Arizona Copper Strike

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**Background**

The Arizona Miners strike was a result of copper prices falling nearly in half in 1981. This fall in price resulted in copper mining companies needing to make layoffs, four-day workweeks and salary cuts in Arizona and New Mexico. These cuts were explained by Phelps-Dodge (a copper mining company in Arizona) to be necessary to keep the business alive. Labor Unions painfully accepted this, however it wasn’t enough to keep Phelps Dodge in business. In order to reduce or? keep labor costs for the long-term, PD decided to cut COLA from the upcoming union contract. They also proposed that workers take further cuts in wage scales, benefits, holiday, and vacation time (which was less than the workers could live with). Inability to find a compromise in preliminary negotiations triggered a strike amongst copper miners and the unions they belonged to. Phelps responded to this strike by maintaining production with plant supervisors and office personnel (Bandzak).

**Phelps-Dodge Perspective**

Phelps-Dodge was a for profit corporation, with shareholders who expected returns on their investments. In order for Phelps-Dodge to remain profitable, they needed to be able to respond to external economic changes that effect their business. As international copper prices fluctuated and international competition grew more intense, Phelps-Dodge recognized that they needed to be able to adapt in real-time to external pressures. It was Phelps-Dodge’s belief that union obstructionism was partly to blame for the company’s failure to compete on an international scale. When copper prices hit an all-time low, the company wanted to stabilize the effects copper prices on the company. As Dodge Phelps believed that copper miners were paid fairly (if not overpaid) the consensus within company management was that miners were never going to be satisfied with how the company compensated them. In order to validate this belief and take control of the apparent dilemma, Phelps-Dodge pursued a three-year wage freeze, as well as tie COLA (annual cost of living adjustments) to the price of copper, rather than inflation (Bandzak).

When the unions didn’t agree with this, they began to strike and abandon work, until their demands were met. During the unionized strike, Phelps-Dodge put an immense emphasis on staying operational; in order to maintain revenues and minimize the impact of the strike, to do this, Phelps-Dodge hired replacement workers throughout the entirety of the strike. Phelps-Dodge took a very stern stance, and seemed to not budge on their offer, throughout the entirety of the strike. They had grown tired of the continuous union demands, and viewed employees on strike as though they were committing extortion. Much of this perspective can be attributed to the fact that, historically, unions had much success using strikes as leverage in order to gain the upper hand and force concession in negotiations. In summary, Phelps-Dodge’s goals were to regain control of the organization, end the increasingly strong influence of the unions in the organization, and minimize operational costs in order to make the company profitable (Bandzak, 1991).

**Third Party Intervention**

Third party intervention played a rather sizeable role in this conflict, and had a substantial effect on the outcome. Arizona State was the first external party to step into this conflict, who contributed to the conflict by enacting a legislation that limited the number of strikers that could appear on the line at any given time. This legislation was passed in regards to safety concerns and fears of potential violence. The next external party to take part in attempted mediation was Gov. Bruce Babbitt, whose interest in the conflict was to end it peacefully and swiftly, yet still be seen as a supporter of unions. It was Babbitt who arranged heavy law enforcement in Greenlee County and military support from the National Guard, who were brought in with the sole intention of ending the strike as soon as possible and curtail potential violence amongst the strikers. Unfortunately, throughout the conflict, it seems, much of the third party intervention in one-way or another benefitted Phelps-Dodge, whether this was intentional or not, most of the interventionists actions seemed to limit the dominance of the strike (Rosenblum, 1995, p. 216).

**Dynamics of Conflict**

**Personal**

Acting as a guiding coalition within the company, Phelps Dodge’s CEO Richard Moolick wanted "to break the unions" (Rosenblum, 1995, p. 91). As the conflict progressed and negotiations grew more impassioned, Moolick seemed to progress deeper into his strong stance, which in turn, polarized the negotiations even further.

**Relational**

As it was Phelps-Dodge’s intention to limit union solidarity, and gain leverage over the unions, the tactics of negotiation escalated. One means of gaining leverage that Phelps-Dodge used was the employment of informants inside of the unions, whose sole responsibility was to to gain insight into union plans. Using this tactic, Phelps-Dodge was better able to take a hard position in negotiations and resist compromise (Rosenblum, 1995, p. 73).

**Structural**

Entering these negotiations, the union had a substantial power hold on the company. From the very beginning of negotiations, Phelps-Dodge’s intentions were to change the former structure into one that granted the company more stability and freedom amid increasing competition, environmental regulations, and decreasing copper prices. Essentially it was Phelps-Dodges main priority “To create a power shift away from unions in favor of corporate leadership” (Rosenblum, 1995, p. 48).

