

# Collective Bargaining: Class 2



What do you remember from last week?





# Different ways of viewing IR





# THEORETICAL PERSPECTIVES AND IR

## 1. Pluralist Analysis

- Society comprises a range of individual players with individual objectives
- Political system is institutionalised and regulated through parties and parliamentary processes, so too is the industrial system
- Competing organisational values and interests have to be managed to maintain collaborative structure
- Conflict is a logical and inevitable feature of the world of work, requiring management by a variety of players



# Pluralist Analysis (continued)

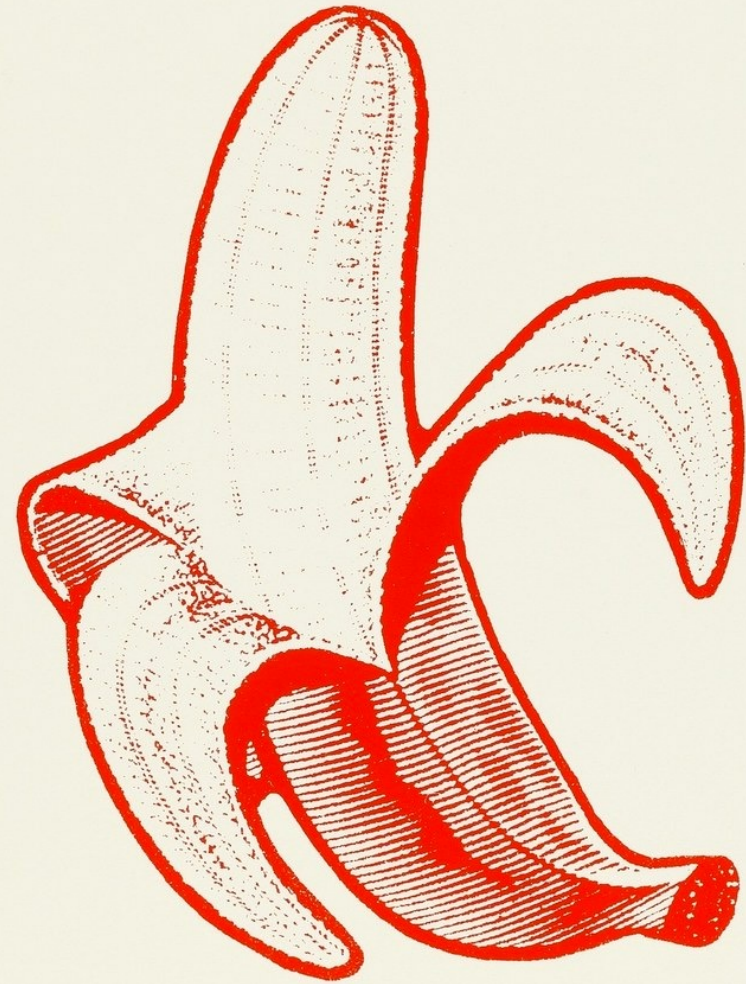
- Marxist analysis is outdated with advent of franchise, rights, public services, etc.
- Industrial and political conflict are separate; collective bargaining regulates relations with an array of third-party institutions providing resolution of conflict
- Institutions include:
  - TU and employer associations
  - Social partnership
  - WRC and Labour Court
  - Shop stewards and employee reps
  - Consultation initiatives for workers



## 2. Unitary Analysis – Managerialist

- Workplaces share goals, values and interests
- No conflict between owners and employees
- Strong management and common goals of increased profitability => organisational effectiveness
- Paternalism, rejection of unions and/or minimal concern for employee welfare
- Conflict not perceived as a structural feature of organisational life
- Common in Ireland with increased levels of opposition to TU recognition and associated rise in the number of non-union establishments





"IF ALL YOU HAVE IS A HAMMER, EVERYTHING LOOKS LIKE A NAIL."  
— ABRAHAM MASLOW





DON'T  
MISTAKE  
MOTION  
FOR  
PROGRESS

- JEREMY'S DAD

WHAT WOULD  
YOU DO IF  
YOU WEREN'T  
AFRAID?





