

Case Study - Negotiation: The Dismissal of Harry Green

Background information

The company does not recognize any trade union as an appropriate body to represent the interests of workers in the factory or offices. However a works committee exists and meets with management about four times each year to discuss issues of mutual interest. Employees do not elect representatives to sit on this committee, instead managers invite individual workers and members of staff to join it as and when necessary, to keep the membership levels in proportion with the numbers of people employed within each section. The factory employees have 6 members on the committee and the office staff have 2 members; 4 managers represent the company on the committee. Staff and factory workers do not feel any confidence in the works committee and it is generally ignored for all practical purposes. Management seems to pay it more attention when the threat of employees seeking to gain recognition of a trade union arises, or when they feel the need to increase productivity or cut costs. Employee representatives on the committee have very little real influence on the items discussed at meetings, or on the actions taken by management in running the company.

The company does not pay high wages and local people generally regard the company as somewhere to work only if it is not possible to find a better job. Also they only stay long enough to find another job with higher wages or better conditions. Naturally this does not apply to every employee; some 60% have been with the company for more than 5 years. Managers tend to be aggressive in their approach to interpersonal relations and this causes many arguments on the shop floor. Many people have been instantly dismissed over the years for what management describe as poor work or attitudes.

Gambling on company time

Until about one year ago it was common practice in the factory for one employee (known as a runner) to collect bets on horse racing and other forms of gambling from the other employees and take them to a local betting shop to have them accepted and recorded. Although the practice of gambling in company time and on the company premises was specifically banned by company rules, it had never been formally stopped and managers had ignored the practice for all practical purposes.

This gambling was organised by the employee collecting the bets brought to him by other workers and taking them to the betting shop during an additional 15 minute informal extension to the lunch break each day. Any winnings from the previous day would be collected at the same time and paid out to the lucky employees once the runner returned to the factory.

The person that currently undertook the task of the runner was Harry Green. Mr Green had been a manual worker in the company for 7 years and had always been a difficult employee from management's point of view. He was regarded by management as lazy, someone who could always find an excuse not to work hard and would also argue with managers when they had reason to speak to him. The quality of his work was also below standard, but he always had an excuse and so it had not been possible to discipline him formally over these problems. Also there were rumours over the years that Mr Green was an active trade union member and that he frequently tried to persuade more people to join. Mr Green was paid a commission by the betting shop for all the business that he brought to them. He also frequently received a tip from any lucky winners when he paid them out.

Trade union recognition

As already indicated, the company did not recognize a trade union and tried to communicate with employees through the works council. This committee had very little credibility among staff and there had been several attempts over the years to start a trade union in the company. Mr Green was rumoured to be a

key player in these attempts, although nothing had ever been proved or substantiated by management. In fact, only recently the Chief Executive of the company, Mr John Martin, had received another letter from Mr Mike Braithwaite, a local full-time trade union official. The letter stated that the trade union now had a good percentage of the company's staff as members and that he was formally requesting the company to recognize the trade union as the proper body to represent employees and to negotiate with the company over wage levels and so on. However for the first time in many similar letters, this one from Mr Braithwaite indicated that Harry Green should be regarded as the local trade union representative and that a meeting should be arranged through him to discuss the recognition issue. Mr Martin was currently considering how to reply to this letter, bearing in mind it was only the latest in a series of similar requests over the years. Clearly the company did not want to break with tradition and recognize the trade union. It was felt that this would fundamentally change the way that managers would be allowed to run the company. It was also thought that effective control of the company would pass to the trade union. In the past no formal meetings between the company managers and trade union officials had taken place to discuss recognition or any other issue.

The dismissal of Harry Green

Shortly after receiving the latest letter from the trade union requesting recognition an incident occurred which resulted in Harry Green being dismissed from his job by the production manager, Mr Bernard Simpson.

What happened was broadly as follows. Harry Green was collecting his bets as usual before taking them to the local betting shop. Mr Simpson passed by and observed the exchange of money between an employee and Harry. Mr Simpson then walked away without further comment. Harry Green continued with his collections and left for the betting shop as usual. On his return Mr Simpson was waiting for him at the factory gate and asked him where he had been. Mr Green replied that it was his lunch time and that it had nothing to do with the company what he had been doing or where he had been during his break.

Mr Simpson escorted Harry to his office and asked him again where he had been during his break. He stated that he had been seen collecting money from another employee and again asked why he had left the factory 15 minutes early. His reply was that he had done nothing wrong and that he was being picked on and victimized once again by management. He went on to repeat that it was nothing to do with management what he had been doing or where he had been in his lunch break. Mr Simpson repeated that it had everything to do with the company because he had evidence that Harry had been gambling in company time and on the premises, which was specifically against company rules.

Harry claimed that gambling had been custom and practice within the company for many years. He also indicated that in his view he was being victimized because it was common practice for management to allow other employees prior to Harry to collect bets on behalf of workers. Another reason he was being victimized suggested Harry, was that Mr Simpson did not like him at a personal level and also because he stood up for the other workers as they were frightened about the consequences of becoming involved in trade union activities.

Mr Simpson said that this was nonsense and that if that was his attitude he should consider himself dismissed with immediate effect. Harry Green left the meeting and the company at that point, threatening to take matters further.

The aftermath

After Harry Green left the site, word quickly spread among the rest of the workers about what had happened. Mr Simpson also briefed Mr Martin about the events and a discussion about what might happen next took place. A couple of days later Mr Martin received another letter from Mr Braithwaite, the full-time trade union official, seeking a meeting about the sacking of Mr Green.

Mr Martin was worried about the possible consequences for the company of ignoring the union letter as production levels had gone down since Harry Green was sacked (the employees had reacted badly to the news). Management had tried to call a meeting of the works committee to discuss matters but none of the employee representatives had turned up. Reluctantly Mr Martin came to the view that he would have to agree to the union request for a meeting to discuss the situation and the dismissal of Harry Green.

Task

You are to appoint 8 members of the class to play roles in either the trade union side or the management side (4 for each team). Each side should prepare a negotiating brief for its task and how it might seek to achieve its objectives. Once this is done, the management will invite the trade union side to attend a meeting in the management offices and the negotiation will begin.

This is an open exercise with no rules or information other than that included in this case study brief. Students on both sides should interpret the information as they think fit and should set out to win the argument as much as possible. In doing so they should also go beyond the information provided in the case as they think necessary.

Originally prepared by John Martin December 1998, updated and copyright 2005.