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# CHAPTER 1

## *Industrial Relations: A Contextual and Theoretical Overview*

### **INTRODUCTION: WHAT DO WE MEAN BY INDUSTRIAL RELATIONS?**

The subject area of industrial relations is one of the most-discussed specialist areas of organisational and national economic management. The public prominence of the topic is primarily attributable to its headline-making capacity when in the throes of industrial action, mass redundancy or wage bargaining activities. These events materialise at plant, industry and national level, commanding extensive media coverage and widespread public interest and concern. However, the subject is frequently shrouded in confusion and anxiety at the expense of insightful analysis – a factor contributing to periodic public pronouncements urging dramatic and often ill-conceived policy changes, e.g. to outlaw strikes.

The primary focus of industrial relations or employee relations is on the employment relationship of around 2 million employees in the Republic of Ireland, working across all employment sectors and entity types. The term ‘industrial relations’ (or ‘labour relations’) has connotations of the traditional unionised blue-collar working environment in the manufacturing sector, while the term ‘employee relations’ conjures up images of the non-union or less unionised white-collar services sector. In recent years, the term ‘employment relations’ – which merges the more individualist ‘employee relations’ with the more collectivist ‘industrial relations’ – has gained currency. This text retains the term ‘industrial relations’, not least because it is the one most commonly used by practitioners, but also because it is used in legislation in Ireland. However, the text covers both the collective and individual aspects of the employment relationship.

The subject itself can be best understood and interpreted in the wider context of the historical, political, social and economic processes that have shaped the regulation of working lives in this jurisdiction. That is, the subject draws upon a range of disciplines to facilitate an understanding of both individual and collective relationships in white- and blue-collar work environments and at plant, national and international levels. The complexity of the subject necessitates consideration of an array of other specialisms in order to accommodate a comprehensive analysis of all issues affecting people at work, e.g. labour law, sociology, political science and labour economics.

Traditionally, the topic has been preoccupied with considerations about trade unions. This emphasis, while understandable, fails to appreciate the importance of contextual matters and contrasting (non-union) perspectives on the same phenomena. Both issues, of the context and perspectives on industrial relations, are addressed in this opening chapter. In so far as is possible, the text also attempts to adopt a factual and unbiased approach to the study of the subject matter. However, the subject’s very nature inevitably means that many aspects of the topic are contentious. Accordingly, an effort is made in

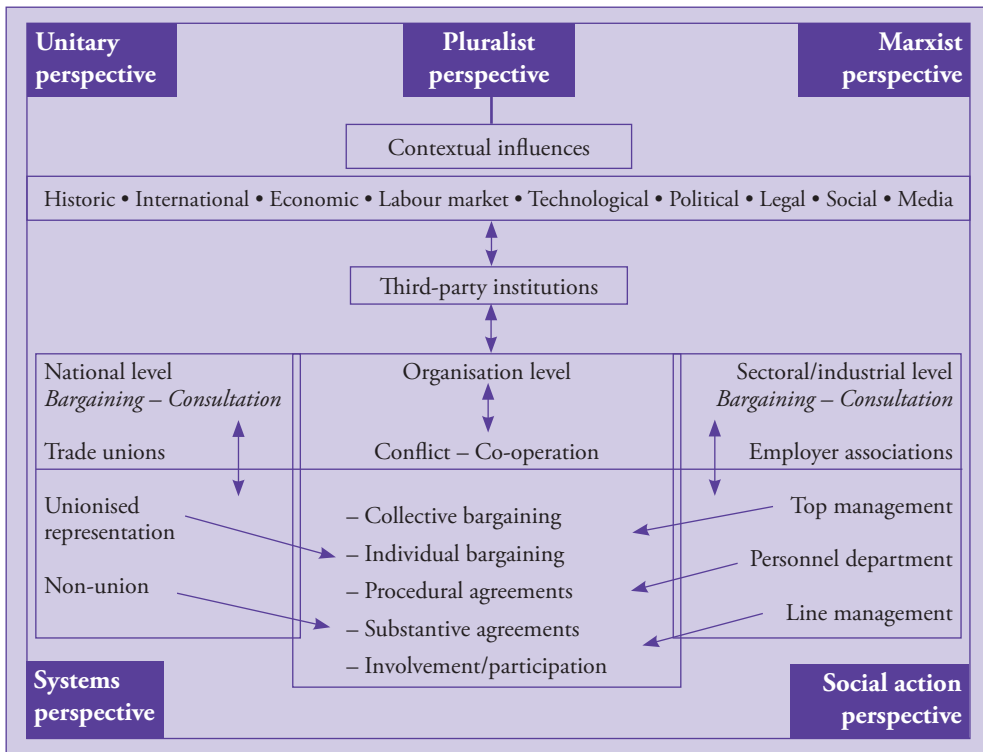
this text to take an independent line, while outlining the central strands of the differing viewpoints that have been expressed on various dimensions of the subject.

