

Use Sanctions or Threats with care!

Using a sanction or threatening the other side can, of course, be a dangerous game in negotiations. Sometimes, the veiled threat can work wonders, but on other occasions it can cause the other side to dig in and become intransigent. There have been a few examples of sanction behaviour over the summer; some have worked – but some haven't.

Our colleague, Stephen White has already told the story of the negotiations between the three main UK political parties just after the recent General Election. David Cameron exhibited statesmanship with his “opening statement” but it all went a bit pear-shaped thereafter

Interestingly though, the minority Liberal Democrat party, which had had a disappointing electoral result, found themselves in the position of kingmaker between the two major parties, Labour and Conservative. When things were not going according to the script in their negotiations with the Conservatives, they let it be known that there was a parallel dialogue going on with the Labour party. Notwithstanding the ethics, the threat was enough, as Stephen points out, to bring a basket of further concessions from the Conservative Party negotiators. The last thing they wanted was a further five years out of power.

It is interesting to speculate just how far they might have gone, although Cameron was clear that the Trident nuclear deterrent was not for negotiation. He was on safe ground there though, as he knew that the Labour party would not have budged on that issue either. What is also interesting is to look at the players and their background. Of all of them, Nick Clegg has been closest to the negotiating coalface having spent a number of years in Europe negotiating on Britain's behalf.

When the UNITE union actually went one better and initiated strike action amongst the BA cabin crew a strike being the ultimate sanction in an industrial dispute, the BA negotiators seemed almost to dig in and take some pleasure in withdrawing travel perks from anyone who had taken part in the strike. Far from encouraging the other side to the negotiating table, strike action seemed to annoy the BA negotiators to such an extent that they adopted a much more competitive and adversarial stance than before.

Compare that reaction to that in the threatened strike of British Airports Authority (BAA) ground staff workers which was averted after talks and an improved offer from BAA. Why did UNITE's strike action with the BA cabin crew fail to win the rewards that cabin crew were demanding, yet the same tactic succeed two months later for the ground staff?

Interesting question – here are some thoughts.

- The basic 1½ conditional offer was significantly less than the BAA board and senior management had awarded themselves. It was difficult to justify the level of reward on offer in the light of that insight.



- BAA ground staff are amongst the lowest paid workers in their sector, where the perception is that the BA cabin crew lead a well-paid and pampered lifestyle.
- Any strike by the 6000 or so workers would essentially have crippled six of the major airports in Britain and caused travel havoc, not just in BA but for all travelers.
- UNITE has already proved that they are not scared to advise their members to take strike action and have “form” in that regard.

In other words, the sanction worked better for the BAA staff because their cause was seen as “just”, because they had the potential to jeopardise the travel plans not only of BA customers but of a much higher percentage of travelers in UK airspace and because BAA believed that a strike would go ahead.

In their case, use of the sanction worked; in the Liberal Democrats’ case, use of the sanction worked. In the case of the BA cabin staff, it seems to have backfired.

Use with care, then, might be the moral of the tale!

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We have a number of Unions threatening and starting to take industrial action here in New Zealand. All sides need to weigh up the power balance, the sanctions and incentives available to all sides before taking action. This is a vital part of the Prepare step.

If you need help preparing to negotiate with your employees and their unions Scotwork can help. Call us 04 2979069.