

## **ACTORS IN INDUSTRIAL RELATIONS: COMPETITORS, COLLABORATORS OR COMPATRIOTS?**

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### **Abstract**

This paper discussed three major alternative strategies in labour management relations especially in the British model of industrial relations. These options are competition, collaboration and compatriotism. The paper discussed three major perspectives as theories of industrial relations as well as the actors and the environment of industrial relations. The paper concluded that, at least, three major factors may influence the choice of strategy for labour management relations in the British system of industrial relations. These factors are (i) the prevailing social-political and economic environment (ii) the theory or perspective of industrial relations subscribed to by the actors in the industrial relations system and (iii) the personality of the actors in the industrial relations system.

**Keywords:** Industrial Relations, the Industrial Relations System, Industrial Relations Theories, Actors in Industrial Relations, the Industrial Relations Environment.

## Introduction

There are many models of industrial relations. Notable among these is the British model. In the British model of industrial relations, there are three principal actors. These are:

- (i) the workers and their trade unions,
- (ii) the employers and their associations, and,
- (iii) the government and its agencies.

The role of the workers and their trade unions is the supply of the skills necessary for the production of goods and services while the role of the employers is the provision of the raw materials including human resources and finance for the production of goods and services. The role of the government and its agencies is the provision of an enabling environment for the production of goods and services. Each of these actors performs its functions with the expectation of certain rewards for their services. For instance, the workers and their trade unions expect bountiful salaries and other favourable conditions of employment in return for their services while the employers and their associations expect good profits and other pecuniary in return for their investments in raw materials and other resources supplied by them for the production of goods and services. The government and its agencies expect tax and orderliness in return for their services in providing the enabling environment for the production of goods and services in organisations. A critical look into scenario just painted would reveal a context of competition no matter how subtle. There are some contexts and models of industrial relations which are not as overtly competitive as revealed above. The British system, as painted above, no doubt, is competitive and that is the system practised in Nigeria and some other countries of the world.

## Theories of Industrial Relations

Arguments are germane that industrial relations being a multidisciplinary and a relatively young field is not matured yet to have theories which are exclusive to it. The opinions of these writers which match those of Flanders (1975) are that:

Even if the subject (industrial relations) is regarded as no more than a field of study to be cultivated with the well-tested methods of other disciplines, its development must depend on the mutual support of theory and research. At its simplest, theory is needed to pose the right questions and research to provide the right answers..... Some framework of theoretical analysis is always needed to order one's inquiry and to arrive at general propositions.

In view of the above, three positions of three eminent intellectuals would be reviewed and considered base-line theories of industrial relations especially for the purpose of the present paper.

## The Unitary Theory

Between 1965 and 1968 the British government set up a commission of enquiry in industrial relations to probe the activities of trade unions and the employers. One of the notable figures invited for the enquiry is the Chairman and Managing Director of the Rugby Portland cement company in Britain, Halford Reddish who had this to say:

1. I am asked, "How good relations are achieved in a company which does not negotiate with trade unions.
2. Our thinking proceeds as follows.....
3. Modern industrial organisation is in effect a partnership between the labour of yesterday (which we call capital) and the labour of today (all of us who work for wages and salaries).....
4. We deplore the use of the terms "Industrial relations", and Labour relations". We prefer "human relation" by which we mean recognition of the essential human dignity of the individual....
5. An employee, at whatever level, must be made to feel that he is not merely a member of a team.
6. We reject the idea that amongst the employees of a company there are "two sides", meaning the executive directors and managers on the one hand and the weekly-paid

employees on the other hand. Executive directors are just as much employees of the company as anyone else. We are all on the same side, members of the same team.....

7. We recognise that the tone of any organisation depends primarily on one man, on the executive head of it: on his philosophy, on his outlook, on the standards which he sets, on his example; in short, on his leadership.
8. Leadership is surely the key to good human relations – leadership at all levels. It must embrace, in alia ... Maintenance of strict discipline, as firm as it is fair.....
9. A conviction that loyalty must be a two-way traffic. I expect everyone employee to be loyal to the company and to me as the temporary captain of the team; he has an equal right to expect loyalty from me..... (Farnham and Pimlott, 1990)

In the opinions of these writers this is a necessarily unitary perspective or theory of industrial relations.

### **The Consensus Pluralist Theory**

There are two dimensions of what may be called the pluralist view or conception or theory of industrial relations. These are:

- (i) the consensus pluralist, and,
- (ii) the radical pluralist.

The views of Damachi (1986) writing on his conceptions of what industrial relations should be, represent what these writers have tagged the “consensus pluralist” theory of industrial relations.

