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Industrial Relations in the Future

Trends and Possibilities in Britain over the Next Decade

Michael Poole, William Brown, Jill Rubery, Keith Sisson, Roger Tarling and Frank Wilkinson



Industrial Relations in the Future

First published in 1984, *Industrial Relations in the Future* highlights probable developments in Britain's system of industrial relations into the 1990s. It also provides a basis for further and detailed analysis and debate of issues central to the nation's future. Written by distinguished scholars in their respective fields, the three main sections give reviews from three contrasting traditions-mainstream industrial relations, industrial sociology and management, and labour economics. These accounts are highly complementary in the ways in which, in each and every case, issues of collective bargaining, managerial strategy and union response, and the behaviour of governments are all set against a broad backcloth of economic, political, and social changes. The authors see the ultimate outcome as depending greatly on the policies and types of action of organised labour, managements and governments, and possibly of wider social movements as well. This book will be an essential read for scholars and researchers of labour economics, industrial sociology, economics, and public policy.



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Preface

The origins of this book may be traced to an initiative by the Department of Employment to commission three major reviews of likely developments in Britain's system of industrial relations over the next decade. This unique venture seemed to us to demand a wider audience and, without any major modifications, the three contributions are printed here to enable our thinking to be communicated to the wider academic community and to the general public. Following the introduction, the reviews are set out in alphabetical order since, given that there was no overwhelming intellectual case for choosing a different sequence of presentation, this seemed to us to be the fairest way to proceed.

This prefatory note also enables the authors to convey appreciation to those whose efforts were valuable in ensuring that this work came to fruition. Considerable credit is due to Peter Brannen and Neil Millward of the Department of Employment for proposing the original venture, although they clearly bear no responsibility whatsoever for the views expressed by each contributor. Peter Hopkins and David Stonestreet of Routledge & Kegan Paul also deserve to be mentioned for their encouragement and support of this unique project. The 'Industrial Relations Journal' of Nottingham printed a shortened version of the contribution by William Brown and Keith Sisson entitled Industrial relations in the next decade (vol. 14, no. 1, spring 1983) and are thanked for raising no objections to our publishing the longer piece here. William Brown and Keith Sisson are grateful for the assistance and ideas of a large number of colleagues in the Industrial Relations Research Unit and the School of Industrial and Business Studies at the University of Warwick, and in particular Paul Edwards and Philip More specific attribution is prevented by the need to Way. absolve them from final responsibility for all opinions and judgments expressed. Michael Poole would particularly like to thank Kath Hollister for typing a substantial part of this work with unfailing courteousness and good humour and Jane Sparks of the University of Wales Institute of Science and Technology Aberconway Library for her valuable assistance in tracing some difficult references for the bibliography.



The future of any national system of industrial relations is always an issue which occasions considerable academic and popular interest. In Britain this concern is of course particularly marked on account of the concentration in the media and by the general public on problems of union-management relationships and because the comparative maturity of industiral relations scholarship has made this a particularly fruitful area for analysis.

Naturally there can be no certainty about the exact shape and character of union-management relations in the decade Indeed, even the more specific patterns of collective ahead. bargaining and their links with broader, economic, political and social movements are by no means easy to forecast. But to highlight probable developments in industrial relations is valuable for at least three main reasons; first, it enables various theoretical propositions and general trends to be examined and elicited as a basis for prediction; second, it is particularly relevant to the central economic and industrial policies of the main political parties; and third, it stimulates the intellectual imagination to search for fresh, even visionary, initiatives and strategies for the reform of institutions and relationships.

In each of the main sections of this book a wealth of ideas and research data are marshalled to shed light on the main ways in which Britain's industrial relations system is likely to develop in the forthcoming decade. The contributions represent rather different academic traditions (mainstream industrial relations, industrial sociology and management, and labour economics) with the upshot that, in the following pages, three highly complementary but contrasting accounts are presented. There are thus several major points of agreement in each survey (for example, on the effects of unemployment and on the importance of relating industrial relations phenomena to broader economic, political and social movements); but certain divergent points of emphasis on the likely patterns of stability and change in the years ahead are also apparent.

In Part 1, Brown and Sisson, drawing upon the resources of the School of Industrial and Business Studies and the Economic and Social Research Council Industrial Relations Research Unit at

Warwick University, begin by emphasising the considerable problems and pitfalls of making sensible predictions. As they point out, a forecast made in the early 1960s would have been unlikely to identify the two critical developments of that decade: the rise of the shop steward system and the massive increase in government intervention in collective bargaining. Similarly, projections in the early 1970s would have neglected the considerable industrial relations consequences of a fivefold increase in unemployment and double figure inflation. Hence, while from the vantage point of the early to mid-1980s the role of management is almost certain to be a dominant characteristic of the evolving system of industrial relations, this outcome is by no means inevitable.

Moreover, as Brown and Sisson point out, the political context of industrial relations has increased substantially in importance accompanying the steady growth in government intervention over the past twenty years. However, there has been a tendency for legislation to favour either the interests of employers or trade unions and hence to be subject to marked changes when particular governments repeal their predecessors' labour laws and institutions. Nevertheless, the questions of the immunities of trade unions from civil actions in industrial disputes and union security (in particular, the legal regulations of the closed shop and related practices) are likely to be central to current and future labour legislation.