**Stay humble.**

# **RUTHLESS PRIORITIZATION**



### 3. Radical/Class Conflict Analysis

- Marxist theory: analysis of evolution of society; rampant capitalism is a 'stage' driving an ever-growing, impoverished working class towards inevitable revolutionary change
- Class conflict is at the root of societal change, arising from inequitable distribution of power and wealth in wider society
- IR system viewed as a marginal forum for the conduct of class war
- Collective bargaining sometimes seen as facilitating the inherent contradictions of capitalism

## Radical/Class Conflict Analysis (continued)

- As a theoretical perspective , Marxist analysis focused on relative power of opposing interests and offers valuable insights into mechanics of the IR system
- Conflict in IR arena seen as a reflection of opposing economic interests engendered by capitalism:
  - Conflicts are contained by the social and political system and the trade-offs made to ensure its stability
  - Institutions of IR serve to institutionalise conflict
  - Looks at 'root' sources and causes of conflict, not just its resolution





## 4. Social Action Analysis

- Emphasises individuals' freedom of action and ability to influence events
  - IR actions best understood in terms of their subjectively intended meanings
  - Actions not solely influenced by specific work situations but also by:
    - Attitudes, values and expectations
  - Role of Jim Larkin – a social action effect?
  - Individuals have the ability to influence and shape events
- “Society makes man...man makes society.” (Silverman 1970)



## 5. Systems Analysis (Dunlop, 1958)

- Arose from a desire for an integrated approach to the study of IR
- Prior to this, IR had been studied from the perspectives of differing disciplines
- John Dunlop, 1958 – system approach
  - Attempt to create a focused and integrated approach to the subject
  - System with four parts: actors, environment, rules and ideology



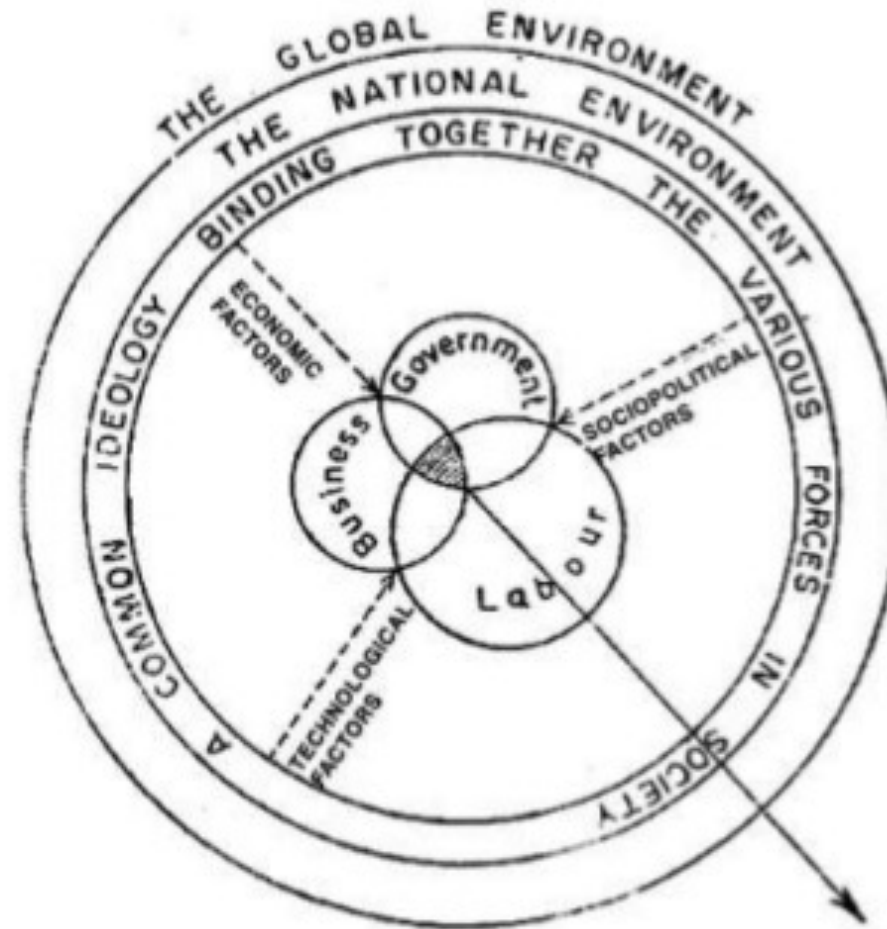
# Systems Analysis (continued)

- Actors
  - Managers and their reps – supervisors
  - Employees and their reps – unions
  - Government and third parties – Labour Court, etc.
- Environment
  - Technology
  - Budget constraints
  - Power in wider society
- Rules
- Ideology
  - Underlying belief system: voluntarism





# Dunlop's System Theory (1958)



## Dunlop's System Model

$IR = f(a, t, m, P, I)$

- a = Actors, Employers, Workers, & Government
- t = Technological Context
- m = Market Context
- P = Power Context
- I = Ideological context that helps to bind them together

The Industrial Relations System as a web of rules formed by the interaction of the government, business and labour, influenced by the existing and emerging economic, socio-political and technological factors.



