Poor employee relations and its effect on customer demand
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Summary

Employee relations and worker conflicts are always problematic and the consequences difficult to predict (Fortado, 2001). Problematic relations can cause ill-feeling between colleagues, lowering job satisfaction (Biggs, Senior and Swailes, 2002) or causing stress and depression (Dormann and Zapf, 2002; Friedman, Tidd, Currall and Tsai, 2000). The case study below demonstrates how employee relations can impact service delivery and how this may be resolved.

The case study

This case study follows a Tool Manufacturer that was provided consultancy services as part of a large skills investment programme. In-depth organizational analysis was initially conducted comprising of qualitative interviews with senior management. From this consultation, process mapping was conducted to detail the main activities of the organization (see Figure 1). The process mapping demonstrated how the customer and the organization interacted. The customer would initially approach the Tool Manufacturer through associated marketing or more typically on the basis of previous work completed. On the basis of customer requirements a preliminary drawing of the tool would be drafted and sent to the customer. The customer would then accept the draft drawing and then commission the creation of tool specified, which would then be manufactured accordingly.
Nevertheless, not all was well. Several projects had been delayed, resulting in a loss of revenue for the business. Worst of all, several tools had been manufactured to incorrect draft specifications, which then had to be scrapped and started again. All of these issues affected the bottom line so further qualitative research took place with both management and staff. This research revealed that individuals tended to see themselves working in a vacuum or in a cliché as opposed to working within the wider organization. This had several consequences including worker conflict, interdepartmental conflict and poor employee relations.

An example of interdepartmental conflict can be demonstrated between the Drawing Department and the Machine Shop. Draft specification drawings rather than finalized drawings were given to the Machine Shop for them to produce the tool. This was done by the Drawing Department to give the Machine Shop notice that a particular tool had to be made. Nevertheless, the Machine Shop would spend time working on a drawing and would notice errors that would be sent back to the Drawing Department. In the meantime, the Drawing Department would send out a new draft of the drawing and as such typically ignore the work that the Machine Shop had completed. The Machine Shop did not always recognize that their work had been ignored and as such start work on an incorrect drawing. Furthermore, due to errors such as these the Machine Shop delayed work on new drawings for as long as possible. However, in the Drawing Department this exasperated the situation and as such they tended to produce earlier and earlier drafts to ensure that the Machine Shop was ready.

This conflict not only created internal problems reducing employee motivation and job satisfaction. The conflict had a wider implication that jeopardized the business as a whole. Customer orders were being delayed, orders were not being produced to the correct specification and some orders were of such inferior quality (due to their frequent reworking) that they broke down within weeks of being installed at the customer site. This led to a deterioration of the client’s reputation of being a World-class tool manufacturer.

The solution

Recognizing the issues of poor employee relations and worker conflict was the first step in aiding the organization identifying what issues were involved in not meeting customer demand. Several solutions for resolving this were then put forward and adopted including: improving communication by adopting appropriate forums; training senior management to recognize and deal with conflict situations effectively; and teambuilding events to improve overall relations. The result of this action was very positive, with the organization:

- Retaining its competitive advantage by meeting customer deadlines and demands
- Reducing the number of tools that had to be reworked or scrapped
- Resolving many of the employee conflicts that had previously took place
- Improving management skills to resolve employee relations and hostility

The Author

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References


