

THE CHANGING PATTERN OF INDUSTRIAL RELATIONS IN THE 1980'S

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During the 1980s, against a background of rapid political, economic and legal change the nature of industrial relations between employers and unions and management and employees began a period of readjustment which has continued to the present time. The new patterns of industrial relations which have emerged have been epitomised by more assertive management, "union realism" and a general belief (promoted by government) that the efficient functioning of the economic market place is all important. Also union power has been greatly weakened and unions have been effectively excluded from influencing government policy. This is in sharp contrast to the '60s and '70s when attention was focussed on the establishment of industrial relations procedures and institutions and this was underpinned by aggressive, reactive and powerful trade unions which were periodically incorporated into government policy making.

The new pattern of industrial relations that are emerging and the changes that they bring can only be accounted for when they are related to the wider socioeconomic environment as well as the political and legal systems. All of these factors have acted together to impinge on the sources of power available to trade unions and in this way have changed the face of industrial relations.

Objective and subjective power are the two main sources of power which enable employee groups to resist industrial closure and indeed any other management decision which they oppose. If recent industrial disputes are examined it will be seen that their sources of power have been under constant attack both through political and legal systems and the economic environment.

The most significant forms of objective power are the strength of union organisation and the strategic importance of the workers covered. As the recession has deepened and consequently unemployment has increased, union membership has decreased robbing unions of an important source of power. Deskilling has reduced the strategic importance of workers, making them easily replaceable. It is a vicious circle; workers are unable to successfully resist deskilling procedures because they know that there are four million unemployed in the U.K. and a quarter of a million in Ireland and so can be easily replaced, particularly if their jobs require little "skill". Power also depends on how

workers view their own situation. Taking into account that four million people are unemployed and that an increasing proportion of those in employment have experienced unemployment (fewer than 1/3 of registered unemployed have been continuously registered as such for more than one year) it is easy to see why people's commitment to resistance has diminished as unions weakened and job losses become inevitable.

It could be argued that stoppage in "hi-tech" industries involves high costs and so strengthens a trade union's power despite deskilling procedures as management would be eager to avoid such stoppages. That may be so in an environment where alternative sources of labour are hard to find but the 1980s is not such an environment. It is also a fact that the hi-tech sector has strongly resisted trade unionism in its plants. For proof, one only need look at the activities of management during the Greenwich or Wapping disputes. During the Greenwich photo processing labs dispute in which APEX sought recognition, Ward, the owner of the factory employed other people to replace the strikers. During the News International dispute at Wapping Rupert Murdoch demanded that unions agree to end the closed shop system, that all papers should be produced with new technology, that a positive and binding commitment not to strike should be made and that demarcation lines should cease to exist. The talks broke down and union members balloted for strike action. On the 24th January 1986 the strike began and in the same day News International issued all printers and nonjournalists with notice of dismissal and announced that they were moving all their titles to Wapping. Within two days all the titles were being produced at Wapping by newly recruited employees.

The balance of power has most definitely shifted, the legitimacy of closure and other management tactics have been redefined and market criteria have prevailed. The miners' strike represented another staging of the battle to redefine legitimacy: whether closure is acceptable on the basis of market criteria alone or whether social considerations should be taken into account. The facts of the NUM strike are well known and the conclusion was that the government via the British Coal Board won, asserting the primacy of market forces and weakening the trade union movement. If the miners had won the legitimacy of closure on economic grounds would once again have been questionable.