According to Damachi (op cit);

Industrial peace does not mean peace in the grave-yard or cemetery..... Industrial peace is something more than the absence of conflict in the workplace. In labour-management relations, conflict is more than expression of irrationality or ill-will. In spite of the strong desire among the parties in an industrial relations system to exist, there is nevertheless, latent antagonism among them.....

Damachi (op cit) presented four major reasons latent antagonism is inevitable among the actors. These are:

- (i) the interests of both the employers and the employees are not mutual. (While) the employer represents and is mainly concerned with, a property interest which in turn is directly related to the financial interest of a limited number of stock-holders, the interests

of employees organisations or unions is primarily that of people as well as their material, spiritual, psychological needs.

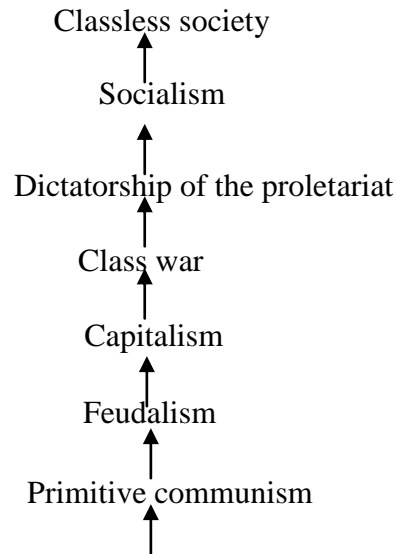
- (ii) the desires of the parties (in an industrial relations system) are more or less unlimited. Wages can never be as high as workers desire or profits and salaries as managers might wish. Nevertheless, the money available for distribution between the contending claimants is always limited in the short run. Since both parties are interested in surviving, they must share it somehow, and neither can entirely be happy with the distribution. As long as the other has any power at all, it can make unsatisfactory decisions.
- (iii) both modern industrial and developing societies are dynamic. Consequently, even if a certain distribution of income and power could be devised which was not subject to controversy in any given situation there might be a change because of new regulations by the state, patterns of consumers, high costs of raw materials, a reduced value of the monetary unit as well as increased income for a comparable group elsewhere. The parties would, therefore, need to look for a new allocation of income and power.
- (iv) if management and labour are to retain their institutional identities, they must disagree and act on the disagreement. Conflict is, indeed, a sine qua non for survival. The union which is in constant and total agreement with management has ceased to be a union. The same is true for management. Institutional, like individual, independence is asserted by acts of criticism, contradiction, competition and conflict.

In the opinions of these writers above is a necessarily collaborative or consensus pluralist view of industrial relations.

### The Radical Pluralist Theory

The positions of Karl Marx (1818-1883) on a society in transition represent what may be called the radical pluralist conceptions or theories of industrial relations. According to Karl Marx every society in the process of its development passes through seven major stages, (see figure 1).

**Figure 1: Karl Marx seven stages of a society in transition**



**Source:** Farnham and Pimlott (1990) Understanding Industrial Relations. London. Cassell.

Those who hold the radical view of industrial relations believe in change, if possible through revolution, in the structure of the society presently, including the industrial relations society.

