EMPLOYMENT RELATIONS
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EMPLOYMENT RELATIONS

Fairness & Trust in the Workplace

Cecilie Bingham
Learning Outcomes

By the end of this chapter you should be able to:

● provide an overview of the employment relationship
● be critically analytical about the concepts of unitarism and pluralism
● be aware of changes that have contributed to the rise in individualism and decline in collectivism
● be cognisant of the implications of HRM for the employment relationship
● identify the sources of power and critically assess the impact of power realities in the employment relationship
● evaluate the links between power and differing managerial styles.

EMPLOYEE RELATIONS – WHAT IS IT?

The study of employee relations is the study of interactions, behaviours and outcomes based in and around the workplace. It involves those in work, those who employ them, and those who have an impact on their workplace relationships such as legislators and politicians: it is concerned with studying the regulation of the determinants and outcomes of the employment relationship, and sometimes with the breakdown of such regulation. Because workplaces do not exist alone, the economies in which they are based, together with the cultures, philosophies, styles and norms of those working within them, and the desires, wishes and expectations of those reliant on them, all have a bearing on what goes on in the workplace, as indeed does the type of work, the technology used and the levels of competition.

But the relationship between employees (i.e. those who are paid in exchange for work) and employers (i.e. those who pay others in exchange for their labour) is not always straightforward because each has a different set of needs and requirements. Furthermore, not everyone in an organisation is a direct employee: some may be unpaid volunteers or interns, while yet others may be self-employed or working for contractors or sub-contractors. How they work, why they work and their attitudes to one another are crucial. For example, if someone is treated well they are more likely to perform well and stay with an organisation than if they perceive their treatment to be unjust or unfair in some way. As Brewley and Forth say:
If the balance of power is in favour of the employee, there is a lower likelihood that they will be subject to adverse treatment, since the costs to the employer of treating employees in a way which reduces their productivity or causes them to seek alternative employment is greater. Conversely, where the balance of power favours the employer, there may be less incentive for them to protect their employees against adverse treatment. (2010: ix)

The inherent imbalance of power is such that employees often find it necessary to act collectively, sometimes using external parties to represent their views; such parties may be trade unions, religious groups, pressure groups and so on, and in turn the employers may also use the agency of others, such as Employers’ Associations, to represent them.

It is evident from this brief description that the nature of the employment relationship is complex, involving different influences and ideologies. Furthermore the relationship, which can be both formal and informal, is changeable, often exploitative, and at times contradictory with the potential for cooperation and conflict ever present. In essence then, this is what the study of employee relations encompasses; it seeks to make sense of the formal and informal relationships found at work. It concerns the ways in which people interact both with one another and with the jobs they undertake; specifically, it concerns individuals who voluntarily subordinate themselves to the demands of the organisation by exchanging their time, effort and possibly experience and knowledge, for monetary and non-monetary rewards within a regulated environment (Bingham, 2007: 214).

The Participants

Each employment relationship establishes a set of reciprocal rights and obligations between the primary parties, that is, an employee and an employer, within the relationship. This relationship is ‘the main vehicle through which workers gain access to the rights and benefits associated with employment in the areas of labour law and social security. It is the key point of reference for determining the nature and extent of employers’ rights and obligations towards their workers’ (ILO, 2006: 3). Such rights are underpinned by an informal infrastructure of cultural and ethical values linked to fairness and the subsequent trust, or lack of it, between parties (Hyman and Brough, 1975: 229–53; Fox, 1974, 1985). Individual employees have a specific relationship with others in the workplace and with the work itself. This relationship is not static; it has a past and a future both of which affect how the relationship develops – the longer an employee is with an organisation the more they become socialised to the norms and culture of that organisation, and this affects their perceptions of their treatment and their subsequent workplace behaviours.

The primary parties are not the only participants to have influence on the relationship, others too are involved; these are secondary parties, namely union representatives and management. These individuals can be primary parties in their own right but they have an additional role to respectively represent the views of the workforce, or of the employers.
A further feature of the employment relationship is the influence of third parties; these are often ‘agents of the State’ and will include the legislature, law enforcers and the courts. Other external third parties that may become involved in the relationship may do so in a lobbying capacity (e.g. Stonewall or the RNIB), while yet others such as Acas and the Citizens Advice Bureaux may act as advisors, mediators, conciliators or arbiters.

**Union Representatives**

One of the ways in which employees have traditionally ensured that their employers have both listened to and responded to their concerns has been to combine together in groups and to allow representatives to speak for them. The beauty of this system was that it gave individual employees both power and, on occasions, anonymity. The very process of belonging to a group that could speak up for everyone increased the range of influence that individuals could wield over their working conditions and wages, and yet it ensured anonymity if it were desired. This is the philosophy behind trade unions. The Webbs (Sidney and Beatrice, who chronicled union activity at the beginning of the twentieth century) described trade unions as ‘a continuous association of wage-earners for the purpose of maintaining or improving the conditions of their working lives’ (1920: 1).

In theory, employee representatives are a means of combating imbalances of power and unfairness at work; concerns can be raised, wages bargained over, conditions debated and overtime haggled about without, importantly, the process becoming too overtly personal. The very act of combining together and negotiating for changes in their working lives improved the chances that individual employees had of bettering their conditions – this act of combining increased their power base and _ipso facto_ their voice influence and impact in the workplace.

From the point of view of the employer, dealing with representatives is often speedier than dealing with strings of individuals and, indeed, obtaining union agreement for changes often legitimises those managerial actions required to make the changes as well as the changes themselves. The downside is, of course, the ever present and implicit threat of conflict that might escalate into industrial action – such as an overtime ban or a strike. (Such action, however, tends to be a last resort – you don’t get

**NEWS FLASH 2.1**

**Civil Service Union (PCS) strike**

Following a ballot in favour of strike action members of the Civil Service Union (PCS) are striking on 13 August. The strike is designed to pressurise management to change working conditions in job centres so that union members might do their jobs more efficiently.

The talks with management have been going on for over a year but have yielded nothing.

PCS is demanding:

- Urgent recruitment of new staff to ease the pressure on staff enabling proper customer service.
- An integration of work processes to improve customer service and provide the variety of work and skills for members.
- Greater access to flexi-time, particularly at the end of the day.
- An end to the privatisation work and no outsourcing of online work.
- A fundamental change to the management culture replacing the current oppressive management approach with one that supports, values and respects its staff.

**Source:** PCS, 2012
paid for striking. Sometimes of course the threat of strike action is as important as striking itself and may be used to influence negotiations.)

**Case Snippet 2.1 Strike called off at Docklands Light Railway**

KeolisAmey Docklands operates and maintains the Docklands Light Railway (DLR) in London. It negotiates and employs a number of transport workers represented by the RMT union.

