INDUSTRIAL & ECONOMIC SOCIOLOGY
HONOURS

2019: SECOND TERM

INDUSTRIAL RELATIONS

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Welcome to the industrial relations honours course. This course involves an advanced study of key themes in contemporary industrial relations research and practice. At the core of industrial relations is the primary economic relationship in society: the buying and selling of labour power. The focus of industrial relations is on the organisation and reproduction of this relationship between employees and employers. In other words, scholars of industrial relations study the ways in which the employment relationship is regulated. This means that the fundamental object of inquiry which defines the field of industrial relations is not trade unions, management, or strikes, but rather the underlying employment relationship that engenders these phenomena. In its most basic form, every employment relationship is an economic exchange (an agreement to exchange wages for work) and a power relation (the employee ‘agrees’ to submit to the authority of the employer).

Since the employment relationship under capitalism is characterised by a structured antagonism between employers and employees, it is necessary for the parties to exercise control over it. This control is problematic and finds expression in a complex network of regulatory mechanisms through which the parties to the employment relationship seek to exercise their strategic choices and achieve their goals. Unlike other factors of production, the employer cannot precisely specify the quantity and quality of tasks to be performed by an employee in advance. This indeterminacy of the employment contract is a product of the distinction between ‘labour power’ (a capacity) and ‘labour’ (a process). What an employer purchases on the labour market is labour power, not a predetermined amount of work. Consequently, managers need to convert the employee’s ability to work into actual productive labour. Since employees are likely to resist management’s impositions, the conversion of labour power into productive labour is a contested and contingent process. For efficient and continuous production to be possible, in other words, the employment relationship has to be socially regulated and institutionally mediated. Systems of labour regulation tend to endure insofar as they find a sustainable compromise between two conflicting demands: transforming industrial relations to enhance competitiveness (considerations of efficiency) and avoiding the excesses that stem from unconstrained competition (considerations of equity).

The course will run in the second term with the usual format being two weekly seminars. To facilitate informative discussion and a comprehensive examination of the topics, students must prepare for all sessions. Attendance at seminars is compulsory. If a student is unable to attend a seminar, he or she
must submit a leave of absence (LoA) form to the departmental administrator. A failure to abide by these requirements will place your duly performed (DP) certificate in jeopardy.

There are no prescribed textbooks for this course. The essential and recommended readings for each seminar are listed below. As post-graduate students, you are strongly advised to read as widely as possible on the topics below. The readings listed in this handout are a guide to stimulate independent research and learning. You are encouraged to consult additional material in the library and to explore both the print and electronic media.

You are required to complete an essay assignment for each seminar. Assignments should be typed in 1.5 spacing and must be no less than 3,800 and no more than 4,000 words in length (excluding the title page and bibliography). These essays will account for 40% of the course mark, with a four-hour examination in June constituting the remainder of the mark (60%) for this course.

*Please consult Handout 1 for an outline of the University’s policy on plagiarism, guidelines on the formatting and writing of assignments, the departmental rules regarding citations and referencing, and the criteria for assessing written work. A copy of the Assignment Cover Sheet, which must accompany all assignments submitted to the Department, is also available in Handout 1.*

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**WEEK ONE: THEORIES IN INDUSTRIAL RELATIONS**

Since industrial relations is a field of study, which comprises some distinctive insights that are more than the sum total of contributions from individual disciplines, it follows that the focus should be on theories *in* industrial relations rather than theories *of* industrial relations. The various theories in industrial relations are all inescapably rooted in a particular conception of the organisational context in which the employment relationship is embedded. There are three broad approaches to organisations: unitarist, pluralist, and radical. Unitarism finds theoretical support within Parsonian sociology and through economic theories that advocate utility as the source of value. Pluralism finds theoretical justification in the sociological work of Durkheim and in theories that derive value in economic activity from the factors of production. The class conflict approach draws on the Marxist tradition, which views value as the product of human labour. Much of the academic debate on these approaches treated them as mutually exclusive and incommensurable. Each approach also bears the mark of its origins: unitarism in human relations traditions, pluralism in organised collective bargaining, and radicalism in
workplace discontent that seemingly evades all attempts at institutionalisation.

