

Lecture 1 'What is Employment Relations?'

Why study employment relations?

- 'Work' is a fundamental feature of life
- We are judged by what we do
- Work has social, psychological, economic, legal and political influence
- Unproductive work practices can be costly therefore maximisation of work is crucial

What is employment relations?

- Rule-making (but more than just this)
- Incorporates aspects of individual employer-employee relationship
- More than being sensational, collectivist and conflictive
- Most of the time relationship is all about routine, everyday actions and practices
- Cooperation is more complex than conflict in the workplace
- About looking at the macro- the bigger picture
- The absence of unions or collective action does not mean that employment relations will suddenly disappear.
- Individual industrial action is more widespread than collective action and often more costly.

Why the change from industrial relations to employment relations?

- Challenges to the stuffy and practice of IR/ER:
 - Rise of non-unionism
 - Growth of human resource management (HRM)
 - Revival of quantitatively oriented labour economies
- In the past it was a centralised system

Searching for a definition

- Many attempts:
 - Job regulation (legally oriented)
 - Social relations at work (psychologically oriented)
- It combines both
- Employment relations is:
 - ‘The study of the formal and informal rules which regulate the employment relationship and the social processes which create and enforce these rules’ (about the behaviours and interaction of people at work)

The study of the relationship, and the rules that govern that relationship, at the workplace

The nature of the employment relationship

- An employment relationship is created whenever one person sells his/her labour to another person or organisation and thereby on behalf of that other person or organisation.
- Employees sell their promise to work in the future and their ability to work rather than completed labour.
- 'Production relation' - employers must ensure that employees deliver on their agreements by working as hard as promised, or with promised skills, when they enter the workplace.
- 'Institutionalist' industrial relations- study of the rules and rule-making processes that regulate the employment relationship.
- 'Neo-institutionalist' industrial relations- same as above but including the study of the open-ended and indeterminate nature of the employment relationship. This approach assumes we are interested in:
 - The *labour market*: the determination of:
 - Wages
 - Working hours
 - Conditions of employment
 - The *production process*:
 - Means used by management to manage employees to maximise efficiency and effectiveness
 - The responses of employees to these means
 - The extent to which employees have become involved in decision-making

Rules and the employment relationship

- Both institutionalist and neo-institutionalist employment relations are about the study of rules

- Rules represent the key analytical tool used to analyse the employment relationship
- Rule: a principle of condition that customarily governs behaviour.
- By studying rules we can understand the behaviours of individuals, groups and societies.

Formal and informal rules

- **Formal rules** are usually written and are the result of a deliberate social process.
- **Informal rules** are unwritten agreements between parties or even social practices at work.

Examples of formal rules	Examples of informal rules
<ul style="list-style-type: none"> • Awards • Individual and collective agreements • Company policy manuals • Union rule books 	<ul style="list-style-type: none"> • Unwritten agreements between union job delegates and supervisors • Shared understandings between employees and managers over appropriate behaviours; 'custom and practice'

Substantive and procedural rules

- **Substantive rules** focus on the real terms under which employees are rewarded for selling their labour and the conditions for which they work, procedural rules govern the processes by which substantive rules are made and enforced

Examples of substantive rules	Examples of procedural rules
<ul style="list-style-type: none"> • Wage rates • Working hours • Holiday entitlements • Other forms of leave 	<ul style="list-style-type: none"> • Grievance procedures • Company practices for recruitment or dismissal of employees • The procedures followed by conciliation and arbitration tribunals

Lecture 2 'Approaches to the Study of Employment Relations'

Parties to the employment relationship

- Individuals
- Unions
- Employers
- Employer associations
- The government
- The Commission
- Other social agents

Who makes the rules?

- All the parties can do so, either individually or in combination
- Three main ways that rules may be made (Flanders 1970):
 1. Unilateral rule-making
 - Creation and enforcement of rules by one, single party
 - Eg managerial prerogative (right for management to manage in a way they see fit without interference and resistance from third parties)
 2. Bilateral rule-making
 - Joint creation and enforcement of rules by two parties
 - Eg collective bargaining
 3. Multilateral rule-making
 - When three or more parties jointly make and enforce rules
 - Has been strong in Australia
 - Eg the Commission with employers and unions
- Authorship of rule-making is vital
 - Indicates where relative power lies in the employment relationship, eg high employer power= low employee power
 - Can have important consequences for the effectiveness of rules in influencing the behaviour of the parties to the employment relationship, eg more input= greater chance of acceptance

Approaches to understanding employment relations

Frames of Reference

- Refers to a person's perspective on the world
- Includes assumptions, values, and beliefs we draw on to interpret and understand
- These are important in the world of work; they determine:
 - How we expect people to behave
 - How we react to actual behaviour
 - How we choose to change behaviour
- Government perception can even influence behaviours

Unitarist perspective

- Based on mutual co-operation and a harmony of interest between employers and employees
- Organisation is similar to a team, unified by common goals and objectives.
- Employees are expected to be loyal to management in recognition of their common objectives
- Conflict is avoidable and temporary
 - Result of aberrant behaviour
 - Induced by trouble makers, poor management or poor communications
- Managerial prerogative is legitimate and rational
- Trade unions are regarded as unwelcome intruders who disturb the naturally harmonious running of the organisation and compete with management for the loyalty of employees
- Unitarist supports strong leadership by management to gain commitment of employees.

Weaknesses

- Fails to recognise the different interests that exist between management and labour