On 27 January 2015 the RMT union, whose members had been balloted about taking strike action and were expected to strike on the 28th of the month (concerning a dispute about a number of issues, including the outsourcing of DLR employees, without their consent, to M. J. Quinn Integrated Services), issued a statement to its members announcing that all strike action for the following day was called off because the dispute had been resolved following talks with the management of KeolisAmey Docklands. The announcement to members said: 'This success is a testimony to all DLR members, as your magnificent ballot result and the subsequent threat of strike action gave your RMT negotiating team a strong starting position in these talks, leading to the resolution of this dispute. This victory is a great example of what a strong, unified RMT membership can achieve.’

*Sources: RMT, 2015; BBC, 2015*

Most union behaviour is reactive rather than proactive responding to the environment in which their members find themselves. Unions simultaneously behave, and are perceived to behave, as if they are in a state of constant opposition and yet, perhaps even because of this, much of their time and energy is actually spent in coming to mutually agreed arrangements with employers. In other words they are involved with making agreements with employers while occupying a position of adversity with them.

The number of people in unions is dependant not just on whether they want a ‘voice’ within the workplace but upon a range of factors, such as the type of industry they are working in, the political climate of the day, whether or not a union is regularly talked to by their employer, and also the sex, age and education of the employee.

Union membership patterns fluctuate; this can be seen if we look at what has happened in the UK since the Second World War. In the 20 years between 1948 and 1968 the membership of unions grew at a slower rate than the workforce itself. Then in the 10 years between 1969 and 1979 there was a surge in membership, particularly among women, non-manual, service and public sector employees. However, in the years when Mrs Thatcher was Prime Minister the numbers fell: sectors where unionisation was traditionally high, such as shipbuilding and mining, decreased in size, unemployment was high, legislation was restrictive and, as the unions were perceived to be losing power, fewer people wanted to join their ranks.

Unions don’t only act at a local level, they also operate at national and international levels, they lobby governments in order to advocate for changes in legislation and working conditions and, depending on the country in which they are operating, may take part in policy formulation – as with the ‘Accords’ in Australia.
Management

Within the context of the employee relationship ‘management’ refers to the *activities of managers* acting as agents for the employer, but ‘management’ can also be used as a general term describing the body of people undertaking these activities. Pool (1980) says that management activity is the result of interaction between a number of *constraints* such as economic conditions, government policy and legislation, and of *choices* such as the ways in which activity is undertaken, promoted and communicated. Choices of course may be based on the interests of the organisation, or the interests of individual managers or on ethical/moral values. These three are not mutually exclusive, although in certain circumstances they may be. The role of managers has, over the years, become subject to ‘financialisation’ (Sisson, 2010: 250), resulting in managerial choices that have resulted in increased pressure to provide short-term results satisfying shareholders and the market – often with unintended consequences, distorting managerial activities and leading to inconsistent decision making and lack of trust from the workforce. Financialisation is not the only recent influence on managerial choices – increased amounts of legislation affecting employment also constrains, impacts and affects the ways in which managements operate. Not all organisations choose to operate within the law; the TUC’s analysis of figures, from the 2014 Labour Force Survey, shows that on average 6.4 per cent of employees across the UK are losing out on their legal entitlement to paid holidays, partly because of ‘bad employers’ breaking the law (TUC, 2015).

Ethical decision making is complicated, sometimes presenting managers with difficult dilemmas: do they act in the interest of the organisation or in the interests of those whom they manage? To a certain extent managers are the squeezed middle: this extract from Deny illustrates the point very clearly:

There are a number of times when you know as manager that a particular individual has been identified to be laid off … and every day, and it may go on for several weeks, you have to come to work and acknowledge the person, deal with them, work with them, knowing that at a given point in time they are going to be out of a job literally. And yet, you can’t prepare them, because your job as a manager is to try to get the pieces done, work with the company, and maintain the morale. It’s a moral difficulty because I always feel that if I know that a particular individual is going to have something like that happen, that I should tell him ... however I also understand ... that in the business we do need his services for three more months. (1989: 858)

McConville too highlights this dilemma for middle managers, explaining how, particularly now that many personnel functions are undertaken by line managers and not HR/ER specialists, this group find themselves acting as the buffer zone between organisational demands and employee performance:

Middle line managers are fulfilling a vital purpose – like shock absorbers in any complex mechanism or the flex in elaborate structures – in balancing tensions and mediating potential conflict. The added burden of devolved HRM functions both highlight and exaggerate a problem that was previously dissipated by the presence of specialist practitioners. (2006: 651)
Employer Associations

The main functions of an employers’ association is to support and represent its members. It does this in a number of ways: first, it offers advice on trade, professional and employment matters; second, it acts as a pressure group, lobbying governments and making representation on behalf of its members; third, it takes part in national negotiations setting terms and conditions; and fourth, it may advise about (and possibly become involved in) industrial disputes. In terms of employee relations, those associations concerned purely with trade matters are not relevant here. Employers’ associations may be based internationally, nationally or tied to a local region and membership composition and participation will, in part, be dictated by the culture and size of company concerned. In the US, for example, the culture is such that companies prefer to operate alone without the benefit of an association. In Europe, with its history of social partnership, employers’ associations are more prevalent (Behrens and Traxler, 2004). The Federation of International Employers (FedEE Global), as its name suggests, operates globally with offices in Asia and Europe. Developing from the Federation of European Employers (which was set up with a grant from the EU), it claims to be the world’s leading employers’ organisation for multinational employers offering legal and general HR advice as well as acting as a lobbying body. Sometimes associations come together under an umbrella body; the European Association of Craft, Small and Medium-sized Enterprises (UEAPME), for example, incorporates around 80 member organisations from 34 countries, consisting of national cross-sectorial small and medium-sized enterprise (SME) federations, and is the employers’ organisation representing the interests of European crafts, trades and SMEs at EU level. Nationally there are a number of associations that operate both on domestic and international fronts; in the UK, for example, the Chemical Industries Association (CIA) provides legal advice to members, participates in national negotiations, represents the views of

**NEWS FLASH 2.2**

**Apprenticeship levy for UK businesses**

The UK government is committed to supporting 3 million quality apprenticeships over the next five years – to help strengthen the economy, deliver the skills that employers need and give millions more people financial security.

Employers across the country will today (21.08.2015) be asked for their views on the introduction of an apprenticeship levy – set to be introduced in 2017 – designed to increase training investment.

Levy systems operate in over 50 countries, including Netherlands and South Korea.

From 1 September 2015, all bids for government contracts worth £10m or over must demonstrate commitment to apprenticeships. Other steps planned include a requirement to take a company’s apprenticeship offer into account when awarding large government contracts and publishing new ‘industry standards’ so that apprentices have the skills that companies need.

New industry standards covering a range of professions including nuclear engineers, fashion assistants, live event technicians, personal trainers and welders will outline the skills apprentices in these roles are expected to have to meet the needs of employers.

