1
THE EMPLOYMENT RELATIONSHIP AND THE FIELD OF INDUSTRIAL RELATIONS

PAUL EDWARDS

The term ‘industrial relations’ (IR) came into common use in Britain and North America during the 1920s. It has been joined by personnel management (PM) and, since the 1980s, human resource management (HRM). All three denote a practical activity (the management of people) and an area of academic enquiry. Texts in all three fields commonly take as their starting point the corporate assertion that ‘people are our most important asset’: if this is indeed so, there is little further need to justify a text. Yet we need first to explain what lies behind this apparent axiom. It is then important to highlight some of the key current issues about the conduct of work in modern Britain. We can then consider how IR as an academic approach addresses these issues and the distinction between it and the other two fields of enquiry. Finally, the structure of the book is explained.

First, some basic explanation. ‘Industry’ is sometimes equated with manufacturing, as in contrasts between industry and services. ‘Industrial relations’ has in principle never been so restricted. In practice, however, attention until recently often focused on certain parts of the economy. These in fact embraced more than manufacturing to include the public sector for example, but there was neglect of small firms and large parts of the private service sector. Whether or not there were good reasons for this neglect (and the case is at least arguable), the situation has changed, and recent research has addressed growing areas of the economy such as call centres. To avoid confusion some writers prefer the term ‘employment relations’, and if we were starting from scratch this might be the best label; yet the term ‘industrial relations’ has become sufficiently embedded that it is retained here to cover relations between manager and worker in all spheres of economic activity. The focus is employment: all forms of economic activity in which an employee works under the authority of an employer and
receives a wage in return for his or her labour. Industrial relations thus excludes domestic labour and also the self-employed and professionals who work on their own account: the contractual relations between a self-employed plumber and his customers are not ‘industrial relations’, but the relations between a plumbing firm and its employees are. In the UK self-employment comprises about 12 per cent of people in employment (see table 1.1, below). The bulk of the working population is thus in an employment relationship, with the great majority of them, of course, being employees rather than employers.

Some writers define IR no more exactly than the study of all forms of the employment relationship. This is not sufficiently precise to distinguish it from the economics or sociology of work. More importantly, there are some distinct emphases in an IR approach which give it a specific value in explaining the world of work. These emphases are discussed below. There has been much debate over the years as to whether the emphases and analytical preferences of IR make it a discipline, as distinct from a field of study. The view taken in this chapter (which is not necessarily shared by other chapters) is that IR is a field of study and not a distinct discipline. Indeed, one of its strengths is its willingness to draw from different disciplines so that people who specialize in the field have developed an analytical approach which is more than the sum total of the application of individual disciplines. Even if this view is accepted, there are competing views as to the strengths and weaknesses of the approach, and whether it has responded adequately to the changing nature of work. Some of these issues are addressed below.

Why is paid employment important? It is important to the employee most obviously as a source of income. Note that it is not the case that work outside employment is an easy alternative: at one time, it was argued by some that a combination of unemployment, self-provisioning and work in the informal economy provided an alternative to the formal economy, but research found that such work tends to be additional rather than an alternative to formal employment. Work is also important to the employee as a means of identity. ‘What do you do for a living?’ is a standard query to locate a new acquaintance. And what goes on within the employment relationship is crucial, not only in terms of the pay that is earned but also the conditions under which it is earned: the degree of autonomy the employee is granted, the safety of the work environment, the opportunity for training and development, and so on.

For the employer the work relationship is crucial in two different senses. First, it is commonly argued that capital and technologies are increasingly readily available, so that a firm’s competitive position depends on the skills and knowledge of its workers. Some analytical grounding for this argument comes from the resource-based view of the firm which developed from debates on strategic management. This view sees the firm as a bundle of assets and argues that it is the configuration of these assets, rather than positioning in relation to an external market, which is central to competitive advantage (Wernerfeld 1984; see further chapter 7). Not surprisingly, HRM and IR writers have latched on to this idea, arguing that ‘distinctive human resources’ are the core resource (Cappelli and Crocker-Hefter 1996). Second, and fundamentally, these ‘human resources’
Table 1.1 Employment, unemployment and earnings, UK

### Population by employment status (thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Economically Active (thousands)</th>
<th>Economically Inactive (thousands)</th>
<th>Unemployed (ILO definition) (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Males aged 16–64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>18,312</td>
<td>16,175</td>
<td>1,148</td>
</tr>
<tr>
<td>2000</td>
<td>19,020</td>
<td>16,034</td>
<td>984</td>
</tr>
<tr>
<td></td>
<td>Females aged 16–59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>16,706</td>
<td>11,912</td>
<td>790</td>
</tr>
<tr>
<td>2000</td>
<td>17,292</td>
<td>12,534</td>
<td>618</td>
</tr>
</tbody>
</table>

### Distribution of employed population (thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees Full-time (thousands)</th>
<th>Part-time (thousands)</th>
<th>Self-employed Full-time (thousands)</th>
<th>Part-time (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All males</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>10,971</td>
<td>658</td>
<td>2,260</td>
<td>182</td>
</tr>
<tr>
<td>2000</td>
<td>11,917</td>
<td>1,064</td>
<td>2,029</td>
<td>272</td>
</tr>
<tr>
<td></td>
<td>All females</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>5,963</td>
<td>4,491</td>
<td>420</td>
<td>366</td>
</tr>
<tr>
<td>2000</td>
<td>6,489</td>
<td>5,032</td>
<td>427</td>
<td>423</td>
</tr>
</tbody>
</table>

### Percentage of age group in employment in 2000

<table>
<thead>
<tr>
<th>Age</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>18–24</td>
<td>71.3</td>
<td>64.1</td>
</tr>
<tr>
<td>25–34</td>
<td>88.9</td>
<td>88.5</td>
</tr>
<tr>
<td>35–49</td>
<td>74.9</td>
<td>63.9</td>
</tr>
<tr>
<td>50–64 (M) / 50–59 (F)</td>
<td>68.8</td>
<td>7.6</td>
</tr>
<tr>
<td>65+ (M) / 60+ (F)</td>
<td>7.6</td>
<td>8.2</td>
</tr>
</tbody>
</table>

### Percentage of all unemployed who were out of work > 12 months in 2000, by age (ILO definitions)

<table>
<thead>
<tr>
<th>Age</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>18–24</td>
<td>20.4</td>
<td>10.3</td>
</tr>
<tr>
<td>25–49</td>
<td>39.3</td>
<td>21.2</td>
</tr>
<tr>
<td>50+</td>
<td>46.2</td>
<td>31.6</td>
</tr>
</tbody>
</table>

### Hourly earnings in £ (all full-time employees) and prices

<table>
<thead>
<tr>
<th>Year</th>
<th>All (Earnings in £)</th>
<th>Male (Earnings in £)</th>
<th>Female (Earnings in £)</th>
<th>RPI (1987 = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>6.37</td>
<td>6.88</td>
<td>5.31</td>
<td>126.1</td>
</tr>
<tr>
<td>2000</td>
<td>10.32</td>
<td>11.00</td>
<td>9.02</td>
<td>170.3</td>
</tr>
</tbody>
</table>

Figures are for spring each year and seasonally adjusted. Earnings data are derived from the New Earnings Survey.

Source: Labour Market Trends (March 2001).
are different from other resources because they cannot be separated from the people in whom they exist. The employment relationship is about organizing human resources in the light of the productive aims of the firm but also the aims of employees. It is necessarily open-ended, uncertain, and, as argued below, a blend of inherently contradictory principles concerning control and consent.

Finally, paid employment is important to society for what it expects in terms of ‘inputs’ and produces as ‘outputs’. Inputs include how much labour is demanded (with obvious implications if demand is less than supply, resulting in unemployment) and what types of labour are sought (influencing, for example, the kinds of skills which ‘society’ provides through the education system). If employment is structured on gender lines, this will have major consequences for the domestic division of labour and the roles of men and women in society; the traditional image of the male breadwinner applied not only to paid employment but also had implications for the ability of women to engage in politics, the arts, and sport. ‘Outputs’ include not only goods and services but also structures of advantage and disadvantage. These are properly called structures because they are established features of society which are hard to change, for example differences of pay between occupations and between men and women.

Issues in the Regulation of Work

If work is important, how many people are in an employment relationship and how many are not, and what has been happening to work relationships? The exercise in box 1.1 may be helpful.

Alongside such trends have been developments in the management of work which are analysed in detail in this book. They include a decline in traditional ways in which people represent their views to their employers (termed ‘indirect’ or ‘representational’ participation), which in Britain means through a trade union. Associated with a decline of unions has been a reduction in the percentage of employees who are covered by collective bargaining. Collective bargaining is a key focus in IR (the term having been coined by two of the UK founders of the subject, Sidney and Beatrice Webb, at the end of the nineteenth century). It means the negotiation of pay and other conditions of employment between an employer (or a group of employers) and a trade union acting for its members (see chapter 8). There has also been a growth in ‘direct’ participation, that is involvement not through a representative structure but through work-based activity; examples are problem-solving groups and teamworking (see chapters 7 and 13). The legal framework has also changed rapidly, as discussed in chapters 5 and 6. Some of these developments reflect developments within Britain itself, some stem from Europe, some from the specific influence of multinational companies, and some from broader trends in the world economy.

These developments in the management of work are highly important in themselves, in shaping how much autonomy workers have in their work and their ability to shape key decisions that affect them. But what goes on within IR can have substantial effects on wider aspects of society. To take but one example,
The Employment Relationship 5

Chapter 8 shows that the decline of unions and collective bargaining explains some of the rise in wage inequality; as mentioned below, moreover, it appears that international differences in IR structures help to explain the size of the gender pay gap. It might be helpful to pause to consider what mechanisms might explain such links between processes and outcomes, and which of the other features in the bullet points in box 1.1 could be the result of trends in the handling of IR. IR thus has important implications for life beyond its own terrain.