The Ranks dispute in Ireland had a similar effect. The dispute arose in 1982 when RHM foods announced the rationalisation of their Irish operation with seventy redundancies to be divided between their Dublin and Limerick plants. The problem arose when Ranks pleaded inability to pay the redundancy settlements which had been set out in an agreement in 1978. The matter was referred to

the Labour Court and it side with the workers. The company ignored their recommendations and used its ultimate weapon—the threat of withdrawal of all operations from Ireland if the workers did not return to work. The workers gave in and within three weeks the company announced that it was closing down its Irish operations. Workers occupied the Dublin plant and were subsequently sent to prison for refusing to obey a court order. In May 1983 as a result of legal proceedings a liquidator was appointed, the remaining workers were removed and twenty-six workers received no redundancy payment. The dispute highlighted the weakness of unions in the face of closure and the outcome resulted in a strengthening of management power. It was farcical for RHM to say that they were unable to make the redundancy payments when, at the same time they were investing £20m in their British operations, yet they got away with it and our legal system helped them to do so. Unions are powerless in the face of "runaway" plants and that is something that will never change as long as our economy is run along capitalist lines; however through legislation we could back union strength in order to help even out the balance of power, but instead we throw all our legal weight behind employers. It was held to be illegal for workers to occupy the Ranks plant in Dublin, but it was not illegal for the company to pull out of Ireland without giving twenty-six workers even their statutory entitlements. A company has always been able to close down its operation, what has changed are the acceptable grounds for doing so.

Further proof that there has been a shift in the balance of power can be seen in the decline in strike action in recent years despite or perhaps because of the increase in job losses. The proportion of U.K. vehicle manufacturers reporting strike action fell from 67% in 1980 to 23% in 1984. Kenneth Walsh conducted a study of twenty five companies from various industries between 1982 and 1984. The figures show that nine out of the fifteen companies in the manufacturing sector reported a decrease in disputes, this compares to three out of ten in the services sector. In the same period the manufacturing sector witnessed the most job losses. This shift in the balance of power has been strengthened by legislation. The major thrust of the Tory legislation of the 1980s is towards extensive restriction on the immunities which trade unions previously enjoyed and essentially it means that the collective strength of the workers is to be limited by the boundaries of the employment unit. For example, the 1980 Employment Act removed protection in trade disputes against common law civil liability in secondary action which means that workers who take action in a dispute which their own employer is not a primary party can be held liable.

According to the 1980 act dismissal for nonmembership of a trade union is illegal and it also states that where a closed shop agreement is in operation an employee can object on grounds of conscience to joining a trade union. This makes a closed shop almost impossible to administer and as a result closed shops have been on the decline in Britain, weakening trade unions even further.

The scope of a trade dispute under which employees can be protected has been narrowed by the 1982 employment Act. Before this act a dispute needed to be "connected" with employment matters, now it has to relate wholly or mainly to them. This implies that industrial action launched to protect jobs as part of a wider campaign against government policies of privatisation (say) may now lose the immunity it could have had under the 1906 act.

The 1980 act removed the limited obligation that ACAS could replace on employers to recognise trade unions. This legislation came about as a result of the loophole discovered in the Greenwich case, which made it impossible for ACAS to enforce its procedures. However if the government had been interested in the in strengthening trade unions it could have found a way to block the loophole; instead they removed the obligation placed on employers to recognise unions!

However, despite all this legislative intervention employers have been slow to use it. For example in 1983 Shell was involved in a dispute about a pay increase. As the dispute escalated workers from the Stanlow plant (where an all out strike was called after a worker was disciplined) picketed the Haydock distribution terminal in Merseyside, twenty six miles away and eventually secondary picketing rose to include about one third of Shell's distribution terminals. In October 1983 Shell obtained an interlocutory injunction from the High Court (under s.16 of the Employment 1980 it is unlawful to picket except at your place of work). The TGWU ignored the injunction and in fact picketing spread. Shell however did not initiate contempt of court proceedings; it concentrated instead on negotiating a new wage settlement. Shell is a long established MNC and it was involved in a straightforward dispute. It had established industrial relations practices within a voluntaristic tradition and in this case the economic stakes were not high enough to make management willing to shatter all of that by pursuing legal action. However, the point is that when a company does consider the economic stakes to be high enough it can resort to this form of legal backup and this gives added strength to management. Collective power is the only power that trade unions have and together with increasing

unemployment and transnational employers, this legislation strips workers of their power.

