS</b>	
<b>Trade-off bargaining</b>	
	“Regardless, we are told. The frame is 4%, for example. If you want to have an extra holiday [vacation day], then it is going to cost this and this amount subtracted from the frame. Which means that you will get less in wages.”
<b>Bottom line bargaining</b>	
	“In the end there is a number that is not defined, without people knowing about it. So, we have ‘pain threshold’. We haven’t necessarily defined [this point]. It is there somewhere. And they [other party] has one. And then you have an overlap, what in negotiation theory is called a “ZOPA, with a ‘z’. It is called ‘Zone of Possible Agreement.” The parties are not always aware of it, but there is a ‘window’ there, where if you could see inside people’s heads, you could see approximately where it was going to be. That is where we are able to do the work. And you need to be conscious of this, when you negotiate, of where are we ourselves? Like, where is the ‘zone’ where there might be an agreement?”
<b>Integrative tactics</b>	“I think we should be bargaining more directly with the leadership and management of [name of institution]. Because that would have led to some much better agreements, which would have been much better for the end user, I think. Now, I’m sounding a little “born again” [or preachy], but it is tax payers’ money after all. . . Then we could all have been reasonable and focused more on that the best work arrangements are.”
<b>PROCESS TACTICS</b>	
<u>Meeting structure</u>	
<b>Informal meetings</b>	
Therapy/ pre-meetings	“We have found a model, where we first have these [initiating] meetings, and then we have a meeting, where we exchange demands, and then we have some meetings, we call “therapy meetings” where we talk, talk, talk, talk, small talk frequently too.”
Legitimizing	“[Some will have] meeting after meeting, and we well know that it is therapy. It is necessary, there needs to be this and this many meetings before we can make a settlement. It as if we need to be massaged at bit, you know? They need impress on their constituents that we have really tried, but we can’t get further than this.”
<b>Meeting length/scheduling</b>	
	“We think it is important to have rather long meeting days, because if you have this with two or three hours, then ... it is as if you have to start from the beginning again. Because you don’t get very far. . . If you have to stop all the time, then you have to remember, what was it? Where did we get to?”

<b>Meeting location</b>	
[Inspired by conciliation process]	“We agreed, that we would set aside one weekend. . . We went to Hotel [name of hotel] so that we would be at a neutral location. . . where [each party] would have its own room.”
	“It actually makes it possible to walk back and forth between the rooms we are in, then the lead negotiators can also possibly have some discussion in the corridors, and then we all meet together once in a while. But otherwise, we walk into each other’s [rooms].”
[Free from media]	“And nobody new that we were [at the hotel]. It meant that we were completely undisturbed. There was no news media or anything like that, who new we were there. So, there was nobody lurking around in the corridors/hallways.”
<b><u>Meeting praxis</u></b>	
<b>Caucusing</b>	[Observation in employer caucus] They discuss how to reply to the union demands. Lead rep suggests coming with a gentle way to reject, because the provisions will make contracts more complicated. Others say to me [the observer] that this is the reason [name] does most of the talking because she/he is good with coming up with words. They all go to meet with the other side and come back two minutes later. They wait a bit and then the union rep knocks the door and [lead rep] goes to talk with him for a while. Unions don’t want a special agreement but just some wording in main agreement. [Lead rep] suggests that [the assistant] craft some wording that will satisfy the special need while not really promising much; i.e., craft some wording of response that will satisfy particular constituents without actually doing much. This should make [name of rep] happy.
<b>Private off-the-record meetings</b>	
	“Well, you can have chat where, ... there is no playing for the gallery. Like, ‘how far can you go, how far can we go? Are there really no possibilities? Usually, you would not make any commitments, but rather say, ‘OK, if you can give us this, then I expect to be able to work things out on our side’, or something like that. It is quite common in all negotiations, that you try... in smaller groups to try finding out where the problem is, you know?”
Trust	“[Trust] is important, because, if I give you a concrete example? So, they have a lead negotiator. If I am not afraid to say to a lead negotiator, ‘You know, I might be able to get the people on my team to say yes to 2%, on the condition of this other issue being resolved. But I can’t promise it. And this is not an offer.’ Then he/she is not going to go to the other side and tell them that we agreed to 2%. But it could be that he/she told them, ‘OK, I have now got the ‘devil’ to agree to 2%. And let us just catch him in that’, or something like that. But if he/she does that, then there is no more trust, you know? Accordingly, if you have trust, you can be more open [in communication].”