**Source:** DBIS, 2015
the industry at national and international levels and, when required, lobbies the government. Sometimes of course there are employers’ organisations created specifically to cater for the interests of those in a particular location; for example, the Lancashire Textile Manufacturers’ Association concentrates on regional matters but is a member of the UK Fashion and Textiles Association which represents their interests at national level.

**External Influences**

The number of people unemployed in any area will have an impact on the ability of employers to recruit and retain labour. So where there is high unemployment there will be a large pool of potential employees for an employer to choose from, and conversely, where there is lower unemployment, employers may find it more difficult to recruit. The general economy, the political complexion of the government concerned, and the state of the market in which an organisation is operating will all have an impact on employment patterns either indirectly or directly; for example, at an international level, article four of the European Convention on Human Rights prohibits forced labour, aiming to ensure that workers are not illegally coerced into employment, whereas at national and local levels education policies influence the attainment of skills, and therefore have an impact on the suitability of job seekers for employment.

Wars and natural disasters also impact and skew employment; for instance, the foot and mouth outbreak in Britain in 2001 had a devastating impact on the Turkish sheepskin coat industry, resulting in job losses in both Turkey and the UK. The Japanese tsunami had an impact on the infrastructure of Japan that was felt more widely across the globe, particularly in terms of car manufacture. (See Todeschini, 2011, for an interesting discussion on the impact of the tsunami on Japanese management.) A more positive example can be seen in Haiti, when in January 2011, a year after the devastating earthquake worsened the country’s 70 per cent high unemployment rate (causing the number of people without work in the capital Port-au-Prince and its outskirts to quadruple), the South Korean company SAE-A signed a deal to give Haiti $78m of sewing machine equipment, undertaking to train and employ 20,000 jobless Haitians. Simultaneously, the American government spent millions of dollars constructing an industrial park, power plant and housing for 5,000 Haitian workers. Both the disastrous earthquake and the subsequent foreign help had an impact on employment levels and impacted the employment relationships.

Employment across the globe has been affected by the recent banking crisis and recession (2007 onwards). Some countries have fared better than others. Australia with its well-regulated banks (and as a supplier of raw materials to China) was one of the few nations to escape recession, and its employees largely remained unaffected. The UK, on the other hand, with its steady decline in manufacturing, coupled with an increase in service sector jobs has, post–2007, found it more difficult to maintain a level of growth; while Germany, with its emphasis on manufacturing, initially fared better, although its links with other countries within the Euro Zone (particularly Greece, Spain and Italy, where debts and austerity measures prevailed) resulted in a detrimental impact on its
economy. In order to aid exports and stimulate growth the Chinese government felt compelled to devalue its currency three times in August 2015, bringing subsequent falls in the international stock markets. Such global turbulence results in a knock-on effect on employment levels and workplace behaviours. The global economic environment therefore has a direct impact on employment (see Table 2.1) and hence on employee conditions and on workplace relationships.

### Table 2.1 Labour market statistics showing employment rates (percentage)

<table>
<thead>
<tr>
<th>Country</th>
<th>April 2009</th>
<th>April 2010</th>
<th>April 2011</th>
<th>Jan 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men 15–64</td>
<td>Women 15–64</td>
<td>All 15–64</td>
<td>Men 15–64</td>
</tr>
<tr>
<td>Norway</td>
<td>78.9</td>
<td>74.6</td>
<td>76.8</td>
<td>77.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>82.6</td>
<td>72.3</td>
<td>77.0</td>
<td>74.6</td>
</tr>
<tr>
<td>New Zealand</td>
<td>79.3</td>
<td>67.3</td>
<td>73.2</td>
<td>72.3</td>
</tr>
<tr>
<td>Germany</td>
<td>75.2</td>
<td>65.2</td>
<td>70.2</td>
<td>71.0</td>
</tr>
<tr>
<td>UK</td>
<td>74.7</td>
<td>64.9</td>
<td>69.8</td>
<td>74.6</td>
</tr>
<tr>
<td>US</td>
<td>72.2</td>
<td>49.0</td>
<td>67.9</td>
<td>71.1</td>
</tr>
<tr>
<td>France</td>
<td>68.4</td>
<td>60.0</td>
<td>64.1</td>
<td>68.0</td>
</tr>
<tr>
<td>Japan</td>
<td>80.1</td>
<td>59.6</td>
<td>69.9</td>
<td>79.9</td>
</tr>
<tr>
<td>Chile</td>
<td>69.7</td>
<td>41.9</td>
<td>55.8</td>
<td>71.9</td>
</tr>
<tr>
<td>Turkey</td>
<td>63.7</td>
<td>23.7</td>
<td>43.6</td>
<td>66.8</td>
</tr>
<tr>
<td>Spain</td>
<td>66.8</td>
<td>52.9</td>
<td>59.9</td>
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</tr>
<tr>
<td>Greece</td>
<td>73.7</td>
<td>43.9</td>
<td>61.4</td>
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</tr>
<tr>
<td>Italy</td>
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<td>57.6</td>
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</tr>
<tr>
<td>Mexico</td>
<td>77.6</td>
<td>42.9</td>
<td>59.4</td>
<td>78.5</td>
</tr>
</tbody>
</table>


### Exercise 2.1

- What does Table 2.1 tell you about the levels of employment for men in the Netherlands compared to the men in Spain?
- Are women in Mexico as likely as women in Turkey and Germany to be employed?
- What do you think accounts for these differences?
- Looking at the employment figures for each separate country, how much bargaining power do you think female employees are able to exert? Why did you reach your conclusions?

But the economic environment is not the sole influence on the employment relationship, cultural elements too play their part; for example, in some countries it is more difficult for women to find paid employment than in others. In the UK for instance,
during the early part of the twentieth century women teachers had to give up their teaching jobs once they married, although this changed during the Second World War when male teachers were redeployed in the armed services; while as late as 1969 women employed by Cadbury were only eligible for managerial positions if they were unmarried. Similarly in Chile in the 1990s, an economic boom created what Chilean feminists called a ‘World War II phenomenon’ whereby mining managers at the large copper mine, Chuquicamata, were forced due to a shortage of men to hire qualified women as engineers, mechanics and miners (Vincent, 1993). Indeed societal norms and values often result in gender segregation within occupations. Within the European Union (EU) women tend to be underrepresented in the higher-status professions and in jobs involving risk, while they are overrepresented in the public sector, education and the caring professions (European Agency for Health and Safety and Work, 2003). In Vietnam it is not unusual to see women working as general labourers on construction sites – rare in the UK.

