THE BUSINESS OF INDUSTRIAL RELATIONS:

WHAT NEW AND FLEDGLING PRACTITIONERS NEED TO KNOW ABOUT WORKING EFFECTIVELY WITH TRADE UNIONS

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† Begin with certain assumptions:
1. Our fledgling practitioner has had no interface or experience with trade unions
2. His perception of industrial relations is derived largely from media reports
3. His preconceived notion that trade unions are bad, and that trade unions and industrial relations are one and the same.
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‘Industrial Relations’ broadly defined “deals with the relationship encountered by working people in their working lives.” [Green (1992)].

Salamon (2000) “Industrial relations encompasses a set of phenomena, both inside and outside the workplace, concerned with determining and regulating the employment relationship.”
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IR is “an academic subject and field of study broadly defined to include the study of all aspects of the employment relationship, including labour economics, labour history, personnel/human resource management, organisational behaviour, collective bargaining, industrial and organisational psychology and industrial sociology.”

- Roberts’ Dictionary of Industrial Relations
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- Industrial relations is multi-disciplinary and multi-faceted. Includes: law, economics, politics, history, sociology, psychology, organizational theory, accounting, etc.
- Covers: employment relationship, redundancy, globalization, trade, justice, human rights, health and safety, crime and violence, etc.
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 рол IR remains the collective aspects of relations between workforce and management. Spans the dual problem of social welfare and social order.

 рол Accepts that conflict is an inherent part of any organization, and therefore the question is how to manage the conflict.
In analysing the conflict at the workplace recognise three types of solutions to the problem:

- Employer’s solution’ --- human resource management
- ‘workers’ solution’ --- trade unions and collective bargaining.
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“community solution’ --- Government enacted social legislations, e.g. Minimum wage law, maternity leave law.
Industrial relations is essentially collectivist and pluralist.

IR is the process through which the relationship between employers and employees are expressed [collective bargaining, grievance procedures, dispute resolution, etc.]
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- IR focuses on the management of conflict
- IR recognises that the relationship and processes are influenced by Govt. through laws, policies and programmes
- IR policies, legal and institutional framework are developed through bi-partite and tripartite consultation and co-operation
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¤ IR outcome is a series of rules
¤ Rules define the roles and responsibilities of each of the social partners.
¤ IR plays a crucial role in labour market by intervening to ensure:
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(i) the right to participate in broad decisions which affect employment relationship issues; (ii) the function of freedom of association and collective bargaining; (iii) redress the balance of power between “labour” and “capital”; (iv) the prevention of labour exploitation (sweated and child labour).
Finally, the IR system can be viewed from three perspectives:

1. Where the expression of conflict is seen always as a direct challenge to the internal order and stability of the organization --- leads to the use of coercion and/or paternalism, believes management has the sole prerogative to manage; sees trade union as anachronistic and intrusive.
2. Where the expression of conflict is seen as a necessary prelude to the development of a new social order --- radical view which sees an irreconcilable division between labour and capital

3. Where the open expression of conflict is seen as an important element in the maintenance of stability and the facilitation of improved productivity ---
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- Trade unions and management are seen as “joint managers of discontent” within the industrial relations system.
- Avoid ‘non-communal conflicts’, that is, the conflict must preserve the basic community of interest between the parties.
The first perspective leads to “macho management” --- contemptuous of trade unions, believe in management’s divine right to manage, broach no arguments from employees, wants to get on with the job of directing, controlling and enforcing orders.

The ‘command and control’ of the labour force --- emphasis on social order
The second perspective is what Hyman refers to as ‘the struggle over the control of labour and the proceeds from the use of labour’ --- Marxian view of industrial relations in a post-Capitalist society.
The business of industrial relations

*Third* perspective links the role of trade unions in industrial relations to the growth, efficiency and productivity of the enterprise.
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The role of trade unions in industrial relations and more specifically at the workplace is governed by:

- Myths
- Prejudices
- Stereotypes
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Trade unions are deemed to be:

- condoning wrongs
  - selfish (little regard for national interest)

irresponsible

destructive

unreasonable
More than unites trade unions and management than that which divides them

Trade unions and management have common interest in:

- the competitiveness of the workplace
- efficiency improvement
- increased productivity
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-- increase welfare and well-being of employees

Trade unions believe that in pursuit of these common objectives the following should underpin the relationship:

-- equity
-- fairness
-- mutual respect
-- justice
A recent study by the ILO Caribbean Labour Office involving 8 sectors across 15 Caribbean countries showed that competitiveness was best achieved through “… improved human resource work organization... and improved labour-management partnerships.”
The study notes that “the development and increasing pursuit of the high road approach [has] required a substantial shift in the paradigm of management. Enterprise managers have increasingly had to abandon older theories about an exclusive and absolute right to manage... for a new approach which emphasizes communication, concern with the social and physical well being of people at work...”
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The study concludes that “for an enterprise to continuously innovate and adapt to changes it must have the competent, skilled, motivated and dedicated people who are working together in an atmosphere of mutual respect, trust, confidence and collaboration ....”, and that human and social capital “are the sources of long-term competitive advantage of the enterprise.”
The differences between unions and employers are not differences over objectives and goals, but differences in the philosophy of management.
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- Trade union enter the workplace on the basis of the very fundamental principles of the right to freedom of association and collective bargaining.

- Objectives of the trade union are three fold: (a) improving the working relationship between employers and employees; (b) contributing to the achievement of higher levels of efficiency and productivity;
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(c) Improving the wages and conditions of work of the worker

The trade union believes that in order to achieve these objectives there should be a new model of workplace governance which incorporates the following elemental features.
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-- information sharing
-- effective communication
-- transparency
-- participative management
-- equity/fairness
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Richard Daft in Management: the New Workplace, noted that critical management missteps include: ‘poor communication, treating people as instruments to be used, suppressing dialogue and consultation, inability to garner mutual trust and respect.’
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It is not that management does not understand the philosophical techniques which calls for dialogue and consultation, or the application of philosophical discipline which would place limitations on the ‘right to manage’
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- It is that they believe they can do it effectively without trade unions.
- That’s the concept behind human resource management (HRM).
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The fact is that commitment to a shared value, and fostering and maintaining constructive working relationship are best achieved in a unionised environment.
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In a survey on labour-management relationship in the United States the following was reported:

“A large number of employees, managers and union representatives believe that employee participation... and worker-management cooperation are essential to being competitive...”
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But employees are “skeptical of participation processes in which workers do not have an independent voice or means to represent their interests.”

The AFL-CIO in its reports noted that “it is unlikely in the extreme that management-led programmes of employee involvement or “empowerment” can sustain themselves over the long term.”
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¢ Flanders argues that the regulatory function of trade union is “the creation of a social order in industry embodied in a code of industrial rights”.

¢ A study in the US shows that the unionized operation systems at General Motors “were able to do as well, or in some cases, better than the non-unionized Japanese transplants…”

. Katz & Kochan
TESTIMONIALS ON TRADE UNIONS

George Shultz, former Secretary of State under Ronald Reagan:

‘The underlying reality remains that in the workplace restraints on power are needed and, "as a society, we have a great stake in freedom and a lot of that is anchored somehow, historically," in the labor movement...’
“... in a society in which individual strength depends on organizational connections, there was still need for the checks and balances that derive from "what used to be called the system of industrial jurisprudence." This covered the entire process of dispute settlement through collective bargaining, grievance procedures, mediation and arbitration, with the right to strike as a last resort.”
“During the past century, improvements in working conditions have played a crucial role in business development and stability. In turn, this has generated a more equitable share of wealth, both through the economic stimulation resulting from the increased purchasing power of the workforce...
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…At the heart of this process has been the ability of workers and employers to interact on an equal footing in order to solve problems arising in the world of work. This has generally been a function of their capacity to get organized and act collectively.”

- Int’l Labour Organisation
Trade unions are an important part of civil society in many countries, supporting the education and welfare of workers and their communities, and campaigning on issues of social justice including health, education, trade, gender discrimination, the environment and good governance...
“Their interest in promoting democracy and human rights, together with their ability to exert considerable influence in country means that they have significant potential to contribute to reducing poverty. We should, therefore, be working with unions where we can.”

-Dept for International Development, UK
THANK YOU