<b>Presence of decision-makers</b>	
	“But sometimes when you get all these different people in the room things actually progress. Often it ends up with a politician promising to the committee to work on a particular issue during the term of the contract. And such a promise will often be an addendum to the contract or a proposal for agreement. So otherwise the negotiations are pretty much within the frame where you give some you gain some etc.”
	“But, but when there are politicians at the table, it is typical that the tone [in the conversation] is better, and we have been able to negotiate some things. But when only the civil servants are at the table, it is typical, that we have essentially not been able to negotiate anything.”
<b><u>Information processing</u></b>	
<b>Spreadsheets</b>	
	[Observation] [Employer negotiator] shows the Excel sheet [name of sheet] on a big screen and explains. [Negotiator] shows that for the second year, she/he has “forgotten” to calculate that 6.70 on Step 8 also needs to be moved up, and it therefore comes to cost a bit. The union and [the employer] agree that it is possible to do this in a number of ways. It requires a decision on who will receive almost no raise. [Employer negotiator] will send the sheet/file to the union, so they can have a [closer] look.
	[Observation] They discuss a spreadsheet with a list of employees affected by a particular provision. Making sure they have the accurate numbers. This is about reclassification of some positions. How many will be affected depends on how the positions are reclassified?
<b>Calculation</b>	
	“It’s not going to be possible. All the other unions will flip out... It is only going to lead to extra costs for [the employer]. So, it is not going to be possible. Even if it can work technically, it is not possible politically. So, we are not going to agree to it. . . This is an example of us doing a load of calculations that we know are not going to lead anywhere, but [somehow] it is just needed that we calculated up and down and back and forth. “
<b>Transparent demands</b>	
	“I don’t come [to the bargaining] and ask for things. I come to sell something. . . I also don’t like playing for the gallery. . . I can see that it works. I mean, it works to play with open cards, for me. I don’t have any tactics. [I really can’t be bothered with that.] I also don’t want to come in and ask for 100 krónur per hour because I’m hoping to get 20. I think that kind of thing is silly. But I try to anticipate what they might want.”

<b>Appeal to reason and justice</b>	
	“There should be no doubt that as a union we enter the bargaining, and that we argue up and down, have incredibly good arguments why wages should increase, because wage levels in the Faroe Islands are lower in relation to the countries we compare ourselves to, and things like that. But there also has to be some pressure put on the employer.”
[Justice in relation to family members]	“Their partners/spouses are usually employed in the labour market themselves. And they will come home and discuss various labour market [and employment/work] injustices. That means that when the unions find out, they will investigate and possibly customize a particular demand, or something, to make it easier to manipulate a person like that, who know that there is dissatisfaction on the home front on similar issues.”
<b>Constructive debate</b>	
	“I would have liked that we also were more ‘proactive’ as a [‘constructive debating partner’] with the public-sector managers, where we, among others, could say, “let’s get the number of people with stress reduced significantly and get the overall job[/work] satisfaction up.”
	“It is never wrong for a union to stand guard for, that we have a solidary society, because that is our foundation. But that should not stop us from being able to collaborate and [constructively discuss/debate], and also be a constructive opponent to whatever government is in place.”
<b><u>Misc. process tactics</u></b>	
<b>Issues order ( money last)</b>	
	“Imagine if we reached on agreement on the money before everything else had been sorted out, and then we have a ‘dumb’ wording about the lunch hour or something, which is important from some individual employer, and not much for a lot of other ones? But we have made an agreement on the money. We can’t go into a ‘conflict’ on such a ridiculous issue, that only matters to about five employers, you know? It would mean playing [chess analogy] ourselves into a position where we are vulnerable, because there is absolutely no one who will understand us ending up in a strike because of an something ridiculous like this.”