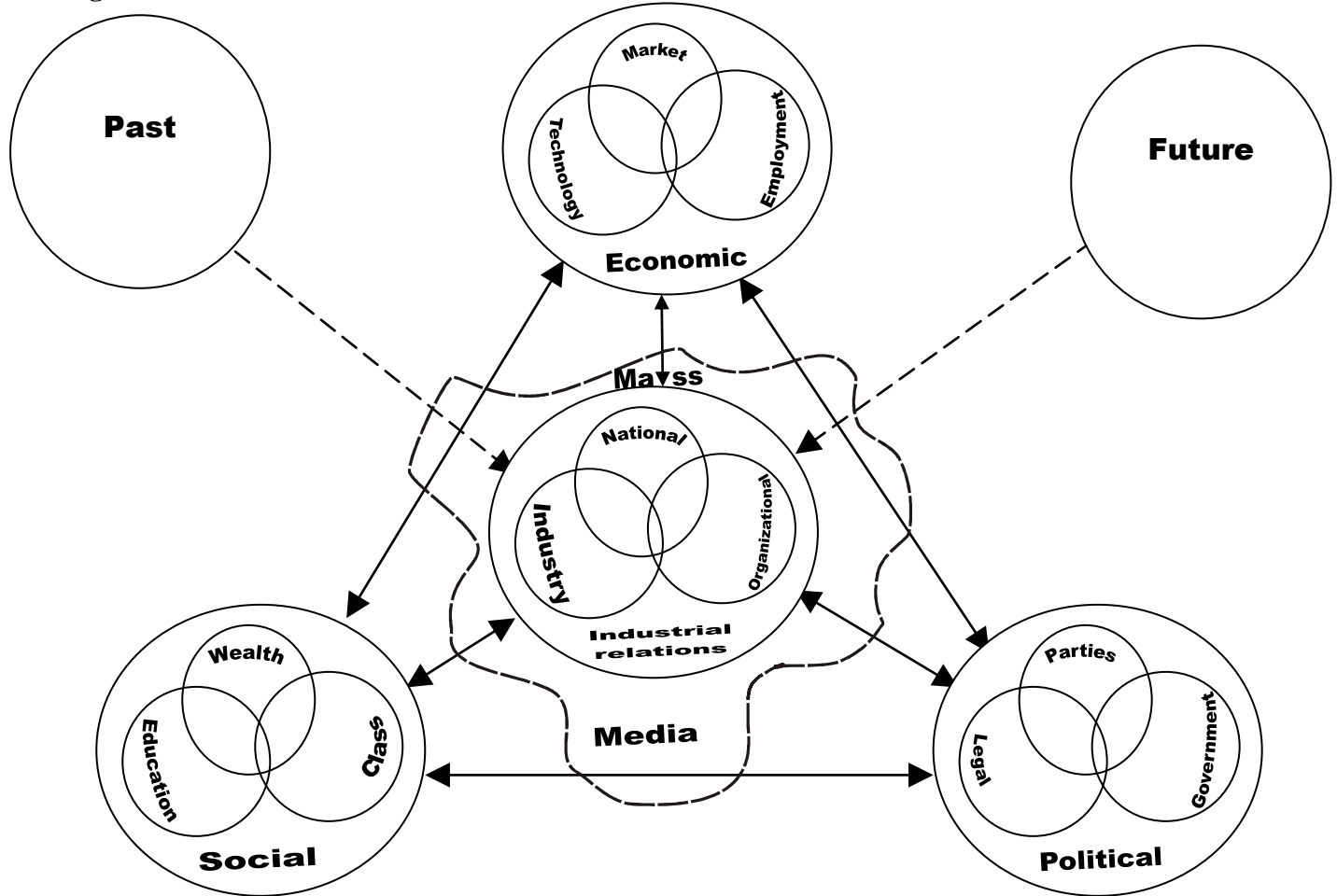
### The Industrial Relations Environment

From a critical review of literature the industrial relations environment consists of three major components, namely,

- i. the social component,
- ii. the economic component,
- iii. the political component.

Each of these components too, consists of various elements (see figure ii):

Figure II: The Environment of Industrial Relations



Source: Salamon, M. (2000) *Industrial Theory and Practice*. 2<sup>nd</sup> edition, Prentice-Hall, New York.

From figures II, it will be seen that the social component in the industrial relations environment has such elements as education, class, wealth whereas the economic component has such elements as technology, employment and market, while the political component has such elements as the legal, the political and the governmental system of the society. All these elements and components which consists them interact in space and time to influence the climate and or context of industrial relations at a particular point in time.

### **Human Characteristics**

From essential review of literature the following characteristics of humans are observable.

- (i) Man is social: All human beings interact with one another.
- (ii) Man is rational: Human beings by nature have reasons, overtly or covertly, for whatever he/she does, including relating with others.
- (iii) Man is political: Human beings love power and he or she likes to dominate the other either overtly or covertly.
- (iv) Man is a product of nature and nurture, hence individual differences.

### **The Field of Industrial Relations**

Necessarily, the field of industrial relations is a field of industrial relations is interactions. Modern day production systems make it almost compulsorily so. No individual can function effectively as employer and employee and meet today's standards of industrial processes.

### **The options**

From critical review of literature three major options are open as strategic choices for the relationship among the actors in Industrial relations most especially in the British system. These options are:

- i. Competition,
- ii. Collaboration, and
- iii. Compatriotism.

The choice of anyone of these options in the options of these writers could be influenced by:

- i. The model of Industrial relations in practice in a particular Industry or society,
- ii. The theory or perspective of industrial relations subscribed to by particular actors in an industrial relations environments,
- iii. The personality of each of the actors in a industrial relations environment.



## Conclusions

Industrial relations is necessarily a field of interaction. No one individual could fulfil all the roles required in the modern industry, hence the distinctive roles of employers, employees and government. To fulfil the objectives for which an organization is set up, that is, to produce goods and or services and to meet the collateral objectives of the organization which is the satisfaction of the stakeholders in the industry, the actors must decide what mode of relationship are best for them to be able to meet the desirable objectives. In this paper three options have been presented, namely, competition, collaboration and compatriotism. It is presented in this paper that the choice of anyone of these options will be influenced, among other factors, by a combination of:

- i. The socio-political and economic environment of the industrial relations system,
- ii. The nature of the actors in the industrial relations system,
- iii. The theory or perspective(s) of industrial relations subscribed to by the actors in the industrial relations system.

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