Of course if an employer requires someone with specialist skills, such as an experienced computer technician, the general pool of unemployed will have little impact on the pool of people from whom they are recruiting. Different skill sets will, by their very nature, have their own unemployment/employment rates. Where a vacant post requires someone with specific, perhaps rare, skills this puts the employing organisation in a weaker position because it will have to offer terms and conditions of

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**Figure 2.1** Influences on the nature of workplace relations
employment that are sufficiently good in order to attract applicants. This may have an impact on wages, and it may therefore also have an impact on the existing employees within the company who might feel aggrieved if a person new to the organisation receives better pay, more holiday and improved benefits. A potential employee with the relevant skills has more bargaining power when applying for a job where few have his skills. Demand for talent tends, in general, to push wages up and may result, on occasion, in reduced competitiveness. The various influences on the nature of workplace relations are depicted in Figure 2.1.

**Exercise 2.2**

Keith Sisson, in his paper *Weathering the Storm: The Maturing of British Industrial Relations*, makes the point that ‘the employment relationship is a multi-level phenomenon’ (2007: 23). Explain what you think he means by this.

**CHANGES IN THE UK EMPLOYMENT MARKET**

Since 1979 there have been a number of changes within the UK employment market. There has been a sharp decline in those sectors such as coalmining and shipbuilding where unionisation was high. Manufacturing has decreased, and the service sector grown. Large nationalised industries have disappeared and there has been a growth in SMEs. Within the workplace job demarcation has diminished and team work and matrix working increased. The rise of technology has changed the ways in which many organisations operate – some moving to longer operating hours, often with an associated increase in demand for workplace flexibility, with employees required to frequently update and utilise new skills. Such changes in the nature of work have led to decreases in job security and increases in insecurity/redundancy. More people are working part-time than previously. These changes have had an impact on both employers and employees, in particular on their expectations and needs within the workplace. The impact of these changes has resulted in a drop in the number of people working in organisations that apply terms and conditions negotiated with trade unions. In 1973 there were around 13 million trade union members in the UK; this figure has halved.

During this period there was a corresponding rise in *individualism*. This is a style of management that deploys policies based around the belief in the value of the individual and his or her right to fulfilment, development and advancement at work (Purcell and Gray, 1986: 213; Purcell, 1987). Here there is an emphasis on enabling and managing performance whereby the employer communicates directly with the employee, designs individual contracts and offers financial incentives based on levels of performance and regular training in order to gain an acceptance of personalised performance targets and individual flexibility; such individuality, it is claimed, encourages high levels of commitment to the organisation and sustained productivity.
Individuals are assumed to have interests that are in line with those of the organisation, hence there is no need for them to combine and act together and no requirement for union representation. This has an obvious appeal to managers (Kessler and Purcell, 1995: 31) and is a move away from the more adversarial system of collectivism, in which managers communicate with the workforce via union representatives, where pay is set in terms of the job to be done rather than in terms of the individual actually doing it, and where committees and groups negotiate and consult on the terms and conditions for the employees. This approach, defined as ‘the recognition by management of the collective interests of groups of employees in the decision making process’ (Purcell and Gray, 1986: 213), is useful for employees who find that joining with others increases their levels of power vis-à-vis the employer, protects the interests of the group and improves terms and conditions in ways that might not have been possible had they been acting alone. The German system of works councils falls into this category.

The two systems, collectivism and individualism, are not, however, mutually exclusive; management often categorise certain employees as members of a specific group and treat them collectively but with individual differences, for example all sales assistants may receive the same basic rates of pay within a retail organisation yet there may be individual bonus payments, commission and targets for individuals within that group. Similarly sometimes where employees are subject to individual levels of pay linked to performance targets the boundaries for their terms and conditions may have been proscribed following negotiation with representatives. In some organisations, for example those in the banking sector, unions are recognised for bargaining purposes for those employees placed at the lower ends of the salary scales but not for those at the higher ends.

**HUMAN RESOURCE MANAGEMENT (HRM)**

Alongside the rise in individualism there has been an increase in HRM. HRM is not just a substitute name for personnel management but refers to an approach to managing an organisation (not just the personnel function) that aligns the resources – human and otherwise – with the business strategy. It is seen as an holistic way of using an organisation's resources to cost-effectively respond to changes in the economic and technical environments. The doctrines of quality management and flexibility are key to the operational effectiveness deployed by HRM strategists. Because everything is geared towards effective use of resources, one of the managerial aims is to ensure that the workforce is not just compliant with organisational demands but also committed to achieving them; part of this will entail using performance management techniques to align employee performance with organisational goals coupled with a management strategy utilising psychological rewards, such as participating in decision making, to encourage employee motivation, engagement, commitment and loyalty. In terms of its relationship with employee relations, HRM is often used as an umbrella term for a set of management practices within the employment relationship, including an increased emphasis on high commitment and greater employee task discretion. Its
emphasis on deploying the skills of each employee in the most effective way is individual rather than collective and unitary rather than pluralist (see below), although in circumstances where the pervading culture is pluralist, such as in Germany, HRM techniques are still deployed.

One of the consequences of the adoption of HRM policies is that many traditional personnel functions have been devolved to line managers, allowing HR managers to concentrate on the strategic aspects of the business. Francis and Keegan comment that ‘employees are increasingly losing day to day contact with HR specialists and relying on line managers who have neither the time nor the training to give HR work the priority it needs’ (2006: 243).

John Storey (1992) defined two different forms of HRM: hard, driven by strategic objectives where labour is perceived as just another resource to be treated in a depersonalised way; and soft, where labour is regarded as a valued asset and a source of innovation and competitive advantage and individuals within the organisation are nurtured, well looked after and developed.

Whether the organisation delivers hard or soft HRM, whether or not the line managers are trained in people management and whether the intended delivery of the strategy is the actual strategy that is implemented, all impact on the parties to the employment relationship.

There are problems in analysis if the workforce is regarded as if it is an homogeneous group: employees within an organisation have different interests, requirements and perceptions and therefore respond differently to the HRM practices they experience (Kinnie et al., 2005), so a workplace strategy that assumes one set of policies will be consistently delivered and received in identical ways that suit everyone is unrealistic. Wright and Nishii (2004) point out that intended policies are not always congruent with actual practices and that such practices may be experienced and acted on differently by employees in the same organisation. Employee commitment – a key pillar of the HRM way of managing – may not actually be as high as intended if employees do not perceive their interests to be the same as those put forward by the organisation that they work for; furthermore there may be inconsistencies within an organisation if individualistic targets are advocated simultaneously with those associated with team work.

POWER IMBALANCES

To achieve goals within the workplace, the work itself and the processes for achieving and coordinating output must be organised; this, of course, results in divisions of accountability, responsibility and of labour. Such arrangements, of necessity, affect and impact upon the employment relationship. In order to achieve results an employer will direct the workforce who, in return for wages, consents to obey direction, thus entering into a relationship of subordination (Kahn-Freund, 1972).