Having looked at the major causes of the changing pattern of industrial relations it is necessary to examine the effects of these changes. The question is whether or not increased risk of job loss, weak trade unions and a hostile government have made employees more defensive and restrictive in their working practices or on the contrary more "realistic" and "flexible"?

After Labour's defeat in the 1983 general election in the U.K. the idea of "realism" began to emerge at the TUC conference and Eric Hammond and the EEPTU were the main exponents of the "new realism". This new mood is something that suited Mrs. Thatcher and her government. Therefore it is ironic and indeed an indication of the "union bashing" mentality of Thatcher/Tebbit that it was they who dealt this new idealism its first severe blow.

In January 1984, Sir Geoffrey Howe announced that the Unfair Dismissal and other provisions of the 1970s Employment Protection Acts were being would no longer to apply to staff at Government Communications Headquarters (GCHQ). New conditions of service were to be introduced under which staff would be permitted in future to belong only to a departmental staff association approved by their director. Staff were informed that if they remained in their traditional trade unions they would be transferred to other posts of the civil service and if they refused to complete the option forms or to transfer, then their employment would be terminated.

In light of the new mood of realism the unions were shocked but believed that if they reasoned with Mrs. Thatcher that she would see the error of her ways, however she stood firm. Comments made by Larry Smith, the TGWU's executive officer would probably reflect most trade unionists' feelings on this matter:

"New realism was dead and buried before last Christmas when Maggie Thatcher took secret decisions to ban unions at GCHQ, persevere with anti trade union laws and to take on the miners." The EEPTU have continued to pursue the ideal of "New Realism"; they sign no-strike agreements and seek to co-operate with employers. Other unions have been forced through risk of job loss and a hostile government to back down on issues such as recognition (at GCGQ) and redundancy (miners' strike) but they have not done so willingly.

Have employers made use of the change in the balance of power? The decrease in the level of demand, the increase in product market competitiveness and changes in the nature of consumer demand all provide a strong incentive for managers to increase their control over profitability. This means reducing

costs and increasing flexibility of labour. terms of time, numbers and production.

Both an IMS survey and the Labour research department found that flexibility was on the increase in Britain, but that flexible working practices were motivated by cost cutting rather than an interest in changing the employment culture at the core. It has been argued that management decisions owed more to concerns with product quality and standardisation than to labour management issues. It is pointed out that deskilling does not necessarily lead to enhanced control (we are told that workers can sabotage machinery—but this would still cost them their job) and that the crises in Britain have not provoked a decisive move in management policy towards unqualified anti-unionism. It appears that a substantial decrease in the scope of collective bargaining and of management dependence on union mediation in dealing with employees is a more widespread objective and is often connected with more general production strategies.

The answer to this argument is quite simple. It doesn't really matter what the motivation for management decisions is, the net effect is the same. Labour flexibility agreements are now being negotiated even in industries that are traditionally associated with strong trade union opposition to this issue e.g. miners are negotiating a five year multi skilling program and a six day week. Management have used the economic situation to coerce employees into agreeing to such arrangements. The shift towards unitary policies based more on coercion than cooperation has gone largely unchallenged. Unions lack the power and members the will to conduct major campaigns against policies which are portrayed as common sense and the "economic facts of life". While not being specifically anti-unionist management have used this weakness to further their own ends.

In view of what has happened in the first half of the 1980s what role will management play in future industrial relations practices? Management realise that simple compliance by employees is not enough if a company is to compete successfully. So an effort is made to "involve" employees on an individual and collective basis in "key" decisions that affect them. Mechanisms have been put into place which obscure the dividing line between management and employee interests. Employee shareholding schemes and sophisticated communications networks have been set up e.g. team briefing systems and corporate videos in which the managing director talks directly to employees. The interesting thing is that a WIRS survey shows that while the level of consultation is low but increasing there is a decrease in negotiation on non pay issues. In

other words, the employees level of control over their working environment is actually decreasing.