A most attractive aspect of the subject is that it allows students to develop their own opinions and to make up their own minds as to the merits of the contrasting perspectives outlined. Of course, opinions need to be informed and this text adopts a *research-based* approach. This is facilitated via a general overview of the more significant contextual, theoretical, institutional, substantive and procedural aspects while reviewing what are generally adjudged in the literature to be the more salient features and trends in industrial relations. This text also addresses 'debatable' dimensions of the subject, including the range of political arguments and the plethora of factual data, which lend themselves on occasion to a number of possible interpretations. The intention is to encourage students to engage in debate and to form their own views on the matters in question. However, it is important that the development of particular viewpoints and perspectives be embedded in an appreciation of the many central features and facts around which the industrial relations system operates. Accordingly, this text endeavours to provide a balanced and comprehensive treatment of the topic without an undue emphasis on any specific area. It is designed to address the key practical and theoretical aspects of the subject. Should students wish to explore particular topics in more detail, an extensive bibliography is provided.

In this chapter, readers are introduced to the topic via a contextual and theoretical overview of the subject. This enables Chapters 2, 3, 4 and 5 to delve further into key features associated with collective labour law (Chapter 2), trade unions (Chapter 3), employer organisations (Chapter 4) and the associated institutional framework (Chapter 5). Chapter 6 outlines the extensive provisions and precedents established under individual employment law. Chapter 7 explores theoretical and practical aspects of workplace procedures. Chapter 8 provides in-depth examination of the management of industrial relations. Chapter 9 provides insight into what is perhaps the most high-profile feature of the system: conflict and industrial action. This enables Chapter 10 to explore the specific area of strikes and the theory and practice of conflict resolution through negotiation is explored in Chapter 11. Employee participation and consultation (including workplace partnership) is covered in Chapter 12, while Chapter 13 examines the evolution and development of collective bargaining in Ireland (including national social partnership and its aftermath).

Figure 1.1 presents a working model or overview of the Irish system of industrial relations. Each component of this model is outlined and critically evaluated at an appropriate point in the text. In this opening chapter the main contrasting theoretical perspectives and contextual factors that determine the shape of the industrial relations system are reviewed. The system itself can be viewed from many perspectives. No single perspective yields a full understanding, but each can add to our insights. The location of five theoretical perspectives on the outer perimeter of Figure 1.1 is designed to convey the potential of each of these theories to provide their own insights. That is, these theoretical perspectives or frames of reference offer contrasting explanations of the same phenomena or features of the industrial relations system. They are also reflected in consequential decisions taken by the key actors therein, e.g. legal changes, union recognition practices, etc.

**Figure 1.1**  
*Model of the Irish System of Industrial Relations*



The prevalence of dual direction arrows depicts the relationship between the various components of the system. This may be reflected in a vast array of exchanges, such as:

- trade union opposition to legal intervention on grounds of history or tradition;
- the reform of third-party dispute-settling agencies due to the nature and volume of (conflict) cases coming before them; or
- the impact of the terms of a collective agreement reached at national, industrial or organisational level by employees and employer(s) (or their representative organisations) on the state of the economy.