This inequality is exacerbated by unequal access to resources. The splitting-up of tasks and responsibility means that some individuals will have more control – and others less – either formally or informally, over others: ‘The primary purpose of control is to
coordinate different organisations activities in order to achieve the goals for the whole organisation (Dundon and Rollinson, 2011: 29). The exercise of control affects not just the economic relationship but also social and ethical aspects of the employment relationship; this means that ‘the right to manage’ must be exercised in a reasonable manner (Edwards, 1986: 31–2).

Control over others may be seen in terms of power. Dunlop (1958: 28) thought that power in the workplace was a reflection of power in the wider society, but this does not account for differences in individual workplaces within the same societies; indeed different types of power may be simultaneously wielded in different parts of the same organisation. For example, in Unilever there are different approaches to managing the workforce depending on the country and subsidiary in which it is operating.

Power enables a few individuals to minimise the discretion of many of the workers by making decisions deemed by the few to be important for their purposes and the benefit of the organisation. As Fox so memorably put it:

> It enables the few, in other words, to manifest distrust of the many by imposing upon them work roles and work rules which leave little scope for the important choices – including those determining the whole pattern of rewards, status and privilege. (1974: 14)

The related concepts of ‘power’ and ‘control’ are central to the understanding of how the labour process is ‘managed’. Yet although the employer has a degree of power, which he or she may or may not choose to exert, employees are not necessarily powerless because the workplace relationship dictates that the employer is dependent upon the services of the employee (Hyman, 1975: 25). The relationship is therefore symbiotic and interdependent, despite the fact that, in the main, the employer has more power than the employee. The power of labour (the employees) is dependent on how much capital (the employer) needs its effort. Such labour power is unlike any other commodity because it is part of a continuous relationship that is, in itself, affected by external forces not within its control. As Hyman and Brough (1975: 23) point out, a tight labour market or the possession of scarce skills may militate against the power of the employer; the converse, of course, also holds true. The consequences of the imbalances of power have resulted in the formation of groups, such as trade unions, that act as countervailing forces; governments too have often

**NEWS FLASH 2.3**

**Abuse of power by senior members of staff**

‘Just over a quarter (26%) of employees believed that a senior colleague abused their position of power – and a further 14% believed that they had been deliberately set up to fail a task by a colleague they did not get on with’, say Canada Life Group Insurance, after surveying 1,607 nationally representative people employed in the UK in June 2012.

The survey found that 11% have taken time off work because they have been treated unfairly by a line manager, while two-fifths (42%) have witnessed senior members of staff abusing their power in the workplace. (29,172,000 people were employed in the UK at the time.)

**Source:** Canada Life, 2012
intervened, in the form of implementing new legislation, to redress real or perceived power imbalances in the workplace. Although inequalities of power do result in conflict, compromise is more often the outcome because it is not simply a matter of (management) control versus (worker) resistance, but more a mixture of dissent and accommodation, conflict and cooperation (Rose, 2008; Blyton and Turnbull, 2004). Indeed Flanders (1970: 172) pointed out that managements often maintain control by sharing it, and Oxenbridge and Brown (2004) showed that within the UK union influence is no longer as reliant on negotiation, with its concomitant and explicit exercise of power; instead consultation, and a reliance on procedures, are used to influence the operation of the employment relationship.

Power can be regarded in terms of either the power to do something, or in terms of the power over someone/something. Both are important within the employment relationship. The power ‘to do’ may be the result of technical competence/skill, or may involve the power to facilitate and enable; used appropriately it can engender respect, loyalty and commitment. The power ‘over’ refers to the ability of a person or group to dictate what others should or should not be doing and how and when they should be doing it. It relates to the ability to get someone to do something that they would not otherwise do, perhaps including doing so against their will (Lukes, 2005). Lukes divides this category into three:

- **power in terms of dominance**, for example where an HR manager explicitly tells a line manager he can or cannot do something, or where a trade union calls a strike in opposition to management activity
- **the concept of power in terms of decision making**, for example setting the parameters for discussion/negotiation
- **the concept of a more manipulative power**, one which controls the ideology or culture of an organisation, for example, at induction employee expectations are managed and this is reinforced by regular communications from management, perhaps using the intranet, newsletters and so on.

The very actions that management take form part of a pervasive ideology, so for example, if certain behaviours are rewarded, this provides powerful messages about what is, and is not, acceptable behaviour.

French and Raven (1962), in their classic study, delineated five distinct sources of power. Two of these sources, expert and referent power, derive from the holder’s individual characteristics. The other three sources – legitimate, reward and coercive power – derive from the holder’s position within their organisation.

An individual has *expert power* when they have specific knowledge and expertise that others rely upon – where the sharing or withholding of this specialist knowledge has a direct impact on the organisation. *Referent power* comes not from expertise but from the (sometimes inspirational) personality of the holder. Such people are respected and others want to do their bidding because they want to please them. In terms of the employment relationship, such people are often able to motivate and persuade their colleagues to undertake difficult tasks, stay late at work and perform duties outside their contract merely because they engender loyalty and people don’t
want to let them down. *Coercive power* is in evidence where threats, explicit or implicit, are used to effect obedience: in employee relations terms this could be displayed by a manager deciding to withhold resources, or perhaps bully colleagues, in order to ensure compliance. The atmosphere created is not one of trust, with people often performing to the minimum rather than the maximum standard required. Sexual harassment and bullying can be regarded as forms of coercive power. The trade union UNISON says that bullying behaviour in the workplace is an abuse of power that is ‘persistent offensive, intimidating, humiliating behaviour, which attempts to undermine an individual or group of employees’ (2013: 4).

*Reward power* is where individuals persuade others to do their bidding in exchange for something that they want. In employment terms this is epitomised by the pay–work–bargain (Farnham, 1997: 3), an arrangement whereby employees exchange their labour for monetary reward. The reward, however, may not be monetary – it could be promotion, or the opportunity to work on a prestigious project. The strength of the power that a person holds depends on the perception by others that the ‘powerful’ can actually deliver (Farmer and Aguinis, 2005). Sometimes, of course, rewards do not match the expectations of the rewarded and conflict may result.

*Legitimate power* is where someone’s position within the organisation gives them the authority to make decisions and control the activities of others. Line managers therefore have the authority to control the work processes of their subordinates merely because of their position in the organisation. Perceptions, too, are important here. If someone is not perceived as being worthy of the position they hold, their power may be diminished. So, for example, if someone with little experience is brought in to manage an existing sales team, the perception of the team may be that the person’s inexperience renders them unfit for the job – non-cooperation, conflict and a breakdown in the employment relationship can be the result.

