

Topic 1 Revision Notes

Defining Industrial Relations (IR):

- **Industrial relations** is defined as the sum of political, economic and social interactions in the workplace where workers provide manual and/or mental labour in exchange for rewards provided by employers, as well as the institutions established for the purposes of governing such exchanges.
- Key areas of interaction in bargaining or negotiation include; pay, working conditions, and the organisation of work (eg control of management, automation of workers).
- Historically, the damage produced by industrial conflict has resulted in the establishment of a wider system of IR in which governments, courts, tribunals, and other organisations play a role in determining wages and conditions of employment and resolving industrial disputes.
- Reference to 'industrial' not only refers to blue-collar workers employed in manufacturing, but also includes white collar workers employed in public and private service organisations.

Frames of Reference & Associated Theories:

Frames of Reference:

- Frames of reference relate to the categorization of different assumptions people hold towards work. This is the reason why there is no such universal definition of IR.
- Because work is such a central part of people's lives, its nature and governance is one social phenomenon that often invokes intensely passionate debate (ie different frames of reference)
- There are 3 main IR frames of reference:

THEORIES AND CONCEPTS OF INDUSTRIAL RELATIONS

	Assumptions about workplace relations:	Assumptions about workplace conflict:	Assumptions about trade unions:	Assumptions about collective bargaining:
<p>1. Unitarism; A unitary system has one source of authority and one focus of loyalty. That is to strive jointly towards a common objective. There are no oppositionary groups, with members owing allegiance to their own leaders but to know others.</p>	<ul style="list-style-type: none"> -Harmonious relationships exist in the workplace -Managers and employees have shared interests for the firms survival -The role of managers is to lead, the role of employees is to be loyal to the organisation 	<ul style="list-style-type: none"> -They believe conflict to be destructive and should be avoided -Conflict is caused by inappropriate recruitment, personality disorders, poor communications, etc 	<ul style="list-style-type: none"> -They offer a competing source of authority and a cause of workplace conflict. IE management should have the sole source of authority -They are an unwarranted intrusion in the workplace 	<ul style="list-style-type: none"> -Creates organised divisions of interest. That is creates workplace conflict rather than resolving it
<p>2. Pluralism: Pluralists believe that workplace conflict is inevitable because employers and employees often have different interests. However, these conflicts are legitimate and can be accommodated by an appropriate network of procedural and substantive rules</p>	<ul style="list-style-type: none"> -Managers and employees hold different objectives -The role of management is to set and achieve organisational goals that recognizes the legitimate interests of other parties (ie employees) -The role of employees is to advance their own interests while recognizing the legitimate interests of others. 	<ul style="list-style-type: none"> -Workplace conflict is inevitable and understandable -It is best avoided by firms recognizing the legitimacy of trade unions and inviting them to participate in mediation and company decision making 	<ul style="list-style-type: none"> -They should be a legitimate part of workplace relations -They should challenge management on the behalf of workers, but accept the need to compromise in order to achieve negotiated solutions 	<ul style="list-style-type: none"> -It allows problems to be dealt with on a collective basis -It provides for fairer outcomes

THEORIES AND CONCEPTS OF INDUSTRIAL RELATIONS

<p>3. Radicalism (Marxism): Radicalism refers to a set of values that sees the employment relationship as subject to enduring conflict in which the control exercised by employers over employees is legitimate and can only end when major social change is achieved</p>	<p>-The wider class relations are based on value systems which legitimize the dominant position of the capitalist class and coerces the working class into a false consciousness which accepts the status quo. That is managers control workers and workers submit to that control</p>	<p>-Workplace conflict is a reflection of wider class struggle</p>	<p>-Should raise revolutionary consciousness of workers</p>	<p>-It merely offers temporary accommodations -It leaves the important managerial prerogatives in tact</p>
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- The Pluralist frames of reference are most common in Australia

Theories of IR:

<p>1. Unitarism – Human Resource Management Models:</p>	<p>-The theoretical premise underpinning this functional area of management starts from the assumption that organisational tensions can be completely resolved by nurturing a psychological contract based on cooperation -Aims to unite employers and employees -It involves encouraging autonomous individuals, developing culture, strong leadership, clear vision of org goals, etc</p>
<p>2. Pluralism – Dunlop’s Systems Theory:</p>	<p>-Argues that IR is best regarded as a subsystem of the wider social system -Holds that work is governed by a wide range of formal and informal rules and regulations (ie web of rules) -Rules are influenced by the wider environmental context in which actors operate; eg market factors, political factors, etc. -Actors include employees and their representatives, employers and their representatives, and other parties who hold an interest in industrial relations</p> <div data-bbox="459 1388 1135 1654" style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>The diagram illustrates Dunlop's Systems Theory. It shows a flow from Environment to Actors to the Web of Rules. Environment includes market and budgetary factors, technological factors, and political power factors. Actors include employers and their representatives, employees and their representatives, and other parties with an interest in industrial relations. The Web of Rules consists of processes and substantive rules, and procedural rules. A 'Binding Ideology' is shown at the bottom, influencing all three components.</p> </div>
<p>3. Radicalism (Marxism) – Braverman’s Labour Process Theory:</p>	<p>-Theory asserts that conflict is inherent in the nature of capitalist industrial development and the psychological contract of employment -The primary role of management is to convert raw materials through the use of labour and machinery. This is to be done as efficient as possible, however, can result in the alienation of workers.</p>