The ‘mainstream’ literature on industrial relations is divided between: (a) 
*systems-orientated* approaches, which prioritise information about patterns 
and focus on form and universality; and (b) *action-orientated* approaches, 
which prioritise information about processes and focus on content and 
variability. Although radical industrial relations scholars have offered a 
trenchant critique of liberal pluralist conceptions of the organisation that 
inform both systems approaches (concerned with the objective institutions of 
‘job regulation’) and action approaches (concerned with the subjective 
‘negotiation of order’), they have dominated theory construction in industrial 
relations. While important conceptual innovations arose from this research, 
the literature is largely characterised by fact-finding and description rather 
than theoretical development and explanation. Increasingly, however, 
 scholars of industrial relations share a common objective: to recast the subject 
as a broad field of study, open to diverse influences, and committed to theory 
building as well as problem solving.

Seminar 1: Outline the ways in which unitarist, pluralist, 
and radical approaches conceptualise the employment 
relationship. In your answer, indicate which approach 
you find most persuasive and why

Essential Readings

187–199.

Ackers, P. (2002). Reframing employment relations: The case for neo-

Budd, J. & Bhave, D. (2008). Values, ideologies, and frames of reference in 
employment relations. In: P. Blyton, N. Bacon, J. Fiorito & E. Heery (eds.) 
*Sage handbook of industrial relations*, pp. 92–113. London: SAGE 
Publications.


Heery, E. (2016). *Framing work: Unitary, pluralist, and critical perspectives in 
the twenty-first century*. Oxford: Oxford University Press. [Chapters 2–4]

Hyman, R. (1989). *The political economy of industrial relations*. Basingstoke: 
Macmillan. [Chapter 3]

**Recommended Readings**


Although its roots can be found in the human relations approach of 1950s and 1960s, human resource management (HRM) became increasingly popular in management circles from the 1980s onwards. HRM shares several features with the human relations approach: a concern for the internal dynamics of the workgroup, a desire to create social cohesion and value consensus through corporate culture, an attempt to integrate personnel issues within the overall business strategy, and an effort to generate higher levels of employee ‘commitment’ and ‘involvement’. The importance of HRM to industrial relations lies in its association with a strategic, integrated, and highly distinctive approach to the management of people. It is closely tied to managerial interests and has strong unitarist overtones in its approach to employees as a collective. John Storey suggests that human resource management actively avoids the joint regulation approach, places emphasis on utilising labour to its full capacity, and is therefore about exploiting the labour resource more fully.

Several attempts have been made to distinguish HRM from personnel management and industrial relations. Paul Edwards suggests that several possible relations between HRM and industrial relations may be identified: (a) HRM and industrial relations can be regarded as co-equal, with industrial relations handling collective bargaining and human resource management dealing with personnel administration; (b) HRM can be regarded as the generic term, with industrial relations being a subordinate and possibly waning subset; (c) HRM can challenge industrial relations by claiming to be more proactive and even strategic; and (d) industrial relations can retain analytical dominance, with HRM being regarded as one particular technique to manage the inherent contradictions of the employment relationship.

The field of industrial relations research has expanded considerably in the last 30 years. The development of HRM has encouraged researchers to study the role of management in industrial relations much more closely. However, there is still much scope for expanding the analysis. If we are to understand management and managerial decision-making, we need to look much wider and deeper than most HRM scholarship has done and acknowledge that the
management of human resources is one aspect in a complex network of managerial decision-making and workplace contestation.

Seminar 2: Has human resource management displaced industrial relations as an explanatory and practical framework? Use examples from South Africa to support your argument.