### THE CONTEXTUAL SETTING OF INDUSTRIAL RELATIONS

Any initiative designed to analyse and prescribe in the area of Irish industrial relations requires some familiarity with those prominent influences that have helped or forced the system to adopt its present shape and character. Hence, Salamon (2000: 3) defines industrial relations as encompassing 'a set of phenomena, both inside and outside the workplace, concerned with determining and regulating the employment relationship'. The key features of this system can be more gainfully assessed from a knowledge base spanning three centuries that has thrown up a vast range of economic, political and social changes. While there has been a wide array of such interrelated influences, in

this section an attempt is made to accommodate the more salient influences under the interrelated themes of history, economics, the labour market and politics.

### History and Industrial Relations

Historical factors are of particular relevance in developing an understanding of industrial relations in Ireland today. For example, as the Industrial Revolution swept Britain in the eighteenth and nineteenth centuries, with the advent of factory-cum-machine types of production and the further concentration of population in the large industrial cities and towns, trade unions emerged and grew. This was an attempt to redress the perceived imbalance wrought by private enterprise capitalism and the prevalent *laissez-faire* economic orthodoxy. At the time, this orthodoxy or economic system was underpinned by the belief that the market was the only means by which all prices, including wages, profits and economic priorities, should be determined. Therefore, trade unions were identified as a threat to the prevalent economic, social and political order. Sidney and Beatrice Webb (1897: 1) defined a trade union as a 'continuous association of wage earners for the purpose of maintaining and improving the conditions of their working lives'. They identified the earliest such union as an association of London hatters in the reign of Charles II (Boyd 1984). The first Irish trade union to be identified by name was the Regular Carpenters of Dublin, which it is estimated was founded in 1764.

There is also evidence that there were several unions or 'combinations' active in the Cork area in the middle of the eighteenth century. Their activities included organising strikes, picketing, destroying tools, materials and machinery, and ostracising employers who would not give in to their demands. Eventually Parliament declared that anyone in Cork city found guilty of being a member of an unlawful trade union should be 'imprisoned not above six months, whipped in public and released only on giving recognisance of good behaviour for seven years' (Boyd 1972: 14). From 1770 there is an account of two weavers who were found guilty of 'combination' and were whipped through the streets of Dublin from Newgate Prison to College Green. In 1780 the Irish Parliament passed further legislation for the suppression of all trade unions, while members of the Irish clergy had condemned unions as 'iniquitous extortions' (Boyd 1972: 10). Despite the legal and social pressures, unions maintained their influence, as individual employers disregarded the legal scenario and negotiated with them. The state's role at this time was one of facilitating the unfettered operation of the free market and to confront and control any challenge which was considered to be in 'restraint of trade' (e.g. trade unions). Consequently, by the beginning of the nineteenth century a series of statutory and judicial decisions (dating back to 1729) had served to make them illegal under a variety of headings.

The official hostility towards trade unions may be primarily attributed to the aforementioned *laissez-faire* economic 'religion' of the time. This debarred any interference with the laws of supply and demand in the marketplace. However, the minority ruling class also feared the onset of civil disturbance. This had already been witnessed in the Irish rural context, with such secret societies as the Whiteboys and the Ribbonmen, and had been central to the outbreak of the French Revolution of 1789.

The ruling class were also disturbed by the ideas of democracy and republicanism, which subsequently spread throughout Europe, and trade unions were wrongly indentified as a factor in the French Revolution.