**Cultural**

By the end of the conflict, Phelps-Dodge achieved its goal of breaking the union’s control over the company by successfully replacing and retraining workers. Along with this Phelps-Dodge was able to convince political leaders that the company was justified in its actions. The result was a massive loss for unions, which strongly changed the culture within companies to be more autonomous in their operations and decision-making abilities.

**Results of Conflict and Negotiation**

After reviewing all parties involved in this conflict, it becomes very apparent that the outcome was strongly influenced by third party interventionists, who unfortunately for unions were more favorable towards Phelps-Dodge.

The product of this intervention and course of events was a resounding defeat for unions, and a major victory for not just Phelps-Dodge, but all corporations with a unionized workforce. In fact, this outcome has impacted labor relations in America ever since, by further encouraging a zero-sum approach in conflicts between management and workforces (Cheldelin, 2012, p. 247).

**Potential for Conflict Transformation Using Different Strategies**

Analysis of the outcome of the conflict, leads one to understand that Phelps-Dodge got everything it wanted from the conflict, and the unions were left in a much worse state than when negotiations were entered. Although it worked so greatly for Phelps-Dodge, this zero-sum approach to negotiations is an unhealthy standard to base negotiation standards on, as it creates an environment in which one parties’ gain comes with the other parties’ concession. A more conducive environment to conflict transformation is found within integrative negotiation scenarios, which is based on the idea of creating win-win situations. Integrative negotiations require both parties to understand what’s important to them, what their priorities are, and what trade-offs they’re willing to make (Consultanant).

In order for this strategy to have worked in the Arizona copper strike; both Phelps-Dodge and the unions must have understood that in order to make trade-offs, both parties needed to be self-aware of their own priorities. In order to move into a scenario in which both parties were willing to make mutually beneficial tradeoffs, both sides must have been transparent about their needs and priorities. Without this transparency, no trust or rapport will have been able to be built and cooperation between parties would become sacrificed. Cooperation between the two parties is the key element throughout the entirety of the negotiation, as it takes cooperation to collaboratively solve the issues at hand. This would’ve led to an environment in which both sides were willing to work together in order to create a win-win outcome (Consultant).

The ability to look back and see the dynamics throughout the entire conflict, allows individuals to see the faults that led to a zero-sum outcome, rather than a win-win situation. As both parties wanted a zero-sum outcome that benefitted themselves, they both worked to get that outcome in separate ways, it were these actions that made negotiations difficult. Phelps-Dodge had a major lack of transparency of underlying goals, this along with the inability to cooperate with the unions, created a stagnant environment with no room for an integrative solution. The unions were coming from a place of strength, in which they thought they held all of the power, their initial inability to cooperate, and find concession is what ultimately led to their defeat in this conflict (Cheldelin, 2012, p. 205).

Retrospection of the Arizona copper strike allows many people to see all of the problems that happened throughout the conflict, and place blame or take refuge in the idea that one side was more just than the other (Cheldelin, 2012, p. 200). However, this train of thought is not productive to conflict transformation. The essence of positive conflict transformation affirms that acknowledging that both sides in negotiations, be them “good” or “bad”, must be willing to negotiate and make tradeoffs in order to truly have an outcome that leaves both parties in a better scenario than they were walking into negotiations (Lederach, 2003, p.33).

**Conclusion**

The Arizona Copper strike is a great learning tool for students of conflict, as it is a blatant example of how conflict negotiation can easily turn stagnant and polarized, when conflicted parties can’t find common ground. The outcome here became heavily influenced by third intervention and external factors, which left one party in the conflict to lose everything it wanted.

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References

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| **Criteria/ The student did successfully the following:** | **Points/ Comments** |
| **Context** | **Very Good (4)** |
| * Described briefly the perspective (the party to the conflict) * Described your goals and motivations, as well as the differing perceptions, needs, values | You describe different parties (including 3rd) and their goals, but it is not clear from which perspective you are analyzing |
| **Impact of actions** | **Very Good (8)** |
| * Described the conflict dynamics and how the party engaged (a specific episode or a period of time). * Reflected on the consequences on each level   + personal   + relational   + structural   + cultural | See my comments – examples of personal and relational changes due to the conflict not clear ot incorrect |
| **Potential for transformation** | **Good (3.5)** |
| * Discussed the potential for conflict transformation * Gave a specific example of a different approach/ strategy/ action | You have a general discussion, not a specific example |
| **Mechanics** | **Excellent (4.5)** |
| * Used language that is respectful and appropriate to the academic environment * Used APA format (Cover page, double-spaced, reference page, citing correctly) * There are no or almost no spelling, punctuation, and grammar errors |  |
| **Total** | **20 out of 25** |