

## STUDY ON THE REPERCUSSIONS OF CONFLICT SITUATIONS ON EMPLOYMENT

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### Abstract

*Conflict, regarded from the perspective of labor, is a topic amply debated lately by a variety of national and international authors. The added value of this article lies in the fact that conflict situations have been approached by means of their impact on employment, but also on health. Beside a theoretical presentation, the article highlights the evolution - recorded during a sufficiently long period of time - of the claims triggering conflicts and strikes, making a presentation of the nature, direction and intensity of the connection between the number of conflicts and employment, using simple linear regression, but also a presentation of the results of the opinion polls carried out by Eurofound concerning the attitude of the Europeans in relation to conflict. The general hypothesis of our paper starts from the premise according to which conflict situations amplify the misbalance on the labor market, but also trigger effects regarding the physical and psychological health of the people. The conclusions of the research underline the fact that anticipation of conflict situations has beneficial effects on employment, on a micro and macroeconomic level.*

**Key words:** *conflict; conflict situation; strike; employment; health.*

**JEL Classification:** *C10, D78, J40*

### I. THEORETICAL APPROACH

The quality of the professional relations established between employees and employer is recognized, in the specialized literature, as a major factor of the economic performance of an organization. Strike is a form of conflict at the workplace whose nature and effects on productivity lie at the heart of the theoretical debates. Hyman defines strike as “temporary ceasing of work by a group of employees in order to express discontent or to impose a request” (Hyman R., 1972).

The omission of the factors related to the professional relations is presented as a “potential source of problems” (Kleiner et al., 2002). Kleiner and Flaherty (Flaherty S., 1987) consider strike to be a pertinent indicator of the organizational climate or of the quality of the professional relations. The analysis of the effect of the employees’ strike on the companies’ productivity generated theoretical oppositions in the Anglo-Saxon literature, yielding contrasting empirical results. As a reflection of the employees’ discontent and of the poor cooperation within the organization, strike was associated by Flaherty to indirect negative effects on productivity. Being a source of disturbance for the production process, a strike triggers “technical and social tensions and blockage especially when just a part of the employees are on strike. Moreover, trying to build up stocks before or after the strike, the company can also be faced with constraints of capacity affecting its productivity.

The company’s productivity may also fall if the employees obtain, following the strike, a limitation of the managers’ initiatives or the application of restrictive labor norms.

Flaherty and Knight (Knight K., 1989) mention that strike, especially its frequency, also includes the negative effect of diminishing cooperation. From this perspective, strike is “the exterior manifestation of a discontent which, in a company is characterized by disheartened employees, increased absenteeism rate, refusal

of the employees to voluntarily cooperate with the employer regarding different production aspects (Fairris D., 1998)

The dominant interest in the collective dimension of conflict is confirmed by the works of Katz (Katz H. et al., 1983), Norsworthy & Zabala (Norsworthy R., Zabala C., 1985), Ichniowski (Kleiner M., 1995), Kleiner and is justified by the visibility and easy measurement in the official statistics, by comparison to the individual dimension of conflict (absenteeism, indiscipline and employee complaints), which are harder to measure. In the opposite sense, Knight, Godard (Godard J., 1992), Drinkwater & Ingram (Drinkwater S., Ingram P., 2005) emphasize the strike's positive role in terms of productivity, through the improvement of the satisfaction at the workplace and of the cooperation of the employees in the organization. Knight highlights the "therapeutical role of strikes by assuring a mechanism for solving conflicts that otherwise would have remained unsolved. In this sense, a strike can be considered "a form of collective expression following a request from the labor unions or other collective organizations" (Freeman R., 1976). From this perspective, a strike represents "a means permitting the employees to collectively express their discontent and mistrust, "an exteriorization of the frustrations and of the discontents that otherwise would dishearten the employees" (Nolan P., Marginson P., 1990). Mefford characterizes the strike as "an efficient means of transmitting the employees' ideas to the employer, with impact on the improvement of productivity, internal communication and organizational climate (Mefford R., 1986).