# Critical Comments on Differing Approaches

- Pluralist/Unitary approach:
  - Influential but subsequently modified
- Marxist approach:
  - Enjoyed a resurgence in 1960s/1970s
  - Predictions have not materialised (yet?)
- Radical approach:
  - Strong on *analysis* rather than developing practical solutions

# Critical Comments (continued)

- Systems theory
  - More an organising device than a theory
  - Conservative, since it gives limited recognition of the role of conflict
- Social Action
  - Recognises a role for individual action/meaning
  - May underestimate the extent to which actors are the prisoners of systems factors



# Rules

- Found in all IR systems
- Sources of rules
  - Unilateral: management, labour, government
  - Joint: agreed procedures
  - Custom and practice
  - Third parties
  - The law
    - Common law, legislation, constitution and international law



Defn: Trade  
Unions

What are the activities a  
trade union takes part  
in?





- Give info to employees on working rights and entitlements
- Represent employees when they have grievances at work
- Sanction industrial action
- Represent employees when management initiate disciplinary procedures
- Represent employees at third party hearings
- Challenge management decisions that they believe are not in employees interests
- Engage in collective bargaining
- Offer services to members
- Offer education and training
- Organise campaigns to organise people into the union



- Lobby and make submissions to government on a range of issues.
- Present trade union views in the media
- Engage in collective bargaining with multiple employers and governments in order to set pay and condition for employees across an industry or nationally.





Tell me about an IR dispute you have been involved in and the outcome

# How are trade unions established?

- Trade unions are defined under the 1941 Trade Union Act as bodies carrying on negotiations for fixing wages or other conditions of employment.
- This legal definition is very broad and embraces employer organisations.
- Apart from certain 'excepted bodies' only 'authorised' trade unions holding a negotiating license are permitted to engage in collective bargaining on pay and working conditions.





- In order to set up a trade union, you must register with the society of friendly societies, and then apply for a negotiation license from the Department of Jobs, Enterprise and Innovation.



# You must meet 3 criteria

- Notification: At least 18 months notice to the Department and ICTU
- Membership: A minimum of 1000 members
- Finance: Trade Unions must have deposits ranging from €25,395 for up to 2000 members to €55,869 for more than 20,000 members. They must also have €1,016 for each additional 1,000 members (or part of 1,000 members in excess on 20,000 members to a maximum of €76,184