If management had the choice they would probably use sophisticated paternalism as their method of controlling industrial relations. This means that they would refuse to recognise trade unions and that they would make working conditions so good that employees would have no choice/need for a trade union. However, this is expensive to operate and only the large MNCs such as Digital can afford to operate it.

Most British and Irish companies (and particularly older ones which recognise trade unions) would probably be content to use a consultation approach. However this is probably the most dangerous of techniques as far as employees are concerned. Consultation promotes the idea of problem solving and stresses the importance of communications. Confrontation and the division between employer and employee interests are obscured. What management is seeking is a situation akin to sophisticated paternalism without the perks.

The recession has meant an acceleration of structural change in the economy. Employment is growing in small scale industry, an area where employer attitudes to trade unions have traditionally been hostile and the level of part-time/casual labour is high. This implies that trade unions face severe organisational problems. The production industry's share of the work force decreased from 30% in 1979 to 26.7% in 1984, while the service sector's share increased from 20.3% in 1979 to 24% in 1984. So employment is growing in area where pay has traditionally been low, union organisation weak and the work temporary in nature. Unfortunately union recruitment activity is concentrated around the margins of existing membership groups rather than in establishments where the union has no presence. It is clear that it is difficult to organise workers in an industry where there is high turnover of labour but it is also clear that it is workers in such industries who are most in need of union support.

Employees of small firms are far more vulnerable than employees of larger firms because of the personal nature of their relationship with their employer. Therefore they need an independent representative who will raise issues with an employer in their behalf. There is ample evidence that part time workers are poorly paid and a disproportionate amount of these workers are female, unskilled and, in multiracial societies, tend to come from minorities. A survey conducted by Wendy Richards showed that some home workers earn as little as 30-50p per hour while the average industrial wage is £4.75 per hour. In 1979 a select committee in homeworking found that only 15% of the people surveyed earned more than £1 per hour. Part-time

workers (less than 18 hours per week) are not even covered by employment legislation and so they are particularly in need of trade union representation, but the unions have been slow to move into these areas.

Trade union leaders are anxious to protect and defend their members' jobs and due to the increase in unemployment and the decrease in union membership they have been unable to do this. This is why we find the ICTU voting 181 in favour and 114 against endorsing the National Plan for Economic Recovery. Outlandish promises to create 100,000 jobs have been given in return for agreements that 2.5% is the maximum pay increase that will be sought in either of the next two years. The interesting thing is that while in the late 1970s and early 1980s trade unionists had high hopes for the employment targets, today they know that it is unlikely that they will be met. Unions are not blind to what is going on, they just lack the power to do anything about it - and this is in part their own fault. Early in the 1980s they stood back and watched while their rights were slowly taken away from them. They did not seek to recruit new members in new industries and now they are paying the price. Unions badly need to adapt to their new environment; otherwise their future looks very bleak, especially when we consider the elaborate systems of labour relations and "human resource management" being drawn up by employers.

Since 1979 Margaret Thatcher has used state power to restrict workers' combinations so that markets could be safeguarded. However, she would not have succeeded in doing this if other conditions had not existed (e.g. the high unemployment rates which were not entirely her own creation). The wider socio-economic environment, as well as the political and legal systems all interact to set the conditions which decide the patterns of industrial relations. Perhaps future governments will use state power to even out the balance of power between trade unions and employers but with increasing unemployment and increasingly weakened trade unions this seems a long way off, and unions don't have time to wait. It is up to them to strengthen their organisation to cater for the needs of people employed in service industries and other sectors which badly need trade union representation (e.g. part time workers, home workers, people who work on small family farms, factories etc.). If trade unions want to survive and contribute to the changing patterns of industrial relations this is the challenge they will have to meet.

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