These diverging theoretical visions nevertheless have a common denominator, in giving a central position to satisfaction at the workplace while analyzing the strike's effects on productivity. When strike is associated to discontent of the employees, its frequency can generate negative effects on productivity. At other times, strike may be associated to superior satisfaction and motivation, leading to improved cooperation and better employee efforts, beneficial aspects for the company's productivity.

## II. STUDY ON THE CONSEQUENCES OF THE CONFLICTS AND STRIKES IN THE COMPANY ON EMPLOYMENT

### Methodological context of the research

Goal - Analysis of the impact of conflict situations and strikes on employment, but also on employees' health.

### Objectives:

- Observing the trend in the manifestation of conflicts, strikes and employment during a sufficient time,
- Knowing the existence or the lack of correlation between conflicts and employment,
- Measuring the existence of tense situations between manager and human resources,
- Identifying the European's health and durability in relation to work.

### Hypotheses:

1. The most important claim triggering interest conflicts is related to the employees,
2. There is similarity between men and women in the trend of the number of employees,
3. The number of organizational conflicts and employment are correlated,
4. Most of the Romanian respondents consider that between manager and employees there are certain tensions,
5. The health symptoms and durability index among the Europeans reflect positive values.

### Research organization

The research relied on the analysis of secondary sources (the Romanian National Statistics Institute). The sample was made up of Romanian citizens working in various companies. The data gathering period was April-May 2015. The period to which the research was applied was 2000-2013.

## III. RESULTS

Analysis of the evolution of conflicts, strikes and employment

To better understand the nature of conflicts, a first step is to understand the claims leading to the appearance of conflicts and their weight (Table 1)

**Table 1. Claims triggering conflicts**

	Claims triggering conflicts of interests									
Claims	2000	2001	2002	2003	2004	2005	2006	2007	2009	2010
Salary (non-payment of compensation, salary increase, non-payment of salaries in due time, non-payment of holiday bonuses etc.)	48.8	47.1	47.7	50.9	54.5	60.0	57.7	68.6	73.9	40.3
Use of labor force (non-assurance of workload, Personnel redistribution, layoffs and contract termination with payment of unemployment benefits etc.)	2.4	2.0	4.1	1.2	1.5	-	-	-	-	-
Organization of work (reviewed workloads, organization of labor time, schedule, lack of job description)	5.3	1.3	2.9	7.2	5.5	1.6	0.9	-	-	-
Non-assurance of material endowments, inadequate technical condition of the equipments etc.)	1.4	0.6	-	1.2	-	-	-	-	-	-
Social conditions, granting of labor groups etc.	5.3	11.1	8.1	5.4	5.0	14.2	5.4	2.3	-	-
Work time (non-granting of days off, supplementary hours, supplementary leaves, work in shifts etc.)	2.4	3.9	8.7	4.2	5.0	5.0	6.3	-	-	-
Social rights (lack of social protection measures on the level of the economic agents, own systems of social insurance, granting of dwellings, treatment tickets, funds for social actions etc.)	5.7	8.5	5.2	5.4	4.5	-	-	-	-	-
Labor Union life (assurance of the conditions of activity for the labor union, intervention of the patronage in the labor union activity, measures sanctioning the leaders, lack of transparency, leaders' presence at negotiations etc.)	3.8	1.3	2.9	3.0	7.0	-	1.8	-	-	-
Other claims (changes in organizational structures, negotiation of collective contracts etc.)	24.9	24.2	20.4	21.5	17.0	19.2	27.9	29.1	26.1	59.7

Source: Anuarul statistic al României (Statistical Yearbook of Romania)

According to the statistical data, for the time interval 2000-2009, the data in the Table above highlight that the most numerous claims generating conflict are related to the salary (their value is clearly superior compared to the other ones), while in the year 2010, the largest weight is held by the negotiation of labor contracts: 59.7%.

In Table 2, we presented a typology of the strike. The lack of solutions to conflicts triggers strike, and the latter disturbs the balance of the company's activity. Their statistics appears as in Table 2.