What are the pressing current issues in employment? Three examples are given, partly for their substantive importance, but also to signal the critical view of them which is developing within IR.

Box 1.1 Labour market participation, pay, and inequality

Consider the population of working age. Official statistics distinguish between the economically active and the inactive. The former group is then divided into those currently employed and the unemployed. The employed can be divided according to status (employee or self-employed), whether the work is full- or part-time, and so on. Table 1.1 provides some basic figures on these categories, together with information on unemployment and earnings. Table 1.2 gives abbreviated data on the distribution of employment by sector. What are the main patterns that can be observed? It may also be useful to consider what such terms as ‘economically active’ mean and how statistics on such things as unemployment and earnings are compiled.

There are several important features of work in Britain which need to be borne in mind in considering the implications of the figures. Details and further discussion can be found in Gregg and Wadsworth (1999).

- The number of ‘economically inactive’ people of working age has risen, particularly among the over-fifties. Early retirement is a common means for firms to shed labour. What might this say about the nature of jobs?
- Work has polarized across households: there are more families where all the adults work, and more where no one is in paid employment. What might this say about links between work and home? Regional differences in employment and unemployment rates are also substantial, as a glance at the relevant figures in Labour Market Trends will show. For example, in January 2001 unemployment (based on those claiming unemployment benefit, not the ILO definition used in table 1.1) was 6.6 per cent in the region of highest unemployment in the UK, the north-east of England, but within that region rates for localities ranged from 3.4 to 12.3 per cent. In the lowest unemployment region, the south-east, the average rate was 1.9 per cent, with localities varying between 0.5 and 7.4 per cent.
- If we look at households where someone is in work, the number of hours per week devoted to work has risen since about 1980. Work effort intensified over the same period, at first in manufacturing and then in services (Green 2001). Why might this be, and what does it say about workers’ experience of work?
- Men’s employment rates have fallen while women’s have risen. But this latter rise is largely restricted to women with working partners; there is no change for single women or lone parents. The gender pay gap has narrowed, but it remains substantial, and has in fact widened for women working part-time. Why?
- Wage inequality has risen (as it has in other countries, though generally more slowly) to reach levels higher than during most of the twentieth century. Why?
Table 1.2  Distribution of employees by sector, UK (thousands)

<table>
<thead>
<tr>
<th>Sector</th>
<th>1990</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining, quarrying, electricity, gas and water</td>
<td>406</td>
<td>204</td>
</tr>
<tr>
<td>‘Engineering’</td>
<td>1,544</td>
<td>1,258</td>
</tr>
<tr>
<td>All other manufacturing</td>
<td>3,334</td>
<td>2,705</td>
</tr>
<tr>
<td>All services</td>
<td>16,643</td>
<td>18,597</td>
</tr>
<tr>
<td>Wholesale and retail trade, repairs</td>
<td>3,741</td>
<td>4,126</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>1,207</td>
<td>1,395</td>
</tr>
<tr>
<td>Financial intermediation</td>
<td>1,055</td>
<td>992</td>
</tr>
<tr>
<td>Renting, research, computers etc</td>
<td>2,410</td>
<td>3,207</td>
</tr>
<tr>
<td>Health and social work</td>
<td>2,311</td>
<td>2,541</td>
</tr>
</tbody>
</table>

‘Engineering’ = machinery, electrical equipment plus transportation equipment.

Source: Summarized from data in Labour Market Trends (March 2001), which contains a more detailed breakdown.

The first concerns so-called ‘high-commitment’ or ‘high-involvement’ work systems. These are discussed in detail in chapter 13, but essentially embrace systems such as teamworking and are often linked to new managerial techniques such as Business Process Re-engineering. Some research in the UK and the US finds that these systems ‘work’ in that they produce improvements in efficiency and (though the evidence is much more controversial here) can be associated with benefits for workers too (see chapter 19). Yet it is also found that they exist only rarely; perhaps 2 per cent of UK workplaces conform to the high-commitment model. This situation is often seen as a paradox.

There is some value in posing the matter this way, but there are now some reasonably well-established resolutions of the paradox as posed. As will be seen in chapters 7 and 13 in particular, the benefits depend on certain conditions and they operate best only in the long term whereas their costs are significant and immediate. The structure of British firms tends to mean that the conditions are hard to secure and that the short-term considerations outweigh the long-run ones. Moreover, what is meant by ‘working’ requires more exploration: working in what ways and for whom? Other modes of organizing work, notably those based on low skills and low wages, can equally work for employers in producing acceptable profits; and, some commentators would argue, they are well suited to the British context (see chapter 15). And high-commitment systems will have their own tensions: they are a way of managing the contradictions of control and consent, not escaping from them.

A second pressing issue is the international context. Some writers deploy concepts such as globalization to capture new international competitive pressures. They are better seen as convenient labels rather than developed concepts, for issues immediately arise as to the novelty of the developments identified and what identifiable social forces are actually causing them. In the field of work,
three interrelated forces are international competition, the role of multinational companies (MNCs), and European integration. Under the first, the British economy has become increasingly open, as indicated by a growth in imports and exports as a proportion of GDP and the use of explicit wage and cost comparisons by companies in the making of investment decisions (see chapters 3 and 7). A well-known UK example is the decision in early 2000 of the German firm BMW to sell the Rover car company, which it had acquired in 1994, blaming the value of the pound in relation to the euro and the difficulty of restructuring the Rover operations to attain satisfactory productivity levels. That the UK is not alone is illustrated by the case of Renault in Belgium, which in February 1997 announced without warning the closure of its Vilvoorde plant with the loss of 3,000 jobs.

This example also points to one role of the MNC. But, as discussed in chapter 4, there are other roles, notably the importing of forms of work organization, and it is often US MNCs which are in the lead here. Finally, European integration has effects through the impact of European labour law on Britain and through the wider processes of economic and monetary union (EMU). Under the first, European directives have had clear effects on matters as varied as the regulation of working time, consultation over redundancies and European Works Councils (requiring that certain large MNCs establish such councils for the purposes of information and consultation about their European operations). Under the second, unit wage costs are increasingly subject to comparison across Europe, while the implications spread outside the traded goods sector. Thus government finances are shaped by pressures on interest rates and the public sector borrowing requirement, which in turn has implications for the control of costs, including pay, in the public sector.

One aspect of internationalization which has recently come to the fore is whether British industrial relations are being Europeanized or Americanized.

- Europeanization means either or both of: the influence of European-level developments in Britain (either directly, for example the application of directives, or indirectly, for example where monetary union brings pressure for convergence in IR practice); and the development of a common model across Europe. Such a model often embraces ideas of ‘social partnership’. As discussed in chapters 7, 9 and 10, these ideas are often imprecise and contested, but at their core is the notion of a common agenda between representatives of capital and labour.
- Americanization embraces the continuing decline of unions and the assertion of a market-driven model.

The former process is perhaps the more obvious in the light of European integration and the promulgation of a European social model claiming to combine flexibility with security and to promote employee participation without threatening efficiency (see Bach and Sisson 2000: 35). As Bach and Sisson stress, however, such a model is a prescription for what might be rather than an account of what exists, and several aspects of it are under challenge from international cost
pressures. At the same time, the rapid growth of the American economy during the 1990s and the European interest in its ability to generate jobs indicate that the American model of weak trade unions and extensive flexibility is equally influential. It is not of course the case that these models are tightly integrated packages or that one can simply choose between them. Different features can be combined in different ways.

A third set of issues concerns ‘outcomes’ of a pattern of IR. The most discussed outcome, touched on above, is economic performance. Chapter 19 discusses the linkages between IR arrangements and performance. But other outcomes include the level and pattern of pay. As indicated above, one of the outstanding features of the British economy has been the rise in income inequality since 1980. A closely connected form of outcome is the pattern of gender inequality, as indexed by pay differentials and the degree to which women gain access to the most desirable occupations (see chapter 16). It has been shown across many advanced industrialized countries that various measures of equality and well-being, including the size of the pay gap between men and women and the degree of pay inequality between the top and bottom of the income distribution, are affected by the extent of collective bargaining (e.g. Whitehouse and Zetlin 1999). Given that collective bargaining has been in long-term decline in the UK, key issues are whether this decline is likely to be reversed, and if not what other arrangements might be put in place and what implications they have for economic welfare.

**Analysing the Employment Relationship**

Components of industrial relations

What has IR to say about how we might analyse such issues? The employment relationship has two parts, market relations and managerial relations (Flanders 1974). The former is the more obvious. It covers the price of labour, which embraces not only the basic wage but also hours of work, holidays and pension rights. In this respect, labour is like any other commodity, with a price which represents the total cost of enjoying its use. Yet labour differs from all other commodities in that it is enjoyed in use and is embodied in people. A machine in a factory is also enjoyed in use and for what it can produce. Yet how it is used is solely up to its owner. The ‘owner’ of labour, the employer, has to persuade the worker, that is, the person in whom the labour is embodied, to work. Managerial relations are the relationships that define how this process takes place: market relations set a price for a set number of hours of work, and managerial relations determine how much work is performed in that time, at what specific task or tasks, who has the right to define the tasks and change a particular mix of tasks and what penalties will be deployed for any failure to meet these obligations. A standard text thus defines IR as the ‘study of the rules governing employment’ (Clegg 1979: 1). The importance of this definition is developed below.
The employment relationship is by definition a relationship between an employee and an employer. As shown in figure 1.1, this direct relationship may be mediated by the two other key institutions to IR, the trade union (or more rarely a non-union collectivity representing employees) and the state. A trade union in its most basic role represents a group of workers in a specified part of their relations with a single employer. A union’s role can be measured in terms of density, extent, mobilization and scope.