Irish craft workers' unions continued to surface, to a large extent as a branch of their unions in the United Kingdom, of which Ireland was a part at that time. According to Ó Gráda (1994), in the earlier part of the nineteenth century most crafts in Irish towns and cities appear to have been highly unionised. In a society plagued by unemployment, destitution and illness, the skilled tradesmen enjoyed a relatively privileged place in society by virtue of their relatively high wages and permanent employment. For the purpose of maintaining that position, they sought to increase the value of their trade by restricting access to it via an apprenticeship system. Such apprenticeships were generally confined to relatives. In addition, the craft unions endeavoured to increase the security of their members by providing mutual unemployment and sick benefits.

Inter-union co-operation in Ireland formally emerged for the first time in the shape of trades councils (i.e. organisations representing trade unionists in individual towns and cities). Such councils were founded in Belfast in 1881 and in Dublin in 1884, and though primarily concerned with the interests of craft workers, their formation was a significant step in the overall development of the Irish trade union movement. With the growing disenchantment of Irish representatives at the lack of priority accorded their business by the British Trade Union Congress, in 1894 the Irish Trade Union Congress (ITUC) was established. By 1900 a total of 60,000 workers were members of the ITUC. However, Boyle (1988: 105) notes that unionisation amongst unskilled workers was extremely limited, estimating that the total membership of Irish labourers' unions did not exceed 4,000 at any one time over the period 1889 to 1906.

Around this time, the first real efforts in Ireland to organise unskilled workers began. Together with the lessons learned from the experiences of their British general worker counterparts from the late 1880s and from their rural countrymen (via the Land League movement), mass organisation, solidarity and organised struggle arrived on the trade union agenda at the behest of unskilled general workers. Unlike the craft unions, the general workers' unions were open to all, charged low subscription rates, provided no mutual benefits, had no control over access to work, were more inclined towards frequent and aggressive industrial action and retained quite explicit and radical political links.

The struggle to extend union membership and recognition beyond the relatively privileged craft workers was a bitter and sometimes bloody affair, on occasion involving the police and army in a series of repressive measures. Major confrontations occurred in Belfast in 1907, Dublin in 1908, Cork in 1909 and Wexford in 1911 (McNamara *et al.* 1994). Directly related to these events was the establishment of the Irish Transport and General Workers' Union (ITGWU) in 1909 by James Larkin. The most renowned confrontation that this union became involved in was the 1913 Dublin Lockout (Nevin 1994; Yeates 2000). This was sparked by the dismissal (lockout) of 200 tramway workers who had refused to leave the union. A bitter five-month conflict ensued between the ITGWU, led by Larkin, and the Dublin Employers' Federation, established by the prominent businessman William Martin Murphy. Within one month of the start of the lockout, over 400 employers and 25,000 workers were in the throes of a violent

confrontation. In the face of police assaults, the workers established a self-defence group called the Irish Citizens' Army. A key tactic of the employer grouping was to effectively starve the strikers and their families into submission – a tactic that was eventually to prove successful. However, it was arguably a Pyrrhic victory. In the strike's immediate aftermath, the union reorganised and eventually grew to become the largest trade union in the country (Larkin 1965). In 1920 the ITGWU recorded a membership of 120,000 (Roche and Larragy 1986), of whom nearly 50,000 were newly recruited farm labourers. Furthermore, affiliation levels to the ITUC jumped from 110,000 in 1914 to 300,000 by 1921.

The Dublin Employers' Federation involved in this dispute had been established in 1911, two years after its Cork counterpart, on which it was modelled. It subsequently played a major role in the founding in 1942 of the Federated Union of Employers (FUE), which later changed its name to the Federation of Irish Employers (FIE). In 1992, it merged with the Confederation of Irish Industry (CII) to become the foremost Irish employers' representative organisation, the Irish Business and Employers Confederation (IBEC).

By the early twentieth century the central objectives of trade unionism had been clearly established. Trade unions aimed to secure recognition, procure collective agreements covering the terms and conditions of employment of their members and influence the state's legislative and policy-making process in such areas as employment conditions, housing, healthcare, social welfare and education. Effectively, the labour movement was accepting the emerging industrial society while exerting effort to mould it to its advantage. This purpose was accompanied by significant changes in the state's attitude towards trade unionism – from one of hostility, intransigence and legal suppression to one of recognition and accommodation, subject to trade unions' acceptance of the main economic, political and social structures of society. Therefore, between 1871 and 1906 the British Parliament passed a series of key enactments, serving to grant legality to trade unions, protect union funds from court action, recognise collective bargaining and legalise peaceful picketing.