Table 2. **Strikes occurred respecting the procedure foreseen by Law no. 168 / 1999**

Type of strike	Number of strikes													
	199 2	200 1	200 2	200 3	200 4	200 5	2006 2)	2007 2)	200 8	201 0	201 1	2 012	2 013	
<b>Total</b>	9	5	13	9	11	8	2	12	8	-	-	-	-	
Warning strike followed by														
actual strike	2	2	3	5	4	4	1	2	3	-	-	-	-	
Actual strike	6	-	-	-	4	-	1	8	2	-	-	-	-	

Source: Anuarul statistic al României (Statistical Yearbook of Romania)

During the period 2010-2013, the statistics show the fact that there were no strikes occurred respecting the Law 168 / 1999.

An important indicator of employment is the average number of employees (See Table 3 and Table 4).

Table 3. **Average number of male employees**

Men										
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2456	2350	2413	2461	2628	2723	2542	2291	2301	2365	2360

Source: Anuarul statistic al României (Statistical Yearbook of Romania)

Table 4. **Average number of female employees**

Women										
2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2135	2119	2146	2206	2257	2323	2232	2085	2048	2078	2084

Source: Anuarul statistic al României (Statistical Yearbook of Romania)

According to the data in the tables above, one can see that for the period under analysis the average number of male employees is higher than the values recorded for female employees.

Another modality of presenting the employees is reflected in Table 5.

**Table 5. Employees, on activities of the national economy and on gender 2013**

thousand persons				
Activity (CAEN sections Rev.2)	Total employees			
	Ttotal	Of total:		
		of which:	Men	Women
		private		
		majority		
ownership <sup>1)</sup>				
<b>Total</b>	<b>4801</b>	<b>3523</b>	<b>2528</b>	<b>2273</b>
Agriculture, forestry and fishing	108	82	83	25
Industry	1364	1216	763	601
Extractive industry	63	35	52	11
Processing industry	1137	1113	590	547
Manufacture and distribution of power, thermal energy, gas, warm water and air conditioning	60	17	45	15
Water distribution; waste management, decontamination activities	104	51	76	28
Constructions	369	345	314	55
Trade – wholesale and retail; repairs of cars and motorcycles	849	847	408	441
Transport and storage	273	154	208	65
Hotels and restaurants	138	135	54	84
Information and communication	137	127	82	55
Financial mediation and insurances	99	90	30	69
Tranzactii imobiliare	28	21	15	13
Professional, scientific and technical activities	151	118	79	72
Administrative services activities and support services activities	268	251	183	85
Public administration and defense; social insurances in the public system <sup>2)</sup>	191	-	80	111
Education	371	17	113	258
Health and social care	341	37	69	272
Show, cultural and recreational activities	67	37	27	40
Other service activities	47	46	20	27

Source: Anuarul statistic al României (Statistical Yearbook of Romania)

The structure of the employees on activities of the national economy for the year 2013 reflects the fact that there were 2528 thousand men and 2273 thousand women. In the industry were employed the largest number of employees - 1364 thousand people.

I. Analysis of the conflict impact using mathematical-statistical modelling

**1. Approach through the prism of the economically active population number**

Years	Number of conflicts	Economically active population				
2003	<b>12</b> 1	<b>9223</b>	1115983	14641	135033943	85063729
2004	<b>79</b>	<b>9165</b>	724035	6241	57198765	83997225
2005	<b>98</b>	<b>9139</b>	895622	9604	87770956	83521321
2006	<b>95</b>	<b>9321</b>	885495	9025	84122025	86881041
2007	<b>86</b>	<b>9353</b>	804358	7396	69174788	87478609
2008	<b>11</b> 6	<b>9259</b>	1074044	13456	124589104	85729081
2009	<b>92</b>	<b>8952</b>	823584	8464	75769728	80138304
2010	<b>73</b>	<b>8713</b>	636049	5329	46431577	75916369
2011	<b>35</b>	<b>8528</b>	298480	1225	10446800	72726784
2012	<b>23</b>	<b>8605</b>	197915	529	4552045	74046025
2013	<b>22</b>	<b>8549</b>	188078	484	4137716	73085401
	84 0	<b>98807</b>	7643643	76394	699227447	888583889
	X	y	xy	Xx	Xxy	Yy

The application of the regression function and the calculation of the correlation coefficient reflects a result  $r=0.865657$ . According to it, there is a direct and intense connection. The number of conflicts in organizations has effect on employment.