- Density is the proportion of an identified constituency who are members of a union.
- The extent of a union’s activity refers to the range of the constituency: a union can represent a small group of employees in one locality, or all the employees in an occupation, or all the employees of a given employer, or extend beyond an occupation or an employer.
- Mobilization – the degree to which unions identify common interests among their members, persuade the members as to what the interests are, and organize in pursuit of the interests – is important because, most obviously in countries such as France, a union may be capable of mobilizing more employees than its nominal members. By the same token, members will not necessarily follow a union’s policy. Unions face issues of how far they represent members and of aggregating membership interests into a common policy.
- Scope is the degree to which the various aspects of the employment relationship are within the purview of the union: it may bargain only over wages and hours, or cover also working conditions, or extend further to issues including training, the classification of jobs and the system of workplace discipline.

Unions engage with employees through efforts to organize them and through mobilization around sets of demands. They engage with employers by taking
part in collective bargaining. They may also engage with the state, for example in making demands for legislation or in engaging in more lasting forms of accommodation (such as ‘corporatism’ in the Nordic countries or a series of ‘Accords’ in Australia).

The state influences the employment relationship directly through laws on wages (e.g. minimum wages), working conditions (e.g. on hours of work) and many other issues, and through its role as the employer of public sector workers (see chapter 11). It also has a series of indirect influences. It has relationships with unions, either through laws on union government, or through bilateral arrangements (e.g. the UK ‘social contract’ of the 1970s in which unions promised to moderate wage demands in return for tax concessions), or through trilateral relationships also involving employers (corporatism). In addition to corporatism, the state may have bilateral relations with employers (e.g. various periods of incomes policy in France) and also shape employers’ conduct through legally mandated collective bargaining. Finally, the state can play a critical role in the character of market and managerial relations. In Anglo-Saxon countries, the two have not been distinguished, and a collective agreement may cover seniority rules and discipline as well as wages and conditions. The sharpest contrast is Germany, where unions handle wages and conditions and have the right to strike on these matters but where legally mandated works councils deal with a range of other issues, including work organization and staffing and disciplinary questions, but do not have the right to strike. Many other countries have collective structures in addition to trade unions. As discussed in chapter 6, the issue of legally underpinned rights of information and consultation has emerged in the UK, and is likely to grow in significance.

Conflict, power and frames of reference

An understanding of the nature of workplace rules can be developed by considering three perspectives on rules, usually termed ‘frames of reference’. The origin of the debate on frames of reference was a distinction made by Fox (1966) between unitary and pluralist approaches.

- The unitary view is that there is an identity of interest between employer and employee. Any conflict that may occur is then seen as ‘the result of misunderstanding or mischief; in other words, as pathological’ (Crouch 1982: 18). This view underlay much taken-for-granted managerial thinking about everyone in an enterprise having shared goals, and also underpinned several academic approaches, notably the ‘human relations’ tradition (see Rose 1988). Unitarism was often used as a straw man representing old-fashioned and unrealistic ideas, but surveys found that many managers continued to believe in a harmony of interest, and, as should already be clear, a resurgence of managerial self-confidence and a reassertion of market individualism underpinned a revival of unitarism from the 1980s. During the 1990s, HRM often implied that management was the sole or at least key authority. HRM practice is likely to have a strong unitary aspect, as reflected in the finding of the
1998 Workplace Employee Relations Survey that 72 per cent of workplace managers responsible for personnel matters prefer to consult directly with employees rather than with trade unions (Cully et al. 1999: 88). Managers without these responsibilities are likely to be even more strongly ‘unitarist’.

- **Pluralists** see conflict as inevitable because, to cite Clegg (1979: 1), various organizations participate in determining the rules of employment. These have their own bases of authority, and ‘whenever there are separate sources of authority there is the risk of conflict’. Pluralism underlay the views of the Donovan Commission, which was established in 1965 to analyse the increasingly conflictual state of industrial relations and whose analysis encapsulated some basic assumptions, notably the reassertion of the value of voluntarism. Pluralism was particularly salient in the approach of management: instead of a unitary denial that there was any rational basis for conflict, managers should recognize the inevitability of disputes and seek means to regulate them. In Flanders’s (1970: 172) oft-quoted dictum, ‘the paradox, whose truth managements have found it so difficult to accept, is that they can only regain control by sharing it’.

- A third, **radical**, approach developed as a critique, or in the significant case of Fox (1974) an auto-critique, of pluralism (see also Hyman 1978; Edwards 1998). Pluralists assumed, first, that reform could be in the interests of all, thus neglecting major differences of interest between workers and managers, and, second, that institutional tinkering could meet the goals of a reformist management, thus failing to acknowledge that ‘disorder’ ran much deeper than a weakness of institutions.

Much of the academic debate on these approaches treated them as mutually exclusive and incommensurable. Each approach also bore the mark of its origins: unitarism in human relations traditions, pluralism in organized collective bargaining, and radicalism in shop-floor discontent that seemed immune to all attempts at institutionalization. Yet it would be as wrong to write off radicalism on the grounds of the apparent disappearance of this discontent as it was to see unitarism as simply naive and outdated. A biography of radicalism’s key influence, Karl Marx, notes that an investment banker told *New Yorker* magazine in 1997 that ‘Marx’s approach is the best way to look at capitalism’ (Wheen 1999: 5). Each approach has some strengths, though an appropriately explicated radical view is in my view analytically the best means to understand the nature of the employment relationship (Edwards 1998).

Consider the unitary view. To assume that all conflict is pathological is plainly an unsatisfactory view of organizational life. Yet the view made two key points. First, surveys have found that managers, and indeed many workers, tend to see their firms in unitary terms; for example, when asked whether a firm is like a football team or whether employers and workers are on opposite sides, workers often choose the former. The first UK study to ask this question found that 67 per cent of a sample of manual workers agreed with the statement that ‘teamwork means success and is to everyone’s advantage’ (Goldthorpe et al. 1968: 73). Similarly, overt disputation is relatively rare.
Second, at the analytical level there are areas of shared interest: if workers and managers were totally opposed to each other, workplace relations would simply break down. Consider some deeper analysis of the football team analogy. In reviewing the team analogy, Ramsay (1975) noted, first, that Goldthorpe et al. did not equate teamwork with harmony but rather ‘interdependence’ of management and worker: teamwork was likely to mean pragmatic acceptance of the need for co-operation and not a completely shared vision with management. Second, when workers have been asked whether teamwork specifically describes their own situation, the proportion saying that it does declines. Third, in his own work Ramsay asked workers whether they agreed with the team view ‘because people have to work together to get things done’ or because ‘managers and men [sic] have the same interests in everything that matters’: respondents split about six to one in favour of the former. Pragmatic acceptance of current conditions and not ideological agreement with management was predominant. As this book shows, such results continue to have resonance, in particular in relation to HRM and commitment (see chapters 13 and 14).

As for the pluralist and radical views, there may at one time have been clear distinctions. Differences certainly remain, but the debate has moved on. British pluralism proved to be flexible. Clegg (1979) responded to radicalism in a measured way, arguing that pluralism could embrace many of the radicals’ points and that for many practical purposes there was nothing to choose between the perspectives. This contrasts with the situation in the United States where conventional writers (Kochan 1982) simply dismissed the radical critique (Hyman 1982). Though this difference is hard to explain, one reason is surely the openness of British pluralism (see Edwards 1995). In particular, the stress on the inevitability of conflict at the point of production was compatible with a pluralist view. In his pluralist phase Fox (1966: 14) had noted that ‘co-operation needs to be engineered’; that is, securing workers’ consent is an active and uncertain process. Flanders (1964: 243–4) had earlier drawn on the important work of Baldamus (1961) to argue that bargaining was a continuous and uncertain process. This is not to say that pluralism and radicalism are identical, but there has been constructive debate, out of which the approach developed below has emerged.

Finally, note the word ‘power’ in the heading of this sub-section. An alleged failing of IR texts is their lack of attention to this concept (Kelly 1998: 9–12). It is true that explicit discussion is often absent. Authors of the classic texts, such as Clegg, might well have replied that power and conflict are the very stuff of industrial relations, for the negotiation of rules necessarily entails power and influence, and hence that separate discussion was redundant. They might also have said that it was the place of disciplines such as political science to debate the concept, and that IR could use the results. There are of course problems with such a neat division of labour, but it has a point. IR is a field of study, and cannot debate the fundamentals of concepts developed in politics, sociology, economics, and psychology. Yet it does have an underlying view of power which might be summarized in propositions such as the following.
• Power is a capacity to pursue one’s own interests, and it can be activated through individual or collective means.
• Power involves the capacity to oppose the actions of others (reactive power) and to pursue one’s own objectives (proactive power). For example, in the UK, trade unions are often seen as having had reactive power but as lacking the means to pursue a proactive agenda.
• As in other areas of social life, power is embedded in continuing relationships, and establishing ‘interests’ is never easy. For example, if a management proposes a new payment scheme, workers may favour it on the grounds that it is ‘fairer’ than a previous scheme and that it offers the prospect of increased earnings, but have doubts as to the chance that the promise will be realized and perhaps also fear managerial good intentions (e.g. does the scheme foreshadow a move towards individual merit pay, or job losses or . . . ?)
• Power resources can shift over time (most obviously the declining power of trade unions since 1980).
• Resources are not fixed ‘things’ but are also developed through use. For example, it is often found that new forms of work organization ‘fail’ for lack of managerial commitment (i.e. the resources were not in fact deployed effectively) or because the initiatives run counter to other activities (i.e. employment relations have many aspects, and the power to impose a new work organization may run counter to the need to retain employee consent).
• Power resides in organizational routines and assumptions as well as in overt actions. Managements may exert power over workers by shaping expectations, but workers also have resources which they can mobilize, so that power relations are necessarily fluid and uncertain.