<b>Influencing public opinion</b>	
	<p>“I have sometimes played with the idea that we in advance of bargaining, should print all our demands in a full-page ad in a newspaper. Like, take the centre page of Sosialurin [one of main newspapers], here are the demands of the [name of union]. This is what they are, and these are the reasons why. Then everybody would know. This is what we are going after. Because we [get circled around in the process] and accused, especially when things go badly, that we are so terribly unreasonable. Things like that. And do not at all agree that we particularly unreasonable. . . It could be that our demands cost a fair deal, but, but compared to the service we think we provide, and compared to our level of education, the professionalism that we offer, then we don’t think we are that unreasonable, you know? In reality, we are much too cheap.”</p>
<b>Political lobbying</b>	
	<p>“[In addition to bargaining and other work] our work involves a lot of lobbying, you know? To try to influence the political ‘establishment’. We used considerable energy on the general election that just passed, where we went out talk to, or offered to talk to all the [political] parties. Not all parties accepted this offer, but most of them did, and we had conversations with either the party or representatives for the party.”</p>
<b>Mass resignation</b>	
	<p>“We have been through a process where at one point all [name of occupation] in the Faroe Islands quit[/resigned] their positions in protest. We quit because our work conditions were so poor [ . . . ] [The employer] tried to prove that these were ‘collective resignations’, but they couldn’t prove this and then suddenly they had no [name of occupation]. And according to the law, there has to be a [type of professional] present for [specific work situation] so they put themselves in a rather foolish/peculiar situation, and we were in the process of bargaining. It was then that we somehow managed to negotiate something considerable. . . It was then that the we got all this extra money and our wages went up in return for us getting back to work. And since then, we have been. . . we are in a rather strong position, because there are so few of us and there is a legal requirement. But we have no strike fund.”</p>
<b>RELATIONSHIP TACTICS</b>	
<b>Humour / sarcasm</b>	
	<p>“Last time, we demanded a supplement in the contract for those with a PhD. [Employer negotiator] replied that she/he could not see any rationale whatsoever to pay extra for a [name of occupation] with a PhD. He/She could not see what possible use there could be for [the employer] for some social scientist, who had [happened to] write a PhD on the Nuremberg process. And there we say, that would actually be very applicable for [the employer administration], the Nuremberg process. [Laughter]. But you are able to laugh at it, you know?”</p>

	[Observation] Someone mentions that it is [union president]'s birthday. People congratulate. Union rep jokes that they are expecting presents.
	[Observation] [Negotiator jokes about a handful members negatively affected, by a reclassification: "Do they show up on meetings?" Union rep replies, they will when they hear about this.
<b>Smalltalk</b>	
	A lot of examples in observations
<b>Show respect</b>	
	"So, the civility [is important], that is the respect for the other party, because regardless how silly something you propose is, I still need to have respect for that it is your opinion, and I need to consider it in a reasonable way."
<b>Agreeableness</b>	
	"It is actually the unfortunate thing with the group of people at the other side of the table, it is that they are so awfully nice. Each person is nicer than the other, and it is going to very regrettable to go to say to them tomorrow that, 'you know, I have thought about it [particular proposal/solution], but it is not going to work. Even if it works on paper, so it is not going to work. Yes, this really regrettable. A real shame. Yes, it is also my job to upset/disappoint/['dismay'] people at the other side of the table."
<b>Use of silence</b>	
	"There are some meetings where nothing happens. And then there is this test, that you [need to pass], which is to sit quietly and not say anything. When you have said what you want to say, and the others don't respond, then you just sit there and wait. Nobody says anything, and I am fine with that. Even if nobody says anything, I am still fine [content], it's not a problem. Instead, some are not able to be quiet for that long."
<b>Food</b>	
	[Observation] [Employer negotiator] and secretary arrive. Friendly chat, discussing office renovation. Breakfast is provided with coffee. Very friendly chat. Talking about KOKS [a Faroese restaurant of international fame] temporarily moving to Denmark.
<b>Workshopping/retreat</b>	
	"We made that trip in [year]. We [both bargaining teams] went to [name of place/foreign city] together. Not everyone came along, but it worked anyway. It created a climate where we dared to convers a little better. And then, it worked for the first time in a very long time to come to an agreement without the involvement of conciliators."