**2. Approach through the prism of the average number of employees**

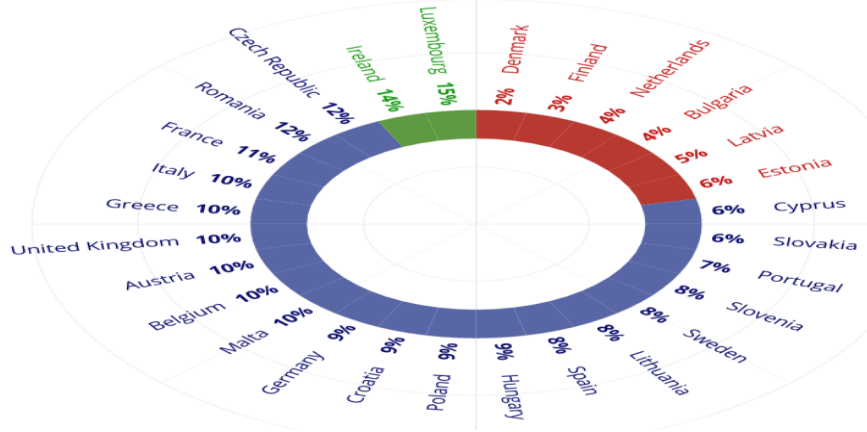
Years	Number of conflicts	Average number of employees				
2003	<b>121</b>	<b>4591</b>	555511	14641	67216831	21077281
2004	<b>79</b>	<b>4469</b>	353051	6241	27891029	19971961
2005	<b>98</b>	<b>4559</b>	446782	9604	43784636	20784481
2006	<b>95</b>	<b>4667</b>	443365	9025	42119675	21780889
2007	<b>86</b>	<b>4885</b>	420110	7396	36129460	23863225
2008	<b>116</b>	<b>5046</b>	585336	13456	67898976	25462116
2009	<b>92</b>	<b>4774</b>	439208	8464	40407136	22791076
2010	<b>73</b>	<b>4376</b>	319448	5329	23319704	19149376
2011	<b>35</b>	<b>4349</b>	152215	1225	5327525	18913801
2012	<b>23</b>	<b>4443</b>	102189	529	2350347	19740249
2013	<b>22</b>	<b>4444</b>	97768	484	2150896	19749136
	840	<b>50603</b>	3914983	76394	358596215	233283591
	X	Y	xy	Xx	Xxy	Yy

Just as in the previous case, applying the regression function, the correlation coefficient  $r=0.651164$  is obtained. This result reflects the existence of an average connection. The number of conflicts has consequences on the average number of employees.

**Analysis of the conflict impact from the perspective of the opinion poll**

In the year 2010, an opinion poll was realized by Eurofound to identify the Europeans' work conditions, and, in the year 2012, another study was carried out to observe as well the quality of their life.

35. Is there conflict between your workplace and your personal values?



**Figure 1. Conflict between position secured and personal values**  
<http://www.eurofound.europa.eu/>

The Romanians, according to the result of the opinion poll, claimed that always or most of the time there is conflict between the workplace and personal values (12% of the Romanian respondents).

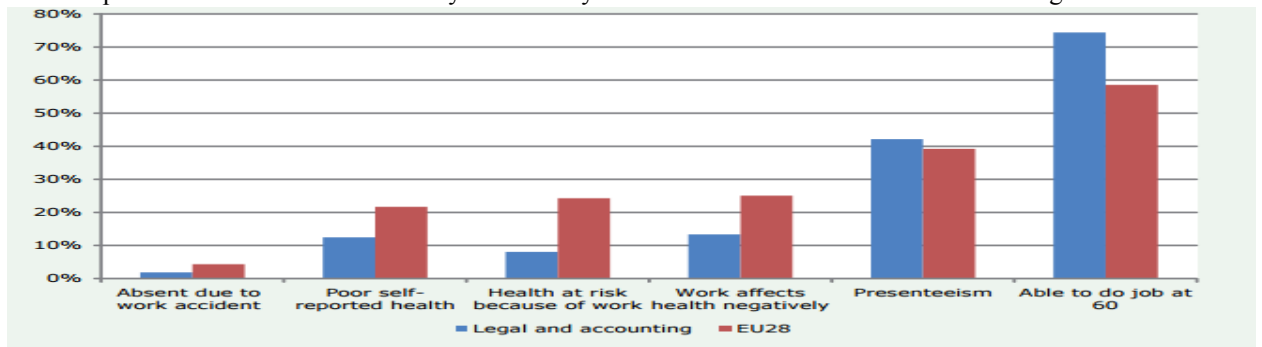
**Tension perceived between management and workers**  
**All ages**