Such themes run through this book, and the reader may find it helpful to bear them in mind. Many IR studies, of which the work of Armstrong et al. (1981) still stands out, also clearly deploy analyses of power. They use concepts discussed further below which refine the above bullet points.

Rules, power and the negotiation of order

It is useful to begin with the nature of rules. Rules do not have to be clearly enunciated, and many of the most important ones are not. A long series of shop-floor studies (summarized in Edwards 1988, 2000) has revealed that expectations about how work is to be performed often arise from informal understandings. For example, a worker new to an establishment may discover that a supervisor permits workers to leave early at the end of a shift. She may then learn that this concession is granted only when work is slack or when a strict manager is absent, and that it is not wise to advertise it too widely. She may even find that this local understanding counts for nothing if managers decide to enforce the formal rules. Whether or not managers in fact enforce the formal rules and how they do so will depend on a variety of factors. These include:
The procedures of the firm. If it has a system of warnings and appeals, it may issue a warning for a first offence, but in the absence of such disciplinary procedures it may act in a more sudden and less predictable way.

The presence of a union. Can a representative make out a case for clemency on the grounds of the inexperience of the worker concerned or that the relevant practice had become taken for granted?

The role of the law. If a worker is dismissed for a breach of a rule, can it be shown that the dismissal was fair in the circumstances?

This example shows that ‘the rules’ are many and varied, that different types of rule may apply to any given situation, and that rules have to be interpreted in action for them to have any practical meaning. The status of a rule also varies. A loose understanding may indicate normally accepted practice. But it may have little force. When understandings attain rather more acceptance and legitimacy they may be termed custom and practice rules. As the classic study of the subject (Brown 1973) shows, managements may unwittingly allow one-off concessions to grow into established expectations. Where workers have the power to insist that the expectations are honoured, a custom and practice rule is born. A later study showed that managers, too, generate custom and practice rules (Armstrong and Goodman 1979). In one case, a written rule in a collective agreement requiring that workers be given notice if they were to be laid off was successfully ignored by managers who pointed out that workers who stood on their rights would be entitled to only their low basic rate of pay, whereas if they went home early they could ‘get a lift with the housework’. Managers here used power to persuade workers where their own interests lay.

Finally, why does not custom and practice continue to grow by a process of accretion? One important answer is that managements crack down on activities which get out of hand. They may do so on a piecemeal basis (for example in much of the UK car industry during the 1950s, when managements would attack shop-floor leaders when immediate conditions allowed, but without rooting out the challenge and in fact helping further to embed it: Jefferys 1988) or as part of a general campaign. Examples of such campaigns became familiar from the 1980s as managements reasserted their authority and rooted out formerly tolerated practices. The point is particularly significant in Britain. The lack of legal enforceability of collective agreements, combined with the preferences among managements and unions for informality, means that settling issues through unwritten understandings has played a particularly large part in the way in which the rules of employment are generated and sustained.

Why is the making of rules so difficult? A key reason is that the employment contract is indeterminate. In a commercial contract, a product or service is supplied for a price. In the labour contract, the worker sells an ability to work, which is translated into actual labour only during the course of the working day. Expectations about standards of performance have to be built up during the process of production. A rule is a complex social institution, not just a few sentences in a rule book. It can comprise beliefs, ideologies and taken-for-granted assumptions as well as formal provisions of rights and obligations. As noted
above, the actual operation of legal rights in the workplace depends on the
power, knowledge and organization of the parties as well as on the statute book.

Perspectives on rules

These points remain as valid today as they were when workplace custom and
practice was relatively well established. The current concept of the ‘psychological
contract’ tries to capture the idea of explicit and implicit expectations among
employees about what their work will deliver. The concrete functioning of
informal negotiation has changed, but the analytical principles remain import-
ant, as seen, for example, in explanations of why changing IR institutions proves
harder than might seem at first sight (see e.g. chapters 7, 11 and 12). Three
levels of analysis may be distinguished.

The first level concerns the immediate balance of co-operation and conflict. Rad-
icals and labour process writers, for example, allegedly saw everything in terms
of conflict and managerial efforts to control workers more completely. Yet no
serious discussion would deny that there can be shared interests (for example,
workers may develop new abilities when advanced technology is introduced,
and also benefit from the employment security of working for a successful
firm), while also recognizing potential lines of tension (the technology may
place new demands on workers and reduce the scope for informal control of
the pacing and timing of work effort). The point is not whether employers and
workers have interests that are shared or that conflict. It is how these dimen-
sions of the employment relationship are organized: how far does new techno-
logy, for example, promote both the shared interest of working for an advanced
company and possibly conflicting interests around the work practices that it may
entail?

Second, the broader policies underlying workplace relations received attention. To
continue with the example of new technology, what does it mean to say that
it entails certain work practices? Are these determined by the technology or, as
many writers began to argue, the product of managerial choice? Although at the
level of the individual workplace certain developments may seem inevitable,
seen more broadly they may themselves reflect choice. There are two aspects of
analysis here.

• The first considered the various approaches to labour regulation that man-
gagers might pursue, with the concept of managerial strategy being intensi-
vely debated. From a relatively orthodox IR position, Purcell and Sisson
(1983) identified a set of ‘styles’. The way in which analysis was developing
is illustrated by their inclusion of two styles which lay outside the usual IR
focus on collective bargaining. These styles were an authoritarian non-union
approach and a ‘sophisticated paternalist’ style, the latter generally involving
a refusal to recognize unions and the intensive fostering of a sense of com-
mitment to the company. Seen in retrospect, these styles foreshadowed what
were later seen as two leading patterns of the management of labour, respecti-
vely, cost minimization and ‘high-commitment’ policies.
From a labour process approach, Friedman (1977) introduced the distinction between the strategies of responsible autonomy and direct control. These strategies can be seen as underlying the more concrete styles identified by Purcell and Sisson. For Friedman, managements faced the problem of securing workers’ co-operation while controlling them so that they would continue to accept the authority of management and to work as directed. The two strategies represented approaches based on one or the other approach to the problem. Though Friedman sometimes presented the strategies as polar opposites, it is preferable to see them as elements which can be combined in various ways. Thus an employer may introduce quality circles to try to release workers’ creativity while also asserting ‘direct control’ over issues such as absenteeism and time-keeping.

The analytical task is to show how the various strands of labour management are connected. For example, a major theme to emerge in Britain concerned the lack of deliberate linkages and the absence of a coherent approach implied by the term ‘strategy’. A theoretical perspective on this was provided by Hyman (1987), who argued that, because firms pursue the contradictory objectives of consent and control and because, moreover, they are operating in an unpredictable external environment, strategies must be routes to partial failure. That is, a strategy is not a neat package producing clear outcomes but necessarily contains several competing elements and has to be constantly reinterpreted as new results emerge and as the world changes. Management, in short, is not only a continuous, active and uncertain process but also necessarily involves the balancing of forces which are pushing in opposing directions.

The second aspect of analysis concerned the environment of labour management policies. The links between the regulation of labour and business structure and strategy received considerable attention. How far are different approaches to labour the product of different product market circumstances? For example, does a competitive situation promote certain approaches and retard others? Attention was also directed not at variations between firms but at the overall environment in which they operated. How far is the labour policy of British firms shaped by the macroeconomic circumstances of the country and by generic features of its operation, notably the education and training of the workforce?

The third level of analysis concerns the fundamental nature of the employment relationship. Many texts note that conflict and co-operation are both important, but they tend to stop at this point. This raises the question of whether conflict is any more than an occasional accident and whether it is more basic than co-operation. 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, unlike the independent artisan, they do not determine how their labour power is deployed to meet the objective.

There is thus a relation of ‘structured antagonism’ between employer and worker (Edwards 1986). This term is used to stress that the antagonism is built into the basis of the relationship, even though on a day-to-day level co-operation is also important. It is important to distinguish this idea from the more usual one of a conflict of interest. The latter has the problem of implying that the real or fundamental interests of capital and labour are opposed, and hence that any form of participation scheme is simply a new way of bending workers to capital’s demands. The fact that workers have several interests confounds this idea. A structured antagonism is a basic aspect of the employment relationship which shapes how day-to-day relations are handled but is not something which feeds directly into the interests of the parties. Firms have to find ways to continue to extract a surplus, and if they do not then both they and their workers will suffer. Balancing the needs of controlling workers and securing commitment rests ultimately on ensuring that a surplus continues to be generated. It may well be in workers’ interests that it is indeed generated, but this should not disguise the fact that they are exploited.

The contemporary significance is simply that much workplace change is presented as though it cuts through old relations of conflict to promote total unity. Yet any unity has to be actively created, and it cannot be total because of the structural conditions in which employers and workers find themselves.

Methods of enquiry

What methods have been used to pursue this agenda? A feature of many older texts, and indeed some more recent ones, is the detailed account of institutions and of how bargaining is carried out. There is little self-conscious discussion of methodology or of exactly how information is gathered. This reflects the way in which they are written: they draw on their authors’ personal knowledge of the operation of procedures, which is generally backed up by statistics on wages or strikes and the results of official inquiries. Over the past two decades, analysis has become less institutionally focused and more conscious of the nature of the research base. Two developments stand out.