<b>CREATIVE TACTICS</b>	
<b>Strategic allocation of gains</b>	
	<p>“Our wages, in our union, have become relatively good, because there are so few of us. And we put everything directly on the wages. We don’t [need to] pay for a supervisor/manager here, a trainer there, or some workshop/seminar fees somewhere else. We put everything on the wages. . . It’s not like, ‘oh I have completed some additional training and now I need to be extra compensated.’ Other [occupational] groups have a pay supplement for this and a supplement for that. It doesn’t contribute to your pension. . . We have said, put it on the basic wage . . . It is fundamental [for us].”</p>
<b>Percentages vs. \$</b>	
	<p>“We have, in order to even out [the wages], given [lower paid occupation] krónur and the others percentage [increases]. . . If you look at a curve over years, then they increase together, if you look at a percentage curve. If you look at the krónur amount, then the wage differences will increase over the years . . .”</p>
<b>‘In the fog’</b>	
	<p>“I think if you want a better outcome than the one you will get from the frame, then it is about negotiating something that is hidden, where it looks like, when you read the settlement, ‘OK fine, they get this and this.’ But the art is in trying to get something where it is in between the lines, where people can’t [easily] calculate the cost of it.”</p>
<b>Long game tactic</b>	
	<p>“There are some things that you think ought to be in the agreement. This is where we try to... that maybe it doesn’t cost too much, in the contract, you know? Because the demand is so small. But when you first have it on paper, and it has become part of the agreement, then we can begin to add to it later. Then we look at it and say, “you know what, we ought to get more for that.” Things like that. . . [For example, mentions compensation for a specific task] We started with [being paid for] one hour but ended up with three hours after a number of years.”</p>
<b>Peace-making clauses</b>	
(Passive tactic)	<p>“What people don’t do for peace’s sake. Where you go down in details in an agreement for just one person working in one specific work site. Just adding something just in in order to get an agreement. I think the agreements actually should be much simpler.”</p>

## Appendix 4. Negotiation Skills

<b>Distributive tactical skills</b>	
Traditional distributive tactics depend on each making concessions in return for gains. The skill is to make the other party make more concession.	“You negotiate from knowing where you want to get to, but that's not what you're telling them. So, you're careful to work towards your goal. What I did that time, which the negotiators were happy about, was that you started very far part, then I decided quite quickly to concede a tiny bit and expected that they did the same. And fortunately, they did. Then it was my turn again to concede again and then their turn. And that way we ended up. And I can allow myself to say that we ended up half a percentage lower than what I had set the limit at the outset. So, I was very satisfied.”
<b>Relationship skills</b>	
The skill to build to build interpersonal trust and rapport with people on the other side. The trick is to build friendly relations without being tempted to concede on the issues. As in being able to “separate people from the problem” (Fisher & Ury, 1981)	“I believe the talent lies in the human/interpersonal. The thing is to know how to talk to people, [make them feel comfortable] and ... also to acknowledge the problem the other party has; without giving away the [‘crown jewel’]. The human/personal/ interpersonal abilities lie in being extremely patient and knowing how to deal with people. [. . .] You have to watch out that you don’t become too ‘pleasing’ [too eager to please], to eager to for peace and harmony. Most people tend to be like that. [. . .] To promote/instigate a ‘conflict’, that is not a natural aspect of human behaviour. It is for some but not for most people. So, I notice that for me it [wanting to please] is a ‘drive’ but also for those who sit next to me when we negotiate.’ ”
<b>Trust building skills</b>	
The ability to build trust. The suggestion is that only some people have this ability.	“First and foremost, I think it is about trust. You have to be someone people feel they can trust. If you are not, then, then it breaks down right away. Like if you go to a car dealer that you feel is trying to [trick] you, then you won’t buy the car. You just leave.”
<b>Flexibility and openness</b>	
In order to get the best possible outcomes for their constituencies, negotiators need to be flexible and open to change.	“[The most important] is probably that you are able to be calm and reasonable, and able to represent your union and the various [sub]groups so that you get a good/reasonable agreement, that the most people possible can be satisfied with. But there is more focus on results, [I think]. But for the abilities of a negotiator... It is to be diplomatic, ... I think... and to be open to change.”
<b>Overview and patience</b>	
Be able to balance overview of process and issues, with patience, which has a calming influence on everyone.	“You need to have a pretty good overview..., and, I don’t know how to say it, have, as they say, a calming influence on all parties, and you have to be incredibly patient.”
<b>Empathy and listening skills</b>	
Be able to listen without judgement.	“To listen! You have to be able to, and this is where people often fail, you have to be able to listen without prejudice.”
Requires the ability to empathize. The opposite of being arrogant.	“I think that a good lead negotiator, it has to be a person that... is... everything but arrogant. It has to be a person, who, who has empathy, who respects the people across the table, and who can clearly tell that, that, I really do understand what it is you are brining up.”