Dawson (2010) extends these sources of power, explaining that *economic position*, in the form of wealth, ownership of resources, and indeed relative pay along with *collective power* (i.e. the ability to combine forces), *personal power* (i.e. an understanding how the organisation works) and *legal power* all play an important part in the extent to which influence may be deployed. Like Lukes, Dawson refers to *symbolic power* whereby the pervasive ideology is controlled, and like French and Raven she acknowledges *technical power* (expert), *positional power* (legitimate) and *physical power* (similar to coercive power).

**Exercise 2.3**

In 1920, Carter Goodrich wrote a book entitled *The Frontier of Control: A Study of British Workshop Politics*. What do you think is meant by the ‘frontier of control’, and how do you think this relates to the distribution and use of power within an employment relationship?

*(Continued)*
Eighty years later, Reed wrote that control within the employment relationship refers to:

a co-ordinating mechanism based on asymmetric relations of power and domination in which conflicting instrumental interests and demands are the overriding contextual considerations. (2001: 201)

What do you think are the conflicting interests and demands that are found in the employment relationship? Give examples of this.

What do you think Reed means by the 'asymmetric relations of power'?

How does Reed’s statement relate to the title of the Goodrich book?

Interests

The interests of a government or its agents, of the employers and of the employees, do not always coincide. It is, of course, normal for a government to want organisations within its borders to perform effectively, similarly for both employees and employers to want their organisation to succeed; job security is, after all, associated with the success of an organisation and employees are aware that a failing organisation often leads to unwelcome measures, such as pay freezes and/or redundancies. The relationship between employers and employees is symbiotic, that is, each needs the other in order to function. However, the interests of these parties do differ.

Employees do not just want security of employment, they want the best available in terms of pay, benefits and adequate holidays as well as safe and reasonable working conditions. Many employees also want good promotion prospects and adequate training and development, as well as a say in what they are doing and how they are to do it. Employers, of course, might not want to match these demands (Ciulla, 2000; Kelloway et al., 2004; Kelly, 1998). Individuals in the workplace want to be treated fairly and equitably.

Budd (2004; Budd et al., 2010) says that the key employee interests at work are equity and voice: where equity means fair employment practices in terms not only of how employees are treated but also in terms of what employees are expected to do, how much reward they receive and the conditions under which employees are expected to work; and where voice is the capacity to have meaningful input into decisions.

Employers, on the other hand, have an interest in efficiency often to the detriment of equity and voice.

Linked to employee interests is the extent to which employees have a degree of autonomy in the ways in which they work. Employees like the sense of being trusted to work without supervision, although at the same time they do not want to feel abandoned. This is especially so when they are sufficiently qualified and competent to make decisions about how they undertake their work. Such empowerment does not mean that employees are abandoned to work alone, but instead are offered an environment
in which to work where they can be trusted because they are competent to undertake tasks without constant supervision and direction (Greasley et al., 2005). Wilkinson (1998) identified five different types of empowerment – information sharing, upward problem solving, task autonomy, attitudinal shaping and self-management – that are all relevant here.

Employers have different interests as unlike employees they would prefer not to pay their workforce more than is necessary to achieve and maintain consistent and sustained productivity. They want the organisation and those in it to perform efficiently and effectively and they would like the freedom to take and implement organisational decisions. Furthermore they would like compliance from employees and commitment to workplace rules and management decisions.

Governments do not just act as employers in their own rights – they have a wider remit. Obviously they want to ensure that organisations are contributing to the economy, providing employment, and operating with the minimum amount of conflict. The very nature of employment means that it is incumbent upon the state to oversee and regulate the employment relationship, balancing the rights between shareholders and employees. In most countries laws (and sometimes codes of conduct) define how the relationship should be conducted by setting out the minimum components of the employment contract between an employer and an employee as well as providing an infrastructure for the settling of disputes, the laying down standards for health and safety, providing standards for the minimum levels of remuneration and so on. Crucially the State lays down the corporate governance framework, either by legislation or procedure, within which an employment relationship is conducted. In this way businesses, charities and institutions are regulated so that employees are treated fairly and employers retain a degree of flexibility. Such laws and policies will also impact on workplace representation, encouraging or discouraging trade union involvement, and for example promoting works councils or aspects of codetermination.

Exercise 2.4
In both July and August of 2012, motorists in Camden, London, were delighted because, for a few days, they escaped parking fines at a time when the Olympic games were held in London. Around 160 traffic wardens, members of the union UNISON, were taking action (in the form of strikes and a demonstration march running parallel to one of the Olympic routes) against NSL, the company contracted by Camden Council to carry out parking enforcement in the borough. The wardens were seeking pay parity with their co-workers on similar contracts, also operated by NSL but in other London boroughs. The action, taken during the run up to and during the Olympics period, was designed to put pressure on the company and encourage the Council and the London Mayor to do likewise.

● Who were the primary parties involved – what were their interests?
● Who were the secondary parties involved – what were their interests?
● Who were the third parties involved – what were their interests?
Frames of Reference

A ‘frame of reference’ is how one sees the world. The idea of a frame of reference, in terms of the employment relationship, was first mooted by Fox in 1966. He argued that attitudes and subsequent behaviours within workplace relationships can be divided into two mutually exclusive categories: either it is a unitarist relationship, that is, one that exists to solely satisfy common interests, or it is a pluralist one that exists to satisfy the different interests of separate but interdependent groups. The frame of reference with which an individual views the workplace will affect the ways in which they make assumptions and reach conclusions about events, and this will affect their subsequent behaviour.

Later, in 1974, in his book Beyond Contract, Fox enlarged the theory to incorporate a third frame of reference, radicalist, where the employment relationship is perceived as one merely there to satisfy the interests of the dominant party (class).

Frames of reference are useful analytical devices for divining and categorising the attitudes, perceptions and values behind the management of organisations. Of course within a workplace it is possible to have different groups/individuals with different frames of reference, so for example it is possible for a unitarist management to be working alongside employees who hold pluralist perspectives, and vice versa.

Unitarism

A unitarist frame of reference is one where the employer views the workplace from a perspective that assumes everyone within the organisation agrees with its common purpose – the success of the organisation – and, importantly, everyone agrees with the ways in which management sets about achieving this success. Management, under the direction of the employer, is the only source of authority and has the right to manage; as such this management prerogative is not questioned because everyone is part of a team, all pulling in the same direction, all with the same aspirations. This congruence, according to the unitarist perspective, means that there will be no conflicts of interests and therefore no need to have any mechanisms for dealing with conflict. Conflict is regarded as irrational, and even pathological. Certainly, so the view goes, because the workforce is harmonious, unified and behaves as a whole, there is no need for any outside interference. Trade unions are therefore regarded as unnecessary intrusions into a ‘happy family’. Where conflict does occur it is rationalised in one of two ways: either it happened because communication failed in some way (had everyone understood properly then there would be no disagreement, no misunderstanding of managements’ intentions) or because the dissenter was some sort of nonconformist, perhaps a rebellious, maverick employee who is best dealt with by dismissal. Such a philosophy has an obvious appeal to managers. It legitimises their decision making and implies that any dissent is not their fault. Here then the employment relationship is perceived as consensual and cooperation is regarded as the norm.
Exercise 2.5

- What are, do you think, the key assumptions behind the unitarist perspective?
- Do you think these assumptions are valid?
- Why did you come to your conclusion?