First, a series of surveys has been conducted. The best known are the three Workplace Industrial Relations Surveys (WIRS) of 1980, 1984 and 1990 and their successor of 1998, now called the Workplace Employment Relations Survey (WERS). These are based on large samples which are representative of the great majority of workplaces in Great Britain; each survey has involved interviews with the manager responsible for IR and where relevant an employee representative, and in 1998 there was also a survey of employees. The surveys not only provide a mass of information about institutional arrangements such as the structure of the personnel function and the extent and coverage of collective bargaining. They also contain important information on working practices such
as the extent of systems of communication and involvement and the use of teamwork. The survey design has included a panel element which has been crucial in distinguishing two possible sources of change. For example, coverage of collective bargaining in 1998 was much lower than it was in 1980. This could be due to one of three sorts of change:

- *changes within continuing establishments*, that is, a reduced propensity to engage in collective bargaining;
- *structural changes*, whereby sectors where bargaining is most common constitute a declining proportion of the population of establishments; and
- *changes due to ‘births and deaths’*, so that even within a given sector newly established workplaces are less likely to engage in collective bargaining, an effect which may be further distinguished according to whether the ‘births’ differ from the ‘deaths’, or from deaths and also continuing establishments.

Such differences are considered throughout this volume, but two contrasting findings may be highlighted now to illustrate the potentially different dynamics (Millward et al. 2000: 105, 190):

- Change in the *presence of trade unions* in the workplace has reflected the third influence: continuing workplaces were stable in the presence of unions between 1990 and 1998, but newly established workplaces were much less likely to have a union presence.
- By contrast, there was a *shift away from multi-employer collective bargaining* even among continuing workplaces, so that in this respect the first influence was operating: the same managements were changing their policies.

Second, case-study work has explored the processes underlying the patterns described by surveys. Case studies have developed in three main ways. First, their theoretical orientation has developed in the light of interests in the labour process and management strategy. Second, though it is sometimes said that the rise of HRM led to a neglect of the worker’s point of view, in fact many studies (e.g. those discussed in chapters 13 and 18) have addressed the effects of change on workers, thus developing the point that the rules of employment are not just about the activities of managements and trade unions. Third, some researchers have used case studies in more than one location, in order to explore variations in behaviour and thus deepen the explanations offered. IR research combines survey and case-study methods, as well as using established methods such as analysis of official statistics. The following chapters draw on these methods in varying degrees and where relevant they highlight gaps in knowledge as well as differences in interpretation.

**Contract and status**

Work relationships in the UK, and indeed in most advanced industrial economies, have, then, seen many confusing and apparently contradictory trends. One
device to understand these trends is the distinction between contract and status (Streeck 1987). ‘Contract’ refers to a relationship based on the principles of ‘hire and fire’ and individual responsibility. It is thus related to the more obvious idea of a relationship based on pure market principles, but is also broader in recognizing that specific and detailed obligations can be provided through organizational rules and not the market. For example, many organizations use systems of performance appraisal which are defined by the organizations’ rules rather than a market in any exact sense of the term. ‘Status’ covers longer-term relationships and the treatment of the employee as an investment rather than a cost; for current purposes, we may include the provision of means for employees to participate in decision-making. A purely contractual relationship will give no space for such ‘voice’ and will treat employees simply as hired help, whereas in a more lasting relationship members of an organization may be expected to engage in its key choices. There are two reasons, which run through many debates on the employment relationship. The first relates to efficiency: giving workers a say may improve organizational functioning in some way. The second relates to equity: employees investing in a long-term relationship have rights which need to be respected.

Europeanization would imply an emphasis on status while Americanization implies more stress on contract. Some trends in the direction of contract and status are more securely documented than others, as this book aims to show. For the present, we simply note the following.

Trends towards contract would include:

1. A rise in the use of temporary and agency workers. The increase is, however, from a low base, and quite small proportions of the workforce are involved.
2. An increased reliance on the measurement of performance and the tying of reward to this measurement. Performance measurement is certainly extensive, but direct links to reward are highly variable, and many appraisal schemes are very standardized rather than offering a strictly individual market exchange between each worker and the employer.
3. A decline in the role and influence of trade unions, which were traditionally the only real means for UK employees to express their voice collectively (works councils – representative structures not based on trade unions but instead being elected by all employees of a firm – on the continental European model being largely absent). Trade union membership fell rapidly during the 1980s and 1990s, with little replacement by other representative structures; hence the widespread concern about a ‘representation gap’.
4. Insecurity in the sense of (a) an increased objective chance of job loss and (b) an increased perception that job prospects are uncertain. There is evidence of insecurity. One measure is job tenure where, as noted above, there have been contrasting trends for men and women. Staying in a job can, however, represent insecurity because of fear that another job will not be found. Other aspects of insecurity include career insecurity: a concern that a predictable, or at least manageable, progression of jobs is not possible. Heery and Salmon (2000) argue that the combination of increased risks of unemployment, a
rise in temporary and casual work, a reduction in legal protections, and a rise in employee perceptions of an uncertain future together point to a growth of insecurity, though they also note that there will be important differences between sections of the workforce.

In relation to status, trends in employee voice running counter to that just mentioned include an increase in the use of direct rather than representative participation, for example the use of teamworking and problem-solving groups. Status would also be reflected in other practices associated with human resource management, such as improved communication with employees, a move towards ‘single status’ (that is, treating all employees the same in terms of such things as working hours, sick pay and pensions, in place of long-entrenched distinctions between non-manual and manual workers), and the use of profit-related pay and share-ownership schemes. There is evidence of growing use of many of these measures, though it is also well established that the adoption of them in so-called bundles of high-involvement practices remains very rare.

Streeck’s summary of moves towards contract and status is given in table 1.3, which also indicates where the matters are pursued in this book. This listing anticipated several developments, notably around teamwork and shifts away from collective bargaining, which have become more salient since 1987. A particularly foresightful point was the highlighting of ‘the possible contradictions inherent in a simultaneous pursuit of restored contract and extended status’ and the fact that employers will ‘find it exceedingly hard to formulate a consistent strategic approach to building a more flexible system’ of employment relations (Streeck 1987: 295, emphasis added; see further chapter 7 on the different dimensions of flexibility). As discussed below, contract and status are not poles on a continuum but separate dimensions which can vary independently.

Table 1.3  Two routes to organizational flexibility

<table>
<thead>
<tr>
<th>Employment status of workers</th>
<th>Return to contract</th>
<th>Extension of status</th>
<th>Chapter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numerical flexibility</td>
<td>Temporary</td>
<td>Permanent</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Hire and fire</td>
<td>Flexible working</td>
<td>7, 14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>time</td>
<td></td>
</tr>
<tr>
<td>Functional flexibility</td>
<td>Hire and fire</td>
<td>Self-regulated</td>
<td>13, 14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>job rotation</td>
<td></td>
</tr>
<tr>
<td>Work organization</td>
<td>Taylorist</td>
<td>Teamwork</td>
<td>13, 14</td>
</tr>
<tr>
<td>Qualifications sought</td>
<td>Narrow</td>
<td>Broad</td>
<td>15</td>
</tr>
<tr>
<td>Wage determination</td>
<td>Industrial</td>
<td>Payment by</td>
<td>8, 12</td>
</tr>
<tr>
<td></td>
<td>engineering</td>
<td>ability</td>
<td></td>
</tr>
<tr>
<td>Management style</td>
<td>Unilateral</td>
<td>Consultation,</td>
<td>7, 9, 10,</td>
</tr>
<tr>
<td></td>
<td>prerogative</td>
<td>participation</td>
<td>12</td>
</tr>
</tbody>
</table>

One recent research study illustrates the problems of developing consistent employment relations strategies. Grimshaw et al. (2001) draw on studies of four organizations to demonstrate shifts away from structured approaches associated with well-ordered internal labour markets (systems with clear promotion ladders and established pay structures). They argue that they have been replaced with a contradictory mix of policies. As an earlier study (Marginson et al. 1994) put it, employer policies were increasingly ‘eclectic’. The implication is that we are seeing complex efforts to use aspects of contract and status rather than a coherent shift from one form of employment relationship to another. Several strands run through this book’s efforts to make sense of these developments.

- First, contract and status can obviously both exist if they apply to different groups of workers. For example, temporary workers may be subject to contractual relations while permanent ones enjoy status. There is also some evidence of a polarization of experience, for example rising skill levels in some but not all occupations, so that contract and status receive different emphases in different jobs.
- Second, they often coexist in the same workplace, for example where employees work in teams but are also subject to closer performance measurement. Figure 1.2 attempts to make this point more analytically.

Note first the dimensions. If we classified status and contract according to their presence or absence, we would have one area of the diagram where neither was being used. It probably makes more sense to think in terms of how developed and explicit the adoption of one dimension or the other is. The conventional cases are in the bottom right and top left. The first of these is a traditional ‘hire and fire’ employment relationship, but note that for contract to be developed this will need to entail formal and explicit managerial rules specifying the terms of the contract and the consequences of a breach. High status and low contract is associated with what is now termed ‘soft HRM’, meaning an emphasis on training, career development and ‘empowerment’, but it would also characterize much more traditional paternalist

---

**Figure 1.2** Status and contract
relationships based on unwritten understandings and diffuse obligations. Now, research literature on both these situations finds that in practice there is often a hard edge to the relevant relationships. The point is not to say that, empirically, situations lacking hard and coercive elements are at all likely. It is to establish that there can be situations where there are tendencies in this direction, and to indicate a benchmark against which actual practice can be measured.