<b>Thick skin (manage emotions)</b>	
<p>Emotions can get very hot during bargaining. People on the other side of the table might say things (intentionally or not) that you can find personally offensive and insulting. It is very important to not let yourself affect by such interaction and keep your emotions in check.</p>	<p>“First and foremost, [the negotiator] needs to have an ability, that is called, that you should not in anyway let yourself to be offended by anything, regardless of what the other people say. You essentially have to make your self completely [see-through]. ‘That thing you said, that is not going to affect me any way [possible]’. Yes, we were at a seminar once with [name of consultant/trainer]. She/He said that thing, that sometimes that crocodile or reptile brain will appear, and you just wish to attack. [...] But remember you have 20 milliseconds, where you can choose not to. You don’t always succeed, but over time this has worked for me. It is a long time since I got offended by anyone, a very long time ago. I remember once especially, when we were in discussion with [particular occupational sub-group], they had one [of the employees] there, and who sat there determined to insult/offend me as badly as she/he possibly could. And I just sat there and look at her/him. I felt as if the insults almost just right through me. I was completely unaffected, completely.”</p>
<p>Managing your own emotions is critically important for keeping your broader overview and keep your focus on the issues, what is most important. (Cold head and warm heart)</p>	<p>“It is [completely] about having an overview. It is about being able to hold, as they say, the head cold and the heart warm.”</p>
<b>Letting issues slide</b>	
<p>People that may bring up issues at the bargaining table that you fundamentally disagree with and would be very tempted to refute and argue against. However, responding to these issues can sometimes make the negotiations considerably more problematic. Sometimes, simply ignoring the issues can keep them off the bargaining table [for as long as possible?]. Only some people have this ability. Many people have a hard letting these issues slide.</p>	<p>“And sometimes it is just about being able to forget some things. Like, they set some demands, or we set some demands. Ignore that for example. Some people are really good at this. You don’t need to go in and say “check” with everything. You can just let some things slide past and never talk about them. Then they won’t be on the table. Some people are very good at this, and some can’t do it at all. They keep picking on the small things [literally “picking in the navel”] and create problems, perhaps even for themselves.”</p>
<b>Negotiation jujitsu</b>	
<p>As Fisher and Ury (1981) also suggest, negotiation can be like a martial art where countering force with direct force is often not the most effective approach.</p>	<p>“Well, I will say it like this, between to hard rocks, there will always be sparks. It is often like this. But if you are diplomatic and know how to turn [“between the lines”], then you will often end up with more, at the end.”</p>