**Figure 2. Tensions between manager and subordinate**  
<http://www.eurofound.europa.eu/surveys>

The survey reflects the fact that the Romanian respondents participating to the opinion poll and from all the age intervals consider that there are tensions between manager and personnel (49.4%)

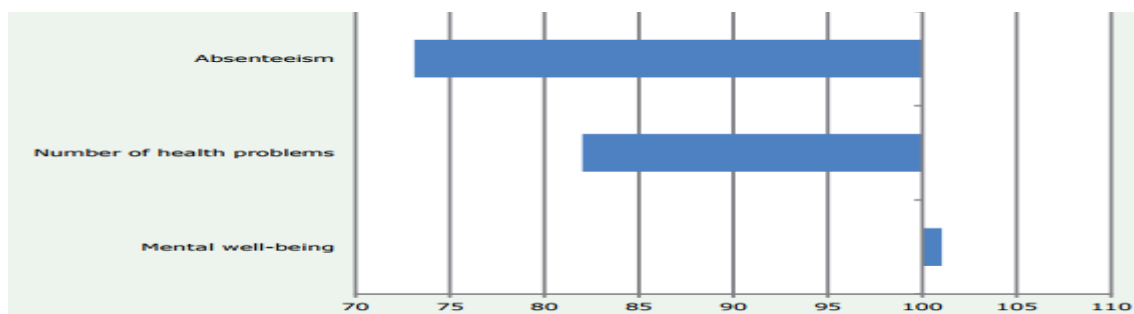
The Europeans' health and work durability reflected by indicators can be observed in the next image



**Figure 3. The Europeans' health and work durability**  
<http://www.eurofound.europa.eu/>

The figure above shows that the activities with a juridical character, but also accounting activities, reflect positive values.

Indices of mental health symptoms, welfare and absenteeism (EU28 = 100) can be observed in Figure 4.



<http://www.eurofound.europa.eu/>

**Figure 4. Indices of mental health symptoms, welfare and absenteeism**

It is important to take into account that the impact of work on health is a very gradual process, which can take a very long time. The results in this section might underestimate the often negative effects on physical and psychological health that intense work conditions can trigger.

**IV. CONCLUSION**

Conflict situations generate lack of balance in employment, viewed from a microeconomic and macroeconomic perspective. In the realization of a good conflict management, an important role is held equally by the manager and by the personnel. A favorable work climate generates a better output of the employees. Regarding conflict, there is a variety of studies carried out by Romanian and foreign authors. All these studies rely on a theoretical approach, while the present paper comes with a supplementary theoretical-practical approach. The results obtained following the research carried out highlighted the fact that out of the five hypotheses formulated only one was not confirmed. The first hypothesis is confirmed via statistical data, and it ascertains that the most important claim triggering conflicts lately is related to salaries (not paid in time and remuneration not corresponding to the work done). The next hypothesis is validated as well, and the statistical data show the fact that for the time interval 2003-2013 there is similarity between men and women in point of the trend of the average number of employees.

The third hypothesis is confirmed, and this is supported by the result of the correlation coefficient. According to this hypothesis, between the number of conflicts and employment there is a connection. The last but one hypothesis is not validated, because according to the opinion poll realized by Ecoforum, the highest percentage of the participants to the research (49.9%) claim that there are tensions between manager and the personnel of the company. The last hypothesis is validated and supported by the results of the European survey reflecting positive values concerning the health and work durability indexes. The most important conclusions drawn following the research carried out highlight the fact that the multitude of forms of manifestation of the conflicts has repercussions on work-related health and employment in Romania, considering as well the precarious situation of this country triggered by the recession that has led to a diminution of the standard of living, but also to the migration of the labor force.



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