The case in the top right is of particular interest. It identifies cases where status and contract are both emphasized, notably through such practices as performance management, where employees may have a degree of autonomy and even ‘empowerment’ but are also held to account against explicit, hard performance standards. Finally, the reverse position is also important: status is not important, and contract is weak in that there are no formal and explicit rules: the employment relationship is weakly institutionalized. For long periods before the arrival of trade unions, this model applied to large parts of the workforce. Trade union and legal and other pressures have moved many employers away from the extremes of this, but the model still characterizes some employers and it also captures a tendency that can be found widely, for example the desire to ‘get rid of problem staff’ quickly and the consequent tendency to ignore formal procedures.

Chapters 7 and 12 focus specifically on employer strategies. Chapter 14 illustrates such themes through case studies of two organizations which might be expected to have clear strategies but which in practice combine different ways of managing labour in complex ways. Eclecticism remains a central feature of how the tensions of the employment relationship are handled.

• Third, it is impossible to add up different dimensions to produce a simple overall balance sheet. For example, the decline of unions has entailed a significant reduction in the extent to which many key issues of pay and working conditions are subject to any serious discussion with employees or their representatives. It is not possible to say that this is ‘balanced’ by any growth in direct participation, for the dimensions are different.

• Fourth, what benchmark is used in assessing the state of industrial relations? One is an alleged past of powerful trade unions and perennial strikes, as represented in the continuing use of the image of the ‘winter of discontent’ (a period of industrial militancy in 1978–9, the label apparently being introduced, so the IR academic W. E. J. McCarthy has discovered, by an inspired sub-editor on the Sun). Yet trade unions covered at their peak only half the workforce; strikes were concentrated in a very narrow sector of the economy and even there were quite rare; and, as in any conflict, militancy takes two sides, so that to jump from the existence of many strikes to the presumption that the ‘cause’ was militant and irresponsible unions was a common but plainly faulty leap of logic. Another model uses heady labels such as ‘employee empowerment’, the ‘skills revolution’ and the ‘learning society’. As this book will show, there has been change in relevant areas, but there remains a large gap between the rhetoric of these terms and the reality of the limited extent and depth of change. IR research has a strong sense of history (see chapters
2 and 14), and thus helps to counteract the many claims that work is fundamentally different from its shape in ‘the past’.

The Changing Character of Industrial Relations

The above description reflects IR scholarship going back many years. It treats IR as a process largely confined to a nation-state and has thus required amendment in the light of supra-national regulation and ‘globalization’. There have also been challenges to the intellectual integrity of IR as a field of study. They arise from the emergence of HRM (which offers a different way of looking at established themes in the management of labour) and some broader analyses (which suggest that these themes need to placed in a wider context).

Industrial relations systems and globalization

As noted above, writers on industrial relations systems have tended to present these systems as self-contained. Influences and borrowings were recognized, for example the role of the British in shaping the German post-war ‘system’, the American influence on Japanese post-war reconstruction, and direct borrowings by the British Conservative government of 1970–4 of aspects of American industrial relations. Yet such events were seen as unusual and often unsuccessful. In the attention to nationally bounded ‘systems’ IR writers were far from alone. Indeed, it was well after Dunlop (1958) popularized the idea in IR that in the study of management more generally the concept of the national business system (that is, a distinctive and connected set of institutions of corporate governance) emerged (e.g. Lane 1989).

Given their emphasis on uncertainty and the management of compromises, IR writers might have been more open than they were to challenges to the idea of national systems. In the event, however, it has taken real-world events to undermine the idea. Three may be highlighted. First, several countries experienced a wave of Japanese direct investment which, though small in absolute terms (see chapter 4), was seen as significant in importing new ideas. The term ‘Japanization’ was coined in 1986 (Turnbull 1986). The new ideas included close attention to detail, a focus on the quality of goods and services, and continuous improvement. Second, European legislation had an increasingly direct impact across the European Union. During the 1990s directives on such issues as working time and European Works Councils applied in the UK, and in addition matters as diverse as pension payments and procedures for consultation about redundancy were subject to European legal decision. Third, the concept of globalization attained increasing prominence. Its precise meaning is disputed, as is the extent of the development which it characterizes, but the essential idea is that economic activity takes on a global character, so that national systems lose their distinctiveness and are increasingly influenced by international forces. Some writers identify a ‘hollowing out’ of the nation-state, meaning that its influence is weakened through the simultaneous rise of global regulation as in the World
Trade Organization, European monetary union, and the international transfer of models of work organization by multinationals (see chapter 4).

Some of the more popular ideas about globalization are ‘historicist’, simply identifying a trend and projecting it forward as well as, characteristically, portraying the present as a complete break with the past and seeing the trend as an asocial and inevitable development (e.g. Ohmae 1995) that is the identification of a trend and its projection into the future. (Note in passing the irony that historicism was seen originally, and most famously by the philosopher Popper (1957; see also Goldthorpe 1971), as a besetting failing of Marxism, and yet it is now dedicated anti-Marxists who fall into the trap). Three key problems here are:

- the failure to specify the causal processes underlying an observed trend, which is simply projected into the future;
- the assumption that a trend in some parts of the economy will become general: it may be that portfolio careers can be identified where they did not exist, but they may reflect very specific circumstances;
- the neglect of countervailing tendencies.

These ideas are essentially positive about the effects of globalization. Others use the same method to portray an international ‘race to the bottom’ wherein capital seeks the cheapest site of production and thus undermines legal protections to employees elsewhere. Such ideas have been popular since at least the 1970s when the New International Division of Labour thesis made this argument. Yet it was soon shown that the great bulk of world trade remained within the developed economies and that multinational companies generally retained strong bases in their countries of origin (see Hirst and Thompson 1996).

More serious analysis speaks of competing models of capitalism and their intersection; globalization is not a force of nature but an actively managed process (Coates 2000). For present purposes, we do not need to debate the theory of globalization, but may simply note some implications for IR in the UK. First, it is reasonably clear that the economy has been increasingly exposed to competitive pressures (whether these are labelled global or international is not important). Examples from the car industry were given above. Second, it does not follow that the coercive comparisons practised by large firms will necessarily lead directly to a shift towards countries with the lowest unit costs: there are many reasons to produce in particular markets, and many considerations in location decisions. Third, the UK has benefits as a production location, including relatively low wage costs by the standards of some European countries and, it is often argued, labour laws which place few restrictions on redundancies and restructuring. Fourth, issues of ‘best practice’ in the organization of work are likely to have an increased salience, as are the links between IR and economic performance. Fifth, however, many parts of the economy remain relatively free from direct international competition. Finally, there is little evidence of one dominant route to the management of employment relations. Different models remain in competition, and as this book shows American and European pressures can both be discerned in the British context.
Industrial relations and human resource management

The contrast between IR on the one hand and PM and HRM on the other may be specified with the help of figure 1.2. The contrast with PM is conventionally made in terms of the collective focus of IR and the individual focus of PM. There is a degree of truth in this, with IR having a strong emphasis on an organized relationship between managements and trade unions and with collective bargaining between them being both an empirical focus and a key analytical category. PM and HRM have given more attention to such ‘individual’ issues as recruitment and training. Until the 1980s, there was a tacit division of labour between IR and PM which was sometimes mirrored on the ground, with a firm’s industrial relations manager (often a man) dealing with collective bargaining and trade unions while a female personnel or welfare officer handled health and safety, pensions, and the works canteen. This situation was thrown into question by two developments: a decline in the coverage of collective bargaining plus an even steeper decline in one of the staples of IR, organized industrial conflict, and a rise in HRM which claimed to offer an integrated approach to the management of labour, in which IR was only a small part.

Expressions of HRM imperialism are, however, misplaced. Whether the rules of employment are established collectively between an employer and its employees acting in concert, or individually, is evidently a major empirical question, but IR is perfectly capable of dealing with both. And HRM has some major limitations of its own. Its starting point is how managers can organize their ‘human resources’, which leads to two distinct issues.

First, it takes the managerial perspective as its reference point: it asks, not how employment is organized, but what managers can do to manage their employees. Employees are resources to be controlled and deployed, not equal parties to a relationship. Consider for example the features of HRM listed in table 1.4 that were identified by Storey (1992: 35) and are widely reproduced in HRM books. The approach is explicitly unitarist in its perspective, and it also seeks a move from collective to individualized relations with workers. It is true that researchers in the field are not necessarily committed to such a view. HRM

Table 1.4 HRM and the management of labour

<table>
<thead>
<tr>
<th>Personnel and IR</th>
<th>HRM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of relations</td>
<td>Pluralist</td>
</tr>
<tr>
<td>Conflict</td>
<td>Institutionalized</td>
</tr>
<tr>
<td>Labour management</td>
<td>Collective bargaining contracts</td>
</tr>
<tr>
<td>Thrust of relations with stewards*</td>
<td>Regularized through facilities and training</td>
</tr>
</tbody>
</table>

* i.e. shop stewards: elected trade union workplace representatives (see chapter 10 for details).
Source: Abbreviated from Storey (1992: 35).
Table 1.5  Managerial approaches to labour management

<table>
<thead>
<tr>
<th></th>
<th>Strategic</th>
<th>Non-strategic</th>
</tr>
</thead>
<tbody>
<tr>
<td>People as resource</td>
<td>HRM</td>
<td>Personnel</td>
</tr>
<tr>
<td>People as cost</td>
<td>Not HRM?</td>
<td>Traditional management</td>
</tr>
</tbody>
</table>


is far from being a settled approach, and indeed one recent text starts by stressing its ‘diversity’ (Beardwell and Holden 1997). It is also true that many texts do not assume any simply harmony of interest between employer and employee; one even goes so far as to say that it adopts an ‘industrial relations approach’ (Bach and Sisson 2000: 8). Yet such analytical views are consciously aimed at correcting a mismatch between the ‘rhetoric’ of harmony and the ‘reality’ of conflicting interests. And the critique is needed because the field starts from a managerial problematic even when it is not directly managerialist. An IR approach starts from a different position. In the words of a leading US authority, IR ‘starts from an assumption that an enduring conflict of interests exists between workers and employers’ (Kochan 1998: 37), though as argued above this is not in fact an assumption but a demonstrable characteristic.