Turning to the economic context of industrial relations, high levels of unemployment are viewed as the most important single influence on union-management relations in the next decade. Indeed, it is salutary to note that the considerable demand for labour was one of the most critical influences underlying the development of post-war industrial relations in Great Britain. However, the prospects of job loss could either make employees and organised labour more defensive and restrictive in their working practices or, on the contrary, more adaptable and flexible.

In recent years it has become clear that the patterns of industrial relations in the private and public sectors are very different. In the private sector there have been major changes in the size, ownership and control and internal organisation of companies that have substantially affected industrial relations. These have been reflected in three main developments which are likely to feature prominently in Britain's pattern of industrial relations in the next decade. First and foremost, there has been an upsurge of single-employer bargaining which is largely explicable in terms of a series of steps by individual employers to regain control over the conduct of work. Second, there has been the development of more identifiable managerial styles in industrial relations.

Here the movement from constitutional to consultative modes may be checked by the low level of economic activity and either sophisticated paternalism or more directive approaches (which lack a coherent style) may become increasingly common. Third, there has been a decline in the traditional role of employers' associations. Although the prospects for employers' associations (especially the Confederation of British Industry) in the new climate of the 1980s are intriguing, the exceptional opportunities for revival in the recession are unlikely to be seized.

In the public sector, the principal pressures on unionmanagement relations stem from commercial markets and from governments anxious to control public expenditure. In the 1970s there was a dramatic change in the approach to industrial relations with managerial and negotiational rather than administrative practices becoming ascendant. Moreover, in the public sector, incomes policies are inevitably of considerable importance. Indeed, as Brown and Sisson observe, there is a very strong case for a comprehensive approach to pay here even if, in practice, it is only likely to emerge after a series of expensive disputes. But to remove up to 5 million employees from 'the annual agony of pay settlement' by an imaginative policy on pay backed up by comparability machinery would undoubtedly be an attractive proposition for the reform of Britain's industrial relations.

Turning to the trade unions, Brown and Sisson note that in recent years there has been a fall in union membership following the peak of union density of 55 per cent in 1979. Moreover, even though the pattern of overall density is not easy to forecast, since it could alter rapidly depending upon wider political changes, a decline in the number of unions is anticipated in the next decade. The central problems in union organisation include the attempts to forge solidarity across a bargaining unit and to match the level of bargaining to the level of management control. Moreover, in the next decade there is likely to be a demand for internal cohesion and discipline within trade unions at the expense of rank-and-file action.

The issues of conflict and control are also seen by Brown and Sisson to be of considerable significance for Britain's industrial relations system in the decade ahead. There may well be a slow decline in the underlying trend in the number of strikes, partly because of reforms in collective bargaining machinery, but also on account of the shift away from manufacturing to services. However, the total number of working days lost through industrial disputes in a given year is significantly affected by the number of very large stoppages which are not so easy to predict.

The question of the control of enterprises may well centre on the extent to which employers emphasise a 'new realism' and exploit their market power in a recession or alternatively develop their controls and procedures in an imaginative way. But, as Brown and Sisson conclude, if the first option is typically endorsed and the opportunities for better co-ordinated bargaining structures are missed, the likelihood is that the end of the recession will leave the system of industrial relations no more advanced than it was in the 1970s.

In the second part of this volume, there is an attempt by Poole to establish an overall framework of analysis in order to facilitate meaningful prediction. The wider environmental aspects in such an analysis include structural conditions (the state, economic forces, technology, power and structured social inequality) and subjective elements (culture, values and ideas). The internal factors which bear upon labourmanagement relationships encompass the institutional structure of industrial relations (including collective bargaining structure, the formation of the trade unions and the social composition and structure of management and employers' associations), organisational contingencies (structural and attitudinal), and power and power conflicts in actual bargaining encounters.

In the first section of the review, the broad environmental changes are examined. The increasing role of the state is analysed against a possible overall trend towards 'corporatism' and, more specifically, towards the increasing role of the legislature in industrial relations. Economic conditions are also recognised as likely to have a considerable impact on Britain's system of industrial relations in the next decade. The main strategic shift in economic resources is seen to be in the direction of activities in a 'post-industrial' society, but employment concentration, inflation and unemployment will be of fundamental significance for the pattern which ultimately emerges. However, changes in the 'ideology of work' and a reduction in the division between home and work and paid and unpaid wage labour may also be influential.

It would be difficult to overestimate the consequences for industrial relations of changes in technology in the period in question. This applies particularly to the micro-electronic revolution, but the broad movement towards automated modes of manufacturing (highlighted by the so-called 'technical implications' school) is also fundamental. The implications of such changes for social integration, however, could clearly depend upon the values of main parties to industrial relations. The overall distribution of power in the wider society and in the patterns of structured social inequality are also vital issues. It is almost certain, however, that the relevant trends of the post-war period (full employment, welfare measures, changing