⟩⟩ Objectives

After completing this course, you should be able to:

- understand and explain management motives and methods in involving non-managerial employees in managerial decision-making

- understand and explain the nature of trade unions, their objectives and their place in an advanced post-industrial society

- understand and explain the general management response to trade union organisation and employees acting collectively

- understand and explain legislative provision regarding employee health, safety and welfare.

⟩⟩ Trade Unions in Today's Business Environment

Currently many people feel that working life is stricter, with management being more firmly in control, than was the case until the 1980s. Trade unions are clearly less influential than they were in almost every country of the world and many people regard the institutions and processes of industrial relations as no longer relevant in contemporary society. However, there are a number of problems with this point of view.

- Many people simply disagree. In 1995, over 30% of the UK working population were union members and the proportions where highest among professional occupations; 36% of men and 58% of women were union members in the professional category. Also the decline in union membership since its peak of 53% of the working population in 1983 has been much steeper among men than among women. These figures do not coincide with the popular notion of union affiliation being confined to men in cloth caps trying to preserve obsolete skills. In some European countries, Denmark and Norway, for example, union membership has increased.

The above figures come from *Social Trends*, which is an annual publication of the Government Statistical Service. You will probably find copies in your local public library. It has a wealth of information that is helpful in understanding changes in the social context within which HRM is practised. In the textbook, you will find a number of references to it.

- Trade unions and industrial relations have always been seen as central mechanisms in the type of social change that is envisaged by socialism. The terms **collectivism** and **collectivisation** are among the most ill-defined in political science but are used to describe ways in which public ownership and industrial democracy replace market mechanisms. One of the longest-running arguments in British politics was the continuing validity of Clause IV in the constitution of the Labour Party, as it was worded between 1918 and 1995:

  '...the common ownership of the means of production, distribution and exchange, and the best obtainable system of popular administration and control of each industry or service.'

- Management needs the **consent** of those who work in and around the business, as employees who are willing are more useful and effective than those who are reluctant. Employees are among the main stakeholders in any business and it is important to the management collectively and to managers individually to monitor employee attitude and respond to employee needs. One way of achieving this is by trade union organisation.

⟫ Strategic Aspects of Employee Involvement

Along with the strategic changes in the approaches of personnel management and human resources management within organisations and changes in the social and business environment over the past two or three decades, we have seen strategic changes in employee relations. These have particularly concerned moves away from collective bargaining and procedural agreements to involvement of the workforce through participation, team briefing and total quality management, with the emphasis on communication and co-operation rather than confrontation. The changes are illustrated in the change of title from **industrial relations**, denoting conflict between trade unions and employers, to **employee relations**, suggesting a more flexible and co-operative approach. It goes beyond negotiating pay and conditions and includes all aspects of the relationship between the employee and the employer. It reflects and is reflected in the structure and culture of the organisation and the industry.

Reading: Chapter 26, pages 492-3.

Q **ACTIVITY 1: QUESTION**

To what extent do you find this analysis reflected where you work? Has the agenda changed, with holistic approaches replacing 'firm agreement to a set of arrangements that will not be changed by either side'?

In your personal experience have you seen an increase or decrease in employee involvement? To what extent do you think the experience of employee involvement where you work has been different for other works groups and individual employees?

A **ACTIVITY 1: ANSWER**

The approach that a business adopts to employee involvement will depend on the views and priorities of the senior management and the nature of the business. Some commentators regard employee involvement as just another method of employee exploitation.

Development of employee involvement

Employee involvement practices have evolved from a specifically British view of industrial democracy that balances the power of the employers, the state and the unions (Clegg, 1960). Different ideas have been adopted over the years. For example, since the 1980s, the collective approach to employee relations and involvement has lessened.

Read pages 494-499.

Q **ACTIVITY 2: QUESTION**

The Donovan analysis (1968) distinguished between the formal system of industrial relations that included agreements and procedures organised at an industry level and the informal system that was the behaviour of managers, shop stewards and employees. How has the distinction between the formal and the informal systems altered since 1968? What has caused these changes?

A **ACTIVITY 2: ANSWER**

The Industrial Relations Act of 1971 conferred the legal right of employees to belong to a union. Throughout the 1970s, there was much debate about industrial democracy and the employee participation in management decision-making. In 1977, the Bullock Committee proposed that boards should allow equal representation by shareholders and employees. In addition, there was a minority report by some members who were opposed to this representation, feeling that it might provoke confrontation or extend the scope of collective bargaining into top-level management decision-making.