Essential Readings


Recommended Readings


The bargaining structure of a country is central to the way in which its economy is managed and its labour markets function. While collective bargaining has certainly improved the lot of the lowest paid in some sectors of the South African economy, it is not clear whether these gains were made at the expense of profits rather than other workers. Preventing a decline in the percentage of national income that accrues to labour depends as much on collective bargaining (in the narrow sense) as it does on broader processes of ‘political exchange’. Collective bargaining is therefore not only a market mechanism shaping the sale of labour, but also a political mechanism to regulate the power relations between management and unions. It is in the latter sense that Allan Flanders described collective bargaining as a form of ‘industrial government’. However, the efficacy of collective bargaining is dependent not only on the strategic choices made by trade unions and employers, but also on (among others) the statutory rights of workers as well as the embedded informal norms, conventions, and expectations that are (re)produced through daily struggles in the workplace. In short, politics is central to any discussion of bargaining structure.

Collective bargaining is, by definition, a collective act by workers. It does not require collective action on the part of employers. Trade unions can enter into bargaining relationships with individual employers as well as employers’ organisations. Multi-employer bargaining can be national or regional and/or single-industry or multi-industry in scope depending on the organisational structure and resources of employers’ organisations. Single-employer bargaining can be either workplace bargaining or conglomerate-level bargaining. Besides the various levels at which negotiations can take place, collective bargaining also varies in terms of its coverage, range, process, extent of trade union influence, autonomy and responsibilities of the parties, and the form of collective agreements. There is thus considerable scope for variation in bargaining structures. Nevertheless, national bargaining structures tend to reflect the power of trade unions in the labour market as well as the socio-economic and political history of the country.
Seminar 3: Outline the key statutory, institutional, and strategic features of collective bargaining in post-apartheid South Africa

Essential Readings


Recommended Readings


The role of employees in organisational decision-making processes is a highly complex and contested matter that has sparked intense debates over (among others) the particular institutional forms through which employees could or should exercise their influence in the workplace as well as the limits and possibilities of worker participation under capitalism. Notions of ‘industrial democracy’, ‘co-determination’, employee ‘participation’, and employee ‘involvement’ represent descending levels of control by employees over their work and organisations. Marked variations in employee participation are possible in the extent or depth of employee participation, the range or scope of decisions subject to participation, the form that participation structures may assume, the persons that are party to participatory arrangements, the organisational levels at which participation occurs, and the purpose and outcomes of participatory actions.

In addition, the impetus for greater employee influence over decision-making processes varies considerably. It may stem from demands by employees and their unions for an increased say in the running of the organisation as well as a realisation by management that technological and economic changes could be accommodated more effectively with the active participation of employees. Governments may compel management to open certain decision-making processes to employee influence in an attempt to extend democracy from the political sphere to the economic realm. Finally, participatory structures and practices do not only evolve in an uneven manner, but also seem to follow a distinctly cyclical pattern. Interest in employee participation has waxed and waned depending on factors such as managerial commitment, trade union organisation, and product market conditions.

In South Africa, there is strong support among organised employees for the idea that their interests should be articulated and defended through a single channel of representation – namely, a trade union engaged in collective bargaining with an employer/s. The proponents of workplace forums, by contrast, argue that the idea of a single channel is no longer realistic or viable. Collective bargaining is not geared towards or designed for managing the complexity of daily production issues. Employee-based forms of representation, it is argued, must complement prevailing union-based forms in a dual system of representation. The adversarial character of collective bargaining imposes a high social cost and is inappropriate in an increasingly competitive and ‘globalised’ economy. Moreover, production issues like the restructuring of work are not amenable to autonomous, antagonistic workplace trade unionism. In this view, a second channel of representation (such as a workplace forum) enables employees to achieve a form of collective
voice that allows them to influence the decision-making processes at work, while employers acquire a means of improving the quality of their decisions.

Seminar 4: With reference to workplace forums in post-apartheid South Africa, critically evaluate the limits and possibilities of employee participation under capitalism.