Second, as an analytical approach HRM tends to assume what it sets out to prove. Another recent book usefully brings out the point. Redman and Wilkinson (2001: 11) argue that people can be seen as a resource or a cost and that managerial approaches can be strategic or non-strategic, which generates table 1.5. HRM describes only one cell in the matrix and, as will be seen throughout this book, one which applies to only a minority of organizations. To be clear, it is not being argued that students of HRM are unaware of such points; indeed, the more analytical books provide a balanced and critical appraisal. But they draw, explicitly or implicitly, on IR writings to make sense of the terrain. For example the remarks quoted above by Bratton and Gold (1999: 28) on ‘tensions and contradictions’ of HR strategies draw directly on IR analyses.

Third, HRM gives little direct attention to the role of the state in the regulation of labour. It is more interested in policy within the enterprise and not the dynamic interplay between the state, employers, unions and employees.

To see recent developments in the UK as a secular shift from a collective and conflict-based system to one based on individualism and consent is to commit several sorts of error. First, collective bargaining was never ubiquitous: at their peak unions covered only half the workforce, and organized overt conflict was the exception rather than the norm (see chapter 10). Second, the undoubted decline in institutional industrial relations (declining union membership, many fewer strikes, reduced union influence at national level) leaves open the issue of what has replaced it. As later chapters in this book show, a reasonable picture is one of variation and fragmentation, with only a minority of employers
embracing anything like the full suite of HRM practices, and with many others relying on traditional approaches to labour based on cost minimization.

Underlying these empirical issues are two theoretical problems. The first is common in efforts to analyse contemporary developments, for example claims that ‘employability’ and ‘portfolio careers’ are replacing traditional bureaucratic career structures. They often fall into the error of historicism, in the IR sphere, the trend may be the decline of collectivism, but it would be rash to suppose that this will continue without limit or that it cannot be counteracted by forces moving in the opposite direction.

The second theoretical issue turns on the conceptualization of the employment relationship. IR research has been predicated on the assumption that the relationship is one of conflict, power and inequality. The core of IR is that it sees the employment relationship as based on a structured antagonism, with any unity and co-operation being built on uncertain foundations and with the creation of consent being inherently partial and uncertain.

An irony here is that proponents of new techniques such as business process re-engineering recognize in passing that co-operation indeed has to be engineered. Consider the following from an HRM text:

management’s actions often have unintended consequences. Thus, for example, there is a paradox contained in the prescriptive advice to managers which encourages leaders to ‘gain control by giving it up’ (Champy 1996). . . . [This paradox] suggests that because of persistent and fundamental continuities in the post-industrial labour process, there is no such thing as the ‘right’ human resource strategy, system or technique and that, whatever systems are adopted, they will have to be regularly modified or replaced as their internal tensions and contradictions appear. (Bratton and Gold 1999: 28)

The irony is the rediscovery of Flanders’s language discussed above without reference to it, yet with the underlying unitarist assumption that re-engineering is a process managed from the top in the interests of all. The idea that there are legitimate competing sources of authority seems alien, as does Flanders’s discussion of the tendency of managers to rely on their right of command and their failure seriously to engage with employees (see discussion of contract and status below). Business process re-engineers could read the conclusion of Flanders’s account of an earlier effort at re-engineering with profit (Flanders 1964).

Challenges to IR as a domain

It was argued above that British pluralism responded constructively to some challenges, notably the radical view of the negotiation of order on the shop floor. It has arguably been less open to other challenges. Three may be highlighted.

• **Worker interests.** According to Kelly (1998), IR retains a descriptive approach, its research agenda is unduly driven by employers, and, as noted above, it lacks a proper theory of power. As a result, ‘we don’t know’, for example, ‘precisely why and how union power declined or by how much in the 1980s’ (1998: 23). The answer is mobilization theory and in turn ‘the fulcrum of the
model is *interests* and the ways in which people (particularly members of subordinate groups) come to define them. To what extent do they believe their interests to be similar to, different from, or opposed to, those of the ruling group?* (Kelly 1998: 25, emphasis original). Other concepts address the degree to which a group organizes around given interests, mobilizes against other groups, and has the opportunity to pursue its interests. This theory has, says Kelly (1998: 126–9) three advantages over ‘rival approaches’:

- instead of starting from the employer’s need for co-operation and to secure work performance, it starts from injustice and exploitation;
- it does not depend on a simple distinction between individualism and collectivism, but distinguishes interest definition, organization, mobilization, and so on, treating ‘as problematic what previous industrial relations researchers often took for granted, namely the awareness by workers of a set of common interests opposed to those of the employer’;
- it helps address key issues such as how employees define interests in particular ways.

- **Gender.** Traditional IR, according to Wajcman (2000), took the male worker as the norm and saw women as marginal or of secondary interest. More fundamentally, it was not just that women as a group were neglected despite their substantial and growing place in the workforce. The gendered processes underlying much of the substance of IR were also neglected. The very institutions of IR are not gender-neutral. For example, payment systems contain gendered assumptions in how they define and measure the attributes of jobs, so that jobs typically performed by women will be rated differently from male jobs. Collective bargaining was not well attuned to the representation of equality agendas (Colling and Dickens 1998). Men’s work is also gendered, for example in the ways in which managers tend to recruit people in their own image, and an informal ‘men’s club’ atmosphere creates expectations as to acceptable styles of behaviour.

- **Work and society.** Ackers (2002) criticizes IR for its focus on relations in the workplace, to the neglect of links with the family and other spheres, and for the absence of an explicit ethical dimension. He offers ‘neo-pluralism’ as the means to develop a critical analysis of management practice and an understanding of the normative aspects of the regulation of employment.

These views are plainly very different. Kelly focuses virtually exclusively on the traditional terrain of worker–manager relations and has been criticized explicitly by Ackers (2002) for the emphasis on economistic workplace militancy. His text would not be viewed, I believe, as gender-sensitive. Kelly offers a deepening of the agenda, that is a consideration of fundamental conflicts between workers and managers, rather than a broadening. Wajcman and Ackers aim to view the terrain in new ways and to link it to other aspects of society.

These issues are raised here partly to stress that texts such as this have been found wanting in the ways specified, and to invite the reader to consider the
value of the criticisms during study of this book. It is not, however, wholly satisfactory to leave evaluation up to the reader, and some initial comments on the three views are thus offered here.

First, and in opposition to Kelly, in the identification of a field of study, a focus on employee interests is as unsatisfactory as one on those of employers. IR examines job regulation, but this is scarcely to adopt an employer's agenda (whereas HRM arguably does adopt such an agenda). Second, Ackers reasonably points to the need to link IR to other aspects of society, which is not a new call and which raises the question of how broadly a field is defined. The key issue is how far it makes sense to analyse a particular theme while leaving others to one side. For example, the institutions of collective bargaining are shaped by managerial policy elsewhere in the firm, and their operation in practice will depend on the negotiation of rules informally. In the same way, it can be argued that changes in the family, for example, may influence IR without necessarily needing analysis in their own right. The danger of broadening an approach is of course that it loses all coherence. A useful model was introduced by Emmett and Morgan (1982; for further discussion see Edwards 1986: 280). In their analysis of workplace ethnographies, they liken the walls of a workplace to a ‘semi-permeable membrane’, which filters influences from outside and also shapes how processes within the workplace affect relations elsewhere. If the membrane were wholly permeable, then Ackers might well be right, though it might also follow that IR was simply the working out in the workplace of forces determined elsewhere, which would make the subject of rather trivial importance. But, as we have seen, and as for example studies of pay determination show (see chapter 8), processes of negotiation develop their own logic and dynamic. IR is of course influenced by other forces, and as a developing field it needs to pay attention to new ones, but it can be reasonably bounded as a field with its own issues.

Third, Kelly’s arguments for mobilization are wholly consistent with the approach of this book. To the extent that he directs attention to issues which may have been relatively neglected, he helps to re-emphasize some key themes. But, in many ways like this book, he retains a relatively orthodox view as to what IR is about.

Fourth, it is true that institutions and processes are not gender-neutral (and also true that there are important lines of division other than gender). Yet this does not mean that everything about them is so suffused with gender that they cannot be discussed without gender being included at every turn. More precisely, we can identify at least four situations. Some institutions directly entail gender issues, for example equal opportunities policy and practice. Others are likely to have less direct but still obvious gender implications, for example pay structures which are based on estimates of the value of certain skills (and which have been found to reward some (male) skills more than others). Others need have no gender implications even though in practice they do so. For example, there is nothing inherent in trade union election procedures which excludes women and ethnic minorities, but the fact that unions have historically been male-dominated, together with their tendency to reproduce the gender assumptions
of society at large, has tended to produce marked gender differences in access to positions of power. Finally, some institutions, for example those of corporatism, are relatively distant from gender divisions. It is thus reasonable to continue to address some institutions and processes without necessarily drawing out the gender implications.