There are a number of criticisms that can be made about the unitarist perspective, not least the fact that it does not take into account the actual interests of the employees, merely presuming that these coincide with those of management, while the assumption that management decision making is always rational, and in the best interests of everyone, is questionable. By discounting alternative viewpoints as pathological, and not seeing the need for an infrastructure containing mechanisms to deal with conflict, the unitary philosophy may actually engender discontent.

Pluralism

The pluralist perspective, on the other hand, is a framework that assumes workplaces consist of a number of individuals and groups, each with different sets of values, needs, beliefs and loyalties. Such a mixture is unlikely to be homogenous and as a result there will be differing expectations and allegiances. Consequently conflict is to be expected, and an organisation will need to find ways of accommodating different viewpoints and managing any potential disagreements by consultation, negotiation or shared decision making. Management’s function is therefore to manage by resolving differences and emphasising consensus and consent. Part of this is to take account of alternative viewpoints and have systems in place to listen to representations from the various interested parties. The result is a joint approach to problem solving where trade union representation is not anathema. Indeed to have a system where employee interests are formally represented is a rational response to an awareness of the imbalance of power where employees could, without a voice, be exploited. There is a recognition that paradoxically management maintains control by sharing decision making, as Flanders said, ‘The paradox whose truth managements have found it difficult to accept, is that they can only regain control by sharing it’ (1970: 172).

Exercise 2.6

- What are, do you think, the key assumptions behind the pluralist perspective? Do you think these assumptions are valid?
- Why did you come to your conclusion?

There are a number of criticisms that can be made about the pluralist perspective, partly because it is a frame of reference that is not relevant for every managerial decision;
managers may seek consensus on a number of fronts but they do not cede authority for everything, for example, strategic financial or marketing decisions that may have an impact on future employment levels and hence on the employment relationship are rarely shared. Furthermore the interaction between those groups of differing interests is not equal: management controls the agendas for discussion and, more often than not, the other interest groups react to management activity and ideas. There is an assumption that for pluralism to work the groups must actually share a set of social norms – if they were wildly different, the pluralist frame of reference would be untenable.

Ackers (2002) developed the notion of neo pluralism; this emphasises the importance of cooperation and of partnership between employers and workers, but he combined it with the duty to promote such cooperation for the good of society as a whole. This is interesting because it introduces an ethical dimension (i.e. the morality of social cohesion). Yet it is theoretically lacking because it does not really address elements of power and the interests of different groups.

Radicalism

The radical perspective is a frame of reference that accepts that economic inequalities are expressed in social conflict – and at work this is manifest by unrest and conflict within the employment relationship. Under a radicalist perspective such conflict is inescapable; it is class-based and the result of an unequal distribution of power between those who buy labour and those who sell it. This Marxist way of understanding the employment relationship regards conflict as inevitable under capitalist economies.

Paul Edwards offers an alternative, non-Marxist yet radical perspective. He says that employers need to give discretion to employees in order to make best use of their skills and talents; but, simultaneously, they have to control the same employees in order to ensure that their work output is maximised. Implicit in the job of managing people is the requirement to instruct subordinates about how to achieve tasks while at the same time allowing them sufficient freedom to choose how they undertake such tasks. The contradiction between these two methods of operation, discretion and control creates a tension that he called structural antagonism. Unlike unitarism, it recognises that employees have different interests to those of the employer, and unlike pluralism this perspective on the employment relationship permits concurrent conflict and consensus. Edwards states that

the key point about the indeterminacy of the labour contract and strategies of labour control is that managers and workers are locked into a relationship that is contradictory and antagonistic. It is contradictory, not in the sense of logical incompatibility, but because managements have to pursue the objectives of control and releasing creativity, both of which are inherent in the relationship with workers, and which call for different approaches. The relationship is antagonistic because managerial strategies are about the deployment of workers’ labour power in ways which permit the generation of a surplus. Workers are the only people who produce a surplus in the production process but … they do not determine how their labour power is deployed to meet the objective. (2005: 16–17)
Exercise 2.7
Design a presentation explaining the three different frames of reference described above.

- Make clear any similarities and differences.
- Include additional information explaining structural antagonism.
- Include the ways in which different frames of reference impact on the balance of power.

In your presentation give examples of separate organisations that fit the categories, and explain why you have classified them in this way.

Exercise 2.8
Below are extracts from two separate job advertisements. What does each tell you about the frames of reference for the respective organisations? Why did you come to these conclusions?

Advertisement 1
Role: Employee Relations Advisor
Salary: £25,000 to £27,000 pa
Location: Doncaster
Hours: 37 hours per week

The Role
The Fxxx Group is a market leading company which is looking for an enthusiastic ER advisor to work in partnership with our fantastic management teams. As the Employee Relations Advisor your ability to influence stakeholders and communicate across all levels of the business will be key to your, and our, success. You will need to be able to manage and prioritise multiple time sensitive deadlines effectively and to build strong working relationships. You will need excellent written and verbal communication skills, and be able to effectively influence at all different levels. Strong coaching and a passion for supporting the Fxxx Group to deliver success through our people is essential. You will be expected to:

- Undertake full range of generalist HR activities working together with line management.
- Provide advice and guidance on, and manage employee relations issues such as absence, performance management and other key HR areas

(Continued)
Employment Relations

including recruitment, attrition, restructuring, redundancy, redeployment disciplinary and grievance matters.

- Lead HR projects and initiatives that are in support of the Fxxx business strategy.
- Promote the wider use and value of Performance Matters and personal development plans, and general learning and development activities. Support and coach Line Managers by providing standard template letters and documents relating to key HR and ER activity.

We are looking for a fast paced self-starter who can lead and establish business relationships naturally. The ideal candidate will have integrity and the ability to work autonomously and as part of a team. There will be some travel involved in this role so flexibility is key to this.

Advertisement 2

Role: Interim Employee Relations Advisor – 6 month post
Salary: £13.50 – £14.50 per hour
Location: The North East
Hours: 37 hours per week

The Role

Immediately available HR Advisor required for a period of initially 6 months to join this busy generalist HR Team at Sxxx Co. UK. You will be required to hit the ground running, advising all levels of managers on a challenging range of HR issues. This is a heavily unionised environment facing a period of change, so you will have faced similar challenges previously and be confident advising on redundancy, restructure and redeployment. You will be a proactive and can-do person, with strong customer focus and ideally fully CIPD qualified (or equivalent). Good interpersonal and communication skills are essential. This is a great role for someone looking to progress their HR career as you will gain some fantastic exposure to ER and change within a well-known employer.