Essential Readings


Recommended Readings


The common law contract of employment is ill-suited to the task of protecting employment rights since it does not recognise the unequal power relations between the parties or the social nature of the employment relationship. Consequently, governments had to take measures to curb the power of employers and to protect employees from excessive exploitation. Over time, therefore, the ability of the parties to conclude an employment contract on their own terms was increasingly constrained by legislation that prescribed minimum conditions. The Basic Conditions of Employment Act (BCEA) of 1997 sets labour standards for all employees in South Africa. The BCEA was part of a broader programme by the Department of Labour to develop legislation with the aims of regulating employment standards and restructuring the South African labour market. To these ends, the BCEA seek to find a ‘balance’ between the need for regulation to protect employees by setting mandatory labour standards versus the need for flexibility to achieve increased efficiency at the workplace and international competitiveness. The conditions regulated by the Act range from maximum hours of work, limits on overtime, the rate of overtime pay, annual leave, sick leave, maternity leave, notice periods, and minimum wages.

The BCEA provides a floor of minimum employment conditions with which all employment contracts must comply. However, in an effort to introduce ‘flexibility’ into the labour market, the Act permits the departure from some basic conditions while prohibiting the dilution of certain core standards of employment. A central purpose of the BCEA is to implement a legislative model of regulated flexibility in the labour market. This is a policy approach that aims to balance the protection of minimum standards and the requirement of labour market flexibility. The latter relates to the capacity of enterprises to adjust their employment practices rapidly to unpredictable shifts in product markets. In other words, it refers to the adaptability of the various aspects of the employment relationship to a changing external environment. The BCEA allows the parties some flexibility by providing a number of methods through which certain basic conditions can be varied. These range from a limited set of conditions that can be varied by individual agreement, a set of conditions that can be varied by collective agreement, and a more extensive set of conditions that can be varied by a bargaining council agreement and by the Minister of Labour through a ministerial determination or a sectoral determination. That is, the BCEA distinguishes between variable and non-variable rights to allow for the variation of certain standards in order to suit the changing requirements of different workplaces.
Seminar 5: Using provisions in the Basic Conditions of Employment Act as examples, explain how ‘regulated flexibility’ is meant to advance economic development and social justice simultaneously.

Essential Readings


Recommended Readings


In market economies, the employment relationship is legally constructed as an asymmetrical social relation in which employees are in a subordinate position to employers. Consequently, ‘behavioural’ problems relating to trust, fairness, and legitimacy are inherent features of the employment relationship. Strike activity is largely a manifestation of these problems, serving as a primary means through which workers are able collectively to voice discontent with the exercise of managerial authority on a specific issue/s. Labour law plays a vital role in this regard by not only granting workers certain rights within the employment relationship, but also limiting these rights in ways that reinforce the asymmetrical nature of this relationship.

While the *structured antagonism* in the employment relationship does not always translate into (overt or covert) industrial action, the right of employees to express discontent collectively through strike action is regarded in most democracies as fundamental to the functioning of collective bargaining. The contradictions inherent in the capitalist employment relationship are usually channelled and (temporarily) resolved through negotiation within the established procedures and structures of collective bargaining. This *institutionalisation* of industrial conflict is always conditional and depends on (among others) an acceptance of the self-limiting boundaries between permissible and subversive acts, a commitment to collective bargaining as the means for distributing economic rewards in a ‘fair’ manner, and a commitment to compromise and to seeking solutions within the confines of the prevailing industrial relations system. Sometimes, however, existing interest-representation and dispute-resolution mechanisms are unable to manage and contain conflict between the parties. Such conflicts are usually symptomatic of a crisis of regulation (rather than a crisis in regulation) and may call into question the underlying values and purposes of an industrial relations system.

**Seminar 6: What is the role of strikes in, and their impact on, industrial relations? Use pertinent examples from South Africa to support your argument.**

**Essential Readings**


**Recommended Readings**