The reader may well wish to use these four categories to assess how well this book reflects gender issues. For example, under the second and third categories, how clearly are the gender implications drawn out? In doing so, some benchmarks may be helpful. The point of Wajcman’s critique is that IR research has given insufficient attention to gender issues; this text necessarily reflects that research and cannot be expected to go far beyond it. It is also open to the reader to consider the implications of particular themes. For example, this book’s analysis of managerial strategies discusses such things as ‘flexibility’, and plainly there can be gender assumptions built into this notion. The analysis does not necessarily need to spell out the gender implications at every turn, and the key issue is whether the tools of analysis can be deployed to address them. IR research is arguably reasonably well equipped to do this. Finally on this point, however, IR structures and institutions have many implications, for class, ethnic inequality, and many other things. It is not reasonable to expect an IR book to deal with them all, and nor should it: the argument here is that these structures and institutions deserve attention in their own terms, and they can be analysed accordingly. Links with gender and other processes should not be neglected, but, to put the point bluntly, these links are only one part of a story which can be told without making them the central theme.

Fifth, in relation to theory, some brief comments and references to social theory may be made, for those readers with a particular concern on this score. It is true that IR has always had a strong pragmatic bent, as is illustrated by the saying (attributed to different members of the ‘Oxford school’ of reformist, pluralist scholars associated with the Donovan Report) that ‘an ounce of fact is worth a ton of theory’. It is also always useful to ask what we do not know and to question existing assumptions. Yet it would be wrong to infer that IR has failed to explain key issues within its domain. First, there are specific issues within the core domain of IR, such as the decline in union membership and in the role of union workplace representatives. Many such matters have been extensively debated, and there is arguably a reasonable set of explanations. Second, there are more complex issues, such as the effects of new work organization on employees. Plainly, one needs to distinguish different types of worker and different types of effect, and we are dealing with some effects such as perceptions of autonomy which are more complex than, say, the number of people belonging to trade unions. Yet research has pursued an agenda which is progressive in the sense that the topic under discussion is understood better (e.g. the balance between autonomy and responsibility) and the causes of different patterns are analysed. In like manner, the links between IR and various outcomes for workers and firms have been detailed.

IR is less explicit about its theory than are the core disciplines of social science. Scepticism about the ability of a single discipline to explain complex phenomena
has been a key strength. Perhaps the most extensively debated example is pay, with IR research over many years showing that economists’ theories of pay fail to explain important regularities, notably different rates of pay for apparently similar work (see Rubery 1997). It is true that an empiricist stress on ‘the facts’ has sometimes interfered with the development of alternative explanations. Yet if the effort is made the theoretical contribution of IR should not be too hard to find. At the very least, we can say that IR is consistent with those modern social theories which stress the connected nature of social phenomena, which refuse to privilege structure or action, and which argue that the ‘causal powers’ of certain forces are not invariate but depend on their context (see e.g. Sayer 2000 for explication of one pertinent approach to these matters).

**Approach and Plan of this Book**

Texts on industrial relations reflect the analytical developments discussed above. The traditional method was to concentrate on the main institutions and trends, with any explanation being inductive. More recent books pursue theoretical debates on management strategy and the labour process with rather little empirical information being provided. This book tries to steer a course between these extremes. While describing the key trends in British industrial relations, the book is analytical: each chapter provides a strong argument, and issues such as the coherence of efforts to reform industrial relations and the potential different routes of development run through many of the chapters.

Chapter authors are experts in their fields, and they do not necessarily share their interpretations. But one reading of the central themes of the book is as follows.

- First, there has been massive change over about the last 20 years, with a decline in the extent of collective bargaining, in trade union membership, and in strike activity. In addition, over the period since 1971, the involvement of the law has increased dramatically. New forms of work organization have emerged. The drivers here include tensions within the British mode of managing the employment relationship (see especially chapters 2 and 5), pressures of globalization and the restructuring of labour markets (chapter 3) and the introduction of work organization practices via multinationals (chapter 4).

- Second, this does not mean that industrial relations have moved from one model to another. A traditional model would be one of extensive collective bargaining and joint regulation. But such a model was always far from universal, failing to touch many workers in services and small firms, for example (see chapters 17 and 18). Various alternative models can be identified, of which some illustrations are listed in table 1.6; they are discussed fully in chapters 7, 12 and 13 in particular). It should already be apparent from the discussion of contract and status above that no single model fits all situations. For example, collective bargaining has been reduced but not eliminated so
that the free market models do not fit all cases. More importantly, as shown in chapters 12 and 14, individualism was evident in the past while some contemporary aspects of it display remarkable standardization: the fundamental message of chapter 12 is that the individual and collective methods of managing employment are bound to coexist, albeit in different combinations at different times. Similarly, some elements of the HRM and partnership models can be discerned, but systems of managing employment evolve relatively slowly and, crucially, actuality on the ground may suggest less change than appearances from company philosophy suggest. Chapters 7 and 8 review the evidence in detail, but the theme of limited practical change runs through many others, notably on training (chapter 15) and gender equality (chapter 16).

• Third, one way to think about the balance between models is to use the contrast mentioned above between Americanization and Europeanization. As chapters 5 and 6, for example, show, the emphasis in the period 1979–97 was strongly on the former, but since 1997 elements of it remain, notably in the government’s concern to be ‘business-friendly’, while Europeanization has proceeded unevenly and sometimes through drift rather than deliberate choice.

• Fourth, the outcomes of industrial relations change are variable and uncertain. There are two kinds of outcome which need to be distinguished.

– The first relates to the functioning of the IR system and the parties to it. Does it deliver reasonable wages, the ability to participate actively in one’s work, adequate training, and fairness between workers? There have been some improvements, for example in training and the development of

---

**Table 1.6 Models of the emerging employment relationship**

<table>
<thead>
<tr>
<th>Model</th>
<th>Key features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free market (a)</td>
<td>Individual contracts replace collective bargaining, focus on direct relations between worker and employer, efficient market solutions, conflict largely eliminated</td>
</tr>
<tr>
<td>Free market (b)</td>
<td>Individualization, but managerial domination, management by fear and work intensification, conflict suppressed not eliminated</td>
</tr>
<tr>
<td>HRM</td>
<td>High skills and commitment, direct communication with workforce, managerially led agenda</td>
</tr>
<tr>
<td>Unitarist social partnership</td>
<td>Similar to HRM, plus systems for employee consultation, agenda still managerially led</td>
</tr>
<tr>
<td>Pluralist social partnership</td>
<td>As above, but more independent voice for workers organized as a collectivity (in practice in a trade union)</td>
</tr>
</tbody>
</table>

*Source: Redman and Wilkinson (2001: 11).*
equal opportunities agendas, but as the relevant chapters show performance has been patchy and it remains some way away from a benchmark of multi-skilled workers enjoying freedom of opportunity. Chapter 17 underlines continuing pay inequality. In addition, chapter 6 shows that the legal framework leaves several issues of fairness unresolved, while chapters 9 and 10 point to the limited progress of social partnership agendas.

The second set of outcomes relates to the economic performance of firms and the economy as a whole. As chapter 19 shows, this area is particularly controversial. But it is clear that any view that ‘bad IR’ in the past was the cause of bad performance was inadequate. What is more plausible is that some aspects of the IR system, notably fragmented and competing wage demands, could exacerbate tendencies in other parts of the economy towards inflation. A fundamental lesson from the past is that IR was part of a much wider picture, so that ‘good’ and ‘bad’ IR were as much a consequence as a cause of the activities of firms. That is, successful firms could invest in appropriate ways to manage their workers (not that they necessarily did so). Those who seek ‘effects’ of IR arrangements on outcomes such as productivity need to bear this point in mind, for many studies reveal correlation and not causation, and there is growing evidence that the necessary mechanisms between an IR practice and an outcome are absent, weak, or contingent on specific contextual factors.

The remaining chapters in the book fall into four main groups. They have not been categorized into separate parts, however, since themes overlap. The first group (chapters 2–5) covers the historical, economic, international, and political context of industrial relations. Chapter 5 also acts as a bridge to the second group (chapters 6–10) that deals with the standard actors in regulating employment, namely, the state through labour law, management, and trade unions. Chapter 9 is also a convenient place to deal with data on strikes. Chapter 10 deals not just with the institutions of unions at workplace level but also with non-union employee representation and processes of representation, and thus leads into the third group.

This set of chapters (11–18) examines some of the key processes of industrial relations. The logic behind three of them is worth highlighting. Chapter 11 deals with the public sector because the conduct of industrial relations has traditionally been distinctive and the conduct of collective bargaining, for example, remains different from the private sector patterns discussed in chapter 8. Chapter 12 examines theory and evidence around individualism and collectivism in industrial relations; it places some of the themes of chapters 6–10 in a theoretical context. Chapter 18 gives particular attention to small firms, for collective management–union relations have always been rare here, and yet ‘industrial relations’ is still practised; the chapter addresses the nature of this process. Finally, chapter 19 examines the issue of ‘outcomes’ and thus acts to draw the threads of the volume together.

The book can be read sequentially, and chapters 2 and 3 form a necessary introduction to the rest of the book. But some readers may prefer to move on
then to the main structures of industrial relations (chapters 6–11). Alternatively, those interested in the nature of work from the point of view of employees may prefer to focus on chapters 10 and 13–18. Additionally, chapter 12 provides an overview of pertinent themes here, and may be read as an introduction to those chapters, as a complement to chapter 7, or as a link between the present chapter and chapter 7 onwards. Readers particularly interested in the role of law in industrial relations may wish to read chapter 16 and to some extent chapter 17 alongside chapter 6. Those who seek overviews of the state of employment relations from the points of view of sociology and politics may wish to start with chapters 2, 5 and 14, followed by chapter 18.

References

Fox, A. 1966: Industrial Sociology and Industrial Relations. London: HMSO.
Green, F. 2001: It’s been a hard day’s night: the concentration and intensification of work in late twentieth century Britain, British Journal of Industrial Relations, 39 (1), 53–80.