### **Economics and Industrial Relations**

The policies and practices adopted by Irish trade unions over the years have been characterised by constant adaptations to the realities of political and economic life. Changes in these spheres have primarily prompted a reactive and pragmatic response, as the trade union movement adjusts its priorities, postures and principles in what is perceived to be in the best interests of its membership and potential membership (the unemployed) at the time. These are primarily pursued through ICTU's influence on government policies, such as job creation, pay determination and labour law. While individual trade unions may participate in this process (either through ICTU or in an independent capacity), their primary preoccupation is to protect and improve the pay and conditions of their membership at plant, industry and national levels. Because of this, some authorities have ascribed the rampant inflation of the 1960s and 1970s, together with subsequent unemployment levels and the demise of the Celtic Tiger

economy, to the unreasonable pay demands and labour market rigidities respectively sought, secured and imposed by trade unions.

The relatively slow growth of Irish trade unionism in the nineteenth and earlier part of the twentieth centuries may be attributed to the relatively belated arrival of the Industrial Revolution to Ireland. The absence of high-grade coal and iron ore, at least in comparison with Britain, was a contributory factor in this tardy development. However, one cannot disregard the historical determinants, such as the colonisation of Ireland by England, which proceeded from the middle of the sixteenth century onwards and undoubtedly prevented the growth of industry well before the Industrial Revolution. Such restrictions, which included a spell of tariff impositions and export constraints, prevailed up until 1922, since Ireland was perceived as not just a political but also an economic threat to Britain. Consequently, throughout the nineteenth and early twentieth centuries Ireland remained primarily an agricultural economy. In fact, the Cumann na nGaedheal government of 1922 had no industrial policy, believing agriculture to be the mainstay of the economy. Half the workforce was in agriculture, food and drink made up most exports and there was a huge market 'next door' in Britain. The belated transition to a modern industrial economy was a hesitant and slow process.

Between 1914 and 1920 trade union membership increased from 110,000 to 250,000 (Roche and Larragy 1989), but it declined again with the depression in agriculture and trade during the 1920s. Enjoying the aforementioned legal tolerance secured by their British counterparts (which had been incorporated into the new state's legislature), trade unions surfaced hesitantly, addressing themselves to issues of growth, consolidation and adaptation to the prevalent and primarily hostile economic order. Indeed, such was the stagnant nature of society and the related lack of vision amongst the nation's leadership that considerable trade union energy was devoted to the establishment and maintenance of wage differentials, rather than the attainment of any wider economic and social goals. It could be said that a status, rather than a class, consciousness prevailed.

Throughout the 1930s significant moves towards economic development were made inside protectionist economic policies. These were designed to promote greater national economic self-sufficiency and proved effective in securing the development of new industries and the expansion of older ones. However, the onset of World War II and the consequent material supplies shortage contributed to a decline of over a quarter of industrial output during this period. In fact, as late as 1946 agriculture accounted for 47 per cent of total employment, services for 36 per cent and industry for just 17 per cent. Even that 17 per cent was predominantly characterised by small establishments, so that by 1958 only forty concerns outside the public service employed more than 500 workers (Lee 1980). Over the period 1945 to 1950 a short post-war recovery was experienced, which was accompanied by an increase of about 70 per cent in both strike frequency and union membership levels.