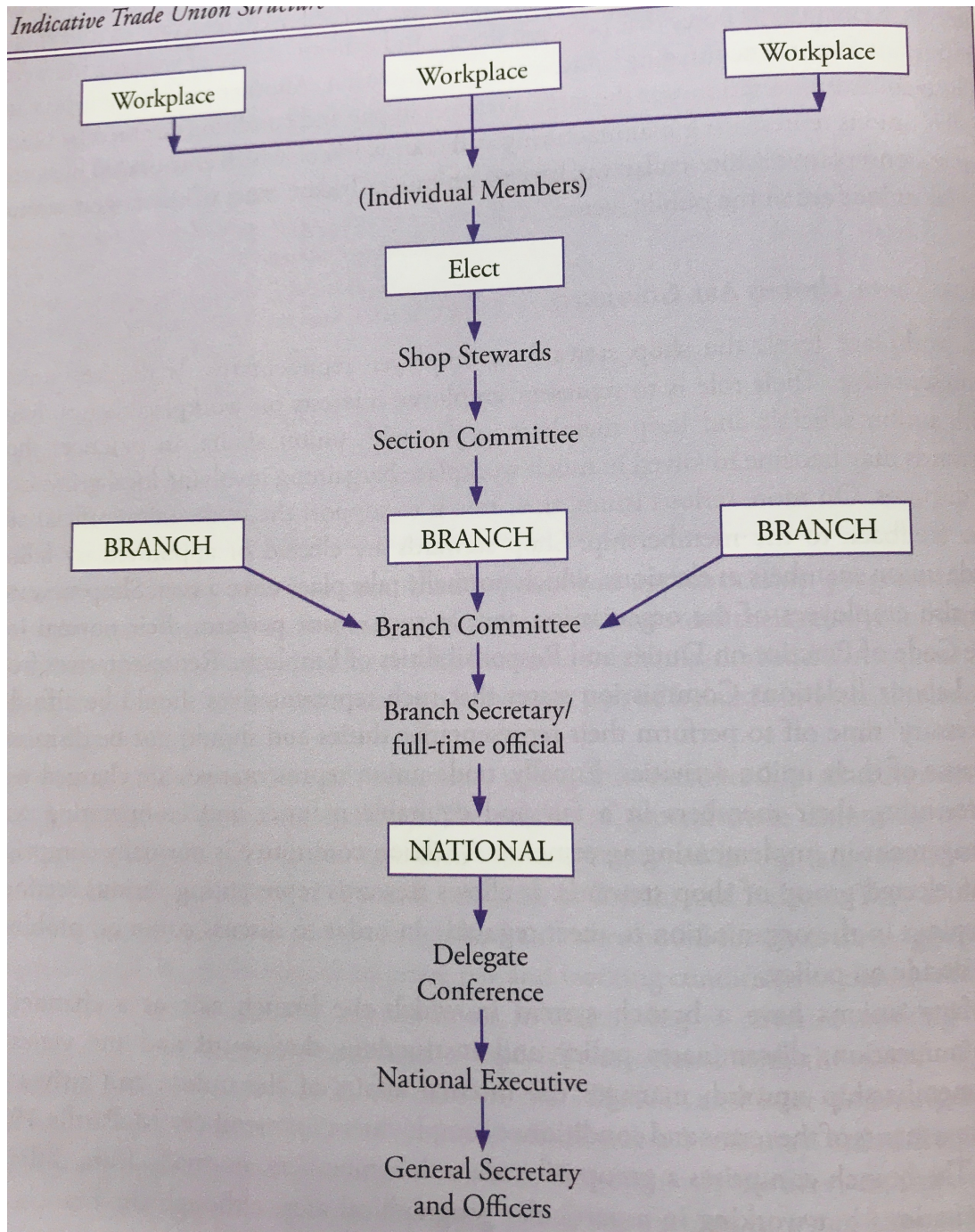
# Types of Trade Unions

- Trade unions in Ireland have generally been grouped into three broad categories.
  - 1) Craft Unions
  - 2) General Workers Unions
  - 3) White Collar Unions



How are trade unions structured and governed?







# ICTU



The Irish Congress of Trade Unions is the central coordinating body for the Irish trade union movement



Its function is to voice the common interests of voice the common interests of unions to the Governments, state bodies, employer organisations and the media.



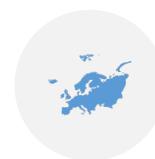
It nominates people to various national institutions and agencies



National Agreements / Social Partnership



Disputes between unions



European and International Activity



Education etc.



All out pickets

# Decision making power

- Delegate conference – Both trade unions and trade councils send delegates to these conferences based on membership size.
- Executive Council is elected at conference



Why do people join unions?

Why do people not join unions?



## Table 3.8

### *Who Are More Likely to Be Union Members in Ireland?*

- Employees aged 45–59
- Employees in the Midlands area
- Irish nationals
- Married people
- Employees in professional and associate professional jobs
- Those with third-level education

Source: CSO (2010)



# Percentage of SIPTU members who are “young”

- Under 35 – 41%
- Under 30 – 25.28%





**Table 3.9***Union Density in Selected OECD Countries, 1980 and 2009*

	1980 (%)	2009 (%)
Australia	48.5	19.0
Austria	56.7	28.6
Belgium	54.1	52.0
Canada	34.0	27.3
Denmark	78.6	68.8
Finland	69.4	69.2
France	18.3	7.6*
Germany	34.9	18.8
Iceland	66.2	79.4*
Ireland	54.3	33.7
Italy	49.6	34.7
Japan	31.1	18.5
Luxembourg	50.8	37.3*
Netherlands	34.8	19.4
Norway	58.3	54.4
Portugal	54.8	20.1
Sweden	78.0	68.4
Switzerland	27.7	17.8
United Kingdom	49.7	27.2
United States	22.1	11.8

\*2008 figures

Source: For comparability purposes, the following dataset is used: [http://stats.oecd.org/Index.aspx?DataSetCode=UN\\_DEN#](http://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN#).For an explanation of sources, see [http://www.oecd.org/els/employmentpoliciesanddata/Trade%20union%20density\\_Sources%20and%20methodology.pdf](http://www.oecd.org/els/employmentpoliciesanddata/Trade%20union%20density_Sources%20and%20methodology.pdf).