Managerial Styles

The employment relationship occurs within the employers'/managers’ chosen frame of reference, yet within these frames different managerial approaches are deployed. Such alternative ways of doing something (Legge, 1995: 31) are known as ‘managerial styles’. Fox (1974) described six different styles, which were later refined by Purcell and

The traditionalist style is one where managers with unitarist perspectives have a strong belief in management’s right to manage without any interference from other parties. Trade unions are therefore regarded negatively and with distrust, the workforce is treated in an authoritarian, hard (Storey, 1992), sometimes exploitative way. Management is the sole source of authority and the managerial prerogative is regarded as a legitimate right. Small family owned businesses often fit into this category, although it is not unknown for larger, better-known organisations, like Amazon, to also fit. The perception that the organisation comprises people with common aims means that conflict is not recognised (why would it be when management knows best) and, if it does occur, this is thought to be either the result of a misunderstanding due to poor communication or the result of a maverick employee.

The sophisticated paternalists, on the other hand, are also unitarists but have a soft (Storey, 1992) managerial approach. The key to this approach is the belief that if employees are treated well they will perform well. The managerial prerogative is still regarded as a right, and unions are still seen as an unwelcome intrusion, but employees are treated in an enlightened way with high levels of involvement designed to engender trust, lots of communication and good terms and conditions that are designed to create loyalty and, in part, to eliminate the need for union involvement. Kerr quotes an employee of the Australian company, Australian Abrasives, that epitomised this approach: “There was no union, nobody wanted a union we had everything we could want. Mr. Miller was a great manager, everybody was happy, we respected him” (2007: 83). Marks and Spencer is a good example, as are Gillette UK and Hewlett Packard. In some organisations, such as News International, the fear of external influence from unions leads to the setting up of internal staff associations. Here the staff have representatives, but these are not independent entities. In this way everything is kept ‘in house’. (Occasionally a staff association will gradually gain independence from the employer and register as a union; this happened with the Britannia Staff Association, which was formed in 1972, became independent four years later and affiliated to the TUC in 1999. (When workplace representation evolves in this way, the corresponding managerial style will evolve at the same time – albeit sometimes reluctantly.)

Those organisations with a standard modern style are pluralist, accepting that there are groups with different interests within the organisation and that conflict is likely to occur. Unions are therefore recognised, but not warmly embraced. Union representatives are dealt with ‘as and when’ necessary, on an adversarial ‘fire-fighting’ basis. Adversarial bargaining takes place around a fairly narrow range of issues on a win–lose basis and legislation is frequently used in order to enforce compliance with procedures and/or to disrupt union actions. Examples of organisations exhibiting this style would be Carillion, Balfour Beatty, Tata Corus, British Airways, Diageo, Transport for London.

The remaining two groups of sophisticated modern managers, the consulters and constitutionalists, have strategies, policies and procedures acknowledging that employees will have different perspectives from management and that the processes
of employee representation will help contain those differences, maintain stability and reduce/contain conflict. The constitutionalists accept the inevitability of workplace representation but contain it with rules and regulations, and there is a strong emphasis on managerial control and relationships with unions, although cordial, are bounded by procedural regulations. This is found frequently in the manufacturing sectors where competition is high, and in some public sector organisations such as NHS trusts. The consulters, on the other hand, have a much less proscribed relationship with workplace representatives; there is fuller information disclosure, joint problem solving and more of a partnership approach. For example at Npower, a gas and electricity generation and supply company where unions and management work together using problem-solving approaches, there is a very positive employee relations atmosphere. After negotiating and introducing a new capabilities procedure, ‘the union reps were heavily involved in the roll-out of training in the new procedure for line-managers’ which succeeded in securing high levels of buy-in from these managers (BERR, 2009: 17).

**SUMMARY**

This chapter has dealt with a large number of issues showing that the employment relationship does not stand alone but is affected by the social, economic and legal environment in which an organisation is operating, the culture of its workforce and the ideology and values that the employers and employees bring to the workplace. The study of employee relations has to take all of these influences into consideration in order to analyse and understand the processes and events at work. Such critical realism takes into account the interests and perspectives of the different parties involved, levels of power (and how it is exercised), managerial styles, ethical behaviours and expressions of conflict or cooperation.

**REVIEW QUESTIONS**

1. Do you think conflicts of interest between employees and employers are inevitable? Why did you reach this conclusion?
2. Is cooperation between employees and employers achievable? Why did you reach this conclusion?
3. Do trade unions, representing a ‘collective interest’ have a legitimate role to play in the workplace? Why did you reach this conclusion?
4. Is it desirable for employers to develop employment policies based on ‘individualism’ and greater ‘employee involvement’? Why did you reach this conclusion?
5. Do you think such an approach is manipulative? Why did you reach this conclusion?
6. What is the significance of power relations and the balance of power in the workplace? Why did you reach this conclusion?
7. How ethical is the use of the traditional hard managerial style? Why did you reach this conclusion?
Revision Exercise 2.1

Read the following case study about Carlisle Cleaning and Support Services (CCSS) and then identify:

- the managerial style
- the parties involved
- their respective interests.

What have you learnt about the managerial style at CCSS and what, if anything, does the exercise tell you about power?

At the end of August cleaners on the TransPennine Express held a 24-hour strike followed by a two-week ban on overtime and rest-day working. The strikers wanted a pay increase comparable to the 10 per cent rise in pay won in the previous year by Carlisle cleaning staff working on Virgin trains. The strike, over what the union described as a derisory pay offer, occurred after the company, Carlisle Cleaning and Support Services (CCSS), failed to increase its offer and to meet the RMT union for further talks at the conciliation service Acas.

RMT general secretary at the time, Bob Crow, said its members working for CCSS suffer some of the worst conditions in the industry: ‘For a company that boasts about its commitment to service its attitude to our members is unacceptable and its attempt to make low-paid workers subsidise its profits is beneath contempt. They have no sick-pay, no paid meal breaks and no enhanced pay rates for working overtime, nights, weekends or even bank holidays.’ The strike followed similar action between RMT members and CCSS in the previous Autumn when cleaners on Virgin Trains’ West Coast Main Line service covering stations including Birmingham, Manchester Piccadilly and Liverpool Lime Street also went on strike over a below-inflation pay offer as well as moves to de-recognise the RMT. Strikes and overtime bans are not the only ‘persuasive’ tactics taken by union members: in this case part of the action against CCSS involved a refusal to empty effluent tanks and replenish fresh water.

Sources: RMT, 2012; Cumbria Crack, 2012; News & Star, 2012

RELEVANT ARTICLES FOR FURTHER READING

REFERENCES