<b>Process and content knowledge</b>	
Having historical knowledge on both the process and the particular bargaining relationship, provided insights that proved to be very important for understanding the origins of issues and relational dynamics. Make it possible to anticipate the consequence of particular actions and interventions.	“I don’t know if it affects the process, but you can’t avoid the fact that it is a considerable strength to have a lot of knowledge when bargaining. And if you know a lot, then you consider more things, and you are able to think about more things in advance. You can use the knowledge to look ahead.”
<b>Technical/analytical skills</b>	
The ability to calculate and evaluate the cost of outcomes can be a very powerful tool	“But you have to watch out with the calculations, also those of [name of employer]. There were figures that we had asked for, because we had been told that it was not possible to make the subtraction [from the wage frame] that we had proposed, in the way we wanted it. And then we sit there at the hotel and negotiate, and then suddenly this column appears [in the spread sheet], as [the employer negotiator] is presenting to us. She/He is incredible good at these things. She/He shows us a load of tables and calculations, and then this column appears. And we say, wait a minute, what is that? Oops! She/He had the numbers, but she/he just didn’t want to show them to us. So, you have to watch out. You have to at least take the time to make the calculations yourself, because she/he is quick. She/He is incredible quick when it comes to math and calculations.”



## Appendix 5. Negotiation Dispositions (Styles)

Style	Description	Sample Quote
Task-oriented (‘just get it done’)	Primarily interested in tangible monetary outcomes. Little interest in the “softer” issues or spending much time talking.	“Now, I am a bit like [name of well-know politician], and my fellow bargaining team accused me of this yesterday. I’m usually told that I am much too quick, too rushed, because I want thing done here and now, you know? Instead of people who might want to take their time, I am often inclined to jump over a bunch of intermediary steps so that we can get to a decision quicker. But I am forced to realize that my committee often has a different opinion, which slows things down.”
Aggressive (Machiavellian)	Using psychology in a cunning way to get what you want.	“I gradually moved towards a more central position and eventually became the lead negotiator. This allowed me to gradually learn and basically got it all into my bone marrow. And I've been accused as a result of being a very good negotiator. And that means knowing what one is after and how to get there. When to concede. And when to cut it off. These are moments that are psychological. It's actually pure psychology. And actually, and most people don't think of this, it's much more important to know where your opponent is than knowing where you want to be yourself. If you know where the other party is and where they want to go, then you can get anywhere. Therefore, I really tried to put myself into the shoes of the other people.”
Problem solving (dialogue seeking)	Interested in collaboration	Researcher: “What would you like to be different [with the process]?” Negotiator: “Openness is one part. That we have more open negotiations. I think that would have resolved a lot of things. Because sometimes you are really unsure if something is based on the political will or if it is something that bureaucrats have come up with. . . That you work toward having a better dialogue. This year we also have some demands around wanting to establish a cooperation committee between the parties, that works on the dialogue. That discusses the various issues and problems, when we are not in bargaining.”

<p>Contrarian (‘I just say no’)</p>	<p>Approach that is based mainly on being inflexible and saying an automatic ‘no’ to most demands.</p>	<p>“It is a somewhat special role I have, to be the no-sayer for the government. It is always my first instinct, to say no, when it is, because it always is something that costs money. So, I see my role as THE guard of the public purse, when it comes down to it. That is my main goal.”</p> <p>“Yes, it must be very depressing, or what it is called, shocking for a well-educated person, who comes with all his/her arguments, and the counterparts just says “no, we can’t afford that, no.” Because they are very articulate, and present good arguments, and sometimes I just say “no, there is no money for that, no, we don’t want that, no.”</p>
<p>Non-assertive (obliging)</p>	<p>Some negotiators seem to prioritize quick resolution over substantive gains.</p>	<p>“There is one union that usually has very modest demands. It is also a large union and therefore the negotiations ought to take some time. They could have made some more demands, at least if you compare to other unions. But their demands are very modest. It seems that really just want to have negotiations completed quickly. And you could suspect that they don’t get as much out of them as a result.”</p>
<p>Whinging (as perceived by the other party)</p>	<p>Complaining about lack of respect and recognition was perceived by counterparts to be sulky and whinging. Something they found irritating.</p>	<p>“It has been a recurring theme for [name of union], the lack of recognition and respect. ‘We have university education, why do we then have so much lower wages than [other occupation]?’ for example. They seem to like sulking about this.”</p>