**Table 3.10***Collective Bargaining Coverage in Selected OECD Countries, 2008*

High CB Coverage (%)		Low-Medium CB Coverage (%)	
Austria	99***	Switzerland	48
Belgium	96	Portugal	45**
Sweden	91	Ireland	44
Finland	90*	Australia	40
France	90	United Kingdom	32.7**
Iceland	88	Canada	31.6**
Netherlands	82.3	Japan	16
Italy	80**	United States	13.1***
Denmark	80*		
Norway	74		
Germany	62**		
Luxembourg	58		

\*2007 \*\*2009 \*\*\*2010

Source: ICTWSS (Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts)



# Employer Bodies

- ‘major impetus for the growth of employer organisations was undoubtedly the perceived need to counter growing union power.’
- Other reasons for growth of employer associations:
  - Prevent harmful economic competition with each other (pay and work conditions)
  - Increased complexity of collective bargaining
  - Growth of legislation.



# Employer Objectives in IR

- Organising the factors of production
  - Including labour
- Preservation and consolidation of the private-enterprise system
  - Satisfactory returns for the owners
- Effective utilisation of human resources
  - Maintenance of control and authority in decision making
  - Good employer–employee relations.





# Employer Associations in Ireland

- Two categories
  - Trade associations and employer associations
- Employer Associations
  - Must hold a negotiating licence
    - Trade Union Act 1941
- In effect
  - Trade unions of employers (same legal definition)
- Major employer force
  - Irish Business & Employer's Confederation (IBEC).





# IBEC

- Largest employer association in Ireland
  - Formed 1 January 1993
- Represents business and employers
  - In Industrial Relations
  - Labour and social affairs
- Advisory and consultation services
  - On a regional basis.



# IBEC

- Represents member firms at
  - Mediation, conciliation and arbitration hearings
- Small Firms Association
  - Independent association within IBEC that supports small businesses.



# Other Associations

- Construction Industry Federation
  - Second largest employer association in Ireland
  - Industry-based dealing with both trade/commercial and IR matters
- Irish Small & Medium Enterprises Association (ISME)
  - Represents commercial small and medium-sized organisations
  - Represents interests of members to government and other major organisations impacting on competitive business.



# Objectives of Employer Associations

- Political
  - Effectively represent employer views to government, general public and other bodies
    - Preserve and develop a political, economic and social climate within which business objectives can be achieved.
- Economic
  - Create an economic environment that supports the free-enterprise system
    - Ensures that managerial prerogative in decision making is protected.



# Objectives of Employer Associations (contd)

- Social
  - Ensure any social or legal changes best represent the interests of affiliated employers.
- Industrial Relations
  - Ensure a legislative and procedural environment that supports free collective bargaining,
    - To coordinate employer views and approaches on IR matters and provide assistance to affiliated employers,



# Advantages and Disadvantages

- *Advantages*

- Collective approaches and uniform policy
- Advice on trade union matters
- Technical advice and info
- Skilled negotiators
- Expert advisory and consultancy services.

- *Disadvantages*

- Cost of membership
- Loss of autonomy
- Loss of flexibility
- Comparisons with other firms
- Greater acceptance of role for trade unions
- Greater formalisation in industrial relations.





# Further Advantages

- Standardised pay and employment conditions
- On par with regional / industry norms
- Assistance in industrial relations difficulties
- Influence on government / national affairs.



# Governing Structure

- Governing structures
  - Three to four levels:
    - Assembly or general meetings
    - General or executive council
    - Executive board or management committee
    - Presiding officer (president) / general secretary / chairman.



# Approaches to IR

- Membership
  - of Employer Associations
    - Useful indicator of preferred management approaches to IR
- Traditionally
  - Associated with pluralist industrial relations model.



# Employer Association Services

- Research and Advisory
- Advisory and consultancy services
  - Legal, pay and specialist consultancy
- Representation
  - May directly assist members by acting on their behalf in IR negotiations
    - Can be at workplace level or be national-level bargaining.



# Employer Association Services (contd)

- Provide
  - Training and development programmes for their membership
- Collective Bargaining
  - Major role in the conduct of multi-employer bargaining
    - At industry or national level
- Play a pivotal role
  - In representing employer opinion to the other social partners.





Recap