Q **ACTIVITY 3: QUESTION**

What argument would you give against this view in the light of subsequent events?

A **ACTIVITY 3: ANSWER**

The Bullock proposals were eventually shelved but during the 1980s, various views and initiatives on participation were put forward as management sought to gain employee commitment through consultation. These may have been developed alongside other initiatives on meeting the demands of the 1982 Employment Act, job design, supervision, standardisation of terms and conditions of employment across the workforce in terms of pay, hours and holidays, and other issues.

ACTIVITY 4: QUESTION

Is harmonisation of terms and conditions across the workforce meeting any of the needs of employee involvement?

ACTIVITY 4: ANSWER

Employee involvement has developed in waves, with each new wave bringing a slightly different emphasis, this follows the trends of general management practices. In the 1990s, as we see in the next section, particular techniques are fashionable. And we may see new initiatives as adaptations are made to future trends on full-time/part-time workers, or core/periphery workers, for example.

ACTIVITY 5: QUESTION

Why do you think employees should be involved in a business and what aspects should they be involved in? Do you consider that they should be excluded from some aspects?

ACTIVITY 5: ANSWER

Current approaches to employee involvement

We can identify different approaches to employee involvement over time. The current popular ideas for employee involvement are team briefing, total quality management, investors in people and European Works Council. All these are firmly managerial and do not allow for the balance of state and unions that might be considered part of industrial democracy. Do you see this as a success or a failure?

Team briefing

Reading: Read the section on team briefing (pages 499-500) and the section of Chapter 6 that deals with the same topic (pages123-126).

ACTIVITY 6: QUESTION

Alan is a Production Manager in a canning plant and cannot understand why there is a view that team briefing is 'new'. His argument is that he has always tried to keep his people in the picture, letting them know what they need to know. Furthermore he speaks to them daily or even hourly. Is he right to think that team briefing is nothing new? Is team briefing needed when there is the close and frequent contact that Alan describes?

The Industrial Society indicates a number of key principles concerning team briefing and suggests a rather more formal approach than Alan just keeping 'his people in the picture'. These include issues such as the central message should have come from senior management, teams should be formally and regularly briefed, the timeliness of information and leaders should be trained. Alan may be effective as a manager, he may be giving all his staff all the unbiased information from management that they need to know when they need to know it, he may be giving them a future opportunity to feedback to him, he may be encouraging commitment and loyalty.

Or he may not! Face-to-face informal communication between employees and line managers is vital to the smooth running of a business, however, it may not answer all the questions that might be solved through more formal team briefing.

Case study

Rita is the personnel manager in a factory where team briefing has been introduced by a firm of consultants. The system has flagged after the first few months of cautious enthusiasm. Senior managers have not kept to the strict timetable that is advocated, so she grumbles to the Chief Executive, who responds by saying that there is not a positive response from the shop floor – 'they don't seem to want it'.

Rita then visited the first-line supervisors, the last in the line of the briefing cascade, to ask them why it was not working. Responses were initially defensive or muted, but eventually an older man, Jim, explained to her: 'We're all frightened, love. You've been to college and you don't mind standing up and explaining things, like you did when you had us all together telling us what was against the law in firing people. We're not like that. We can tear a strip of someone for being late, but when it comes to talking to a big group in a more formal way, we haven't the confidence. They'll never admit it, especially to a young lady like you, but I can tell you that most of them are scared stiff. We had one of the consultants down, telling us how to do it, but we all knew that we weren't like him'.

In the light of this insight Rita called to see one or two of the supervisors on the pretext of asking them to go through the last brief to find out what questions had been raised in their groups. She then asked if it would be useful to have a discussion with other supervisors about techniques to get people to ask questions. More than half the supervisors agreed and Rita began by asking Jim 'just to summarise the main points in the brief as a starting point for everyone, and then we can ask everyone else the sort of questions they would expect their people to ask'.

Jim summarised the brief and several people were very shrewd in spotting the sort of questions their people should ask and there was lively discussion until one of them said, 'I wish I could do it like Jim did. I didn't know you had it in you.' That was the breakthrough and Rita soon had people taking a fresh interest in briefing and getting quite a personal boost from realising that they could do effectively what they had previously found so daunting. Then all she had to do was to get the Chief Executive to stick to the timetable!