The recovery of the late 1940s concealed the limitations of the protectionist strategy. In contrast with the rest of Europe, the 1950s proved to be a miserable decade for Irish society. Economic performance was disappointing – marked by emigration, unemployment, balance of payments difficulties and virtual stagnation – with an actual decline in national output in the last half of the decade. In O'Hagan's assessment

(1987), there was a lack of quality economic policy-making and effective leadership in both government and civil service at this time. While the level of trade union membership increased by over 7 per cent during the 1950s (as it benefited from state intervention in the economy), the level of strike frequency dropped significantly from its post-war heights, as trade unions resigned themselves to the economy's stagnation or lack of growth. The fact that by 1960 there were 123 operating trade unions – of which 84 had an enrolled membership of less than 1,000 – offers some insight into the priority accorded status or relativity factors by the Irish worker, in preference to class consciousness or solidarity considerations (Lee 1980).

In the late 1950s Ireland entered a period of sustained economic growth arising from the adoption of a new development strategy. Economic isolationism and aspirations for self-sufficiency were abandoned in favour of free trade as 'Ireland opened a wider window on the world' (MacSharry and White 2000: 357). This was despite the continued prevalence of obsolete management techniques and primitive employer–worker relationships. The 1960s and early 1970s were periods of sustained and unprecedented improvements in living standards and considerable economic growth. There was an emphasis on attracting direct foreign investment through generous incentives. Commenting on the changing social climate of the 1960s, McCarthy (1973) suggested that it was 'a decade of upheaval' or period of national adolescence, with the old authoritarian societal structures facing unprecedented challenges. The demise of 'the deferential worker' transpired, as previously accepted values, attitudes and institutions came under challenge. The expansion of educational opportunities and media influences increased awareness of the outside world and facilitated a greater preparedness to question previously sacrosanct practices and institutions. Allied to this awakening was an opening up of educational and social possibilities that were previously denied or non-existent.

Consequent to this economic development – with 1,000 foreign operations comprising a labour force of 87,600 established in Ireland – trade union membership levels rose by nearly 50 per cent between the mid-1960s and the late 1970s, while strike frequency levels escalated significantly between 1960 and the mid-1970s. The barriers of pay relativity which had been established were now being reinforced, as both white- and blue-collar workers engaged in some of the most notorious industrial actions in Irish industrial relations history as they clamoured to preserve their differentials and position on the social ladder (McCarthy 1973; McCarthy *et al.* 1975).

Over the 1960s and 1970s, following in the path of its main trading partners, the Irish government opted to relegate the laissez-faire approach to economic affairs and adopt a Keynesian approach to economic growth management and planning. This involved successive governments stimulating demand through budgetary deficits and increased expenditure. These yielded higher levels of economic activity and reduced levels of unemployment. However, this route to the idyllic economy brought with it a new set of ills. Chief amongst these was the spiralling level of inflation, which the social partners (government, employers and trade unions) attempted to halt via a series of national-level pay agreements commencing in 1970. In addition, the surge in economic confidence brought with it a drift of power to the workplace, with shop stewards (workplace representatives) dominating the collective bargaining scene at plant level. An



upsurge in unofficial strike action (action without official trade union authorisation) also materialised, as workers seized upon the boom climate created by economic expansion.

By the 1980s two problems of significance had materialised. First, the accumulated foreign debt had grown (from £126 million in 1972 to £7,900 million by 1985), bringing with it an increase of over £730 million in annual debt interest payments. Second, unemployment levels had escalated from about 6 per cent to 17 per cent over the period 1971 to 1986 – with worse to follow. In brief, the Irish economy was under severe pressure from an explosive national debt, oppressive taxation, high emigration and rising unemployment. There was a concern amongst Ireland's political and banking community at this time that the International Monetary Fund (IMF) would step in to impose the economic stringency that the politicians had failed to apply (MacSharry and White 2000). Once again, following on international trends, the government opted for 'fiscal rectitude' through monetarist policies, primarily designed to tackle the balance of payments deficit and the attainment of international competitiveness. The policies of particular relevance in the industrial relations context included moderate pay rises and reduced government spending – with consequences for welfare benefit levels, government subsidisation of Irish industry and public sector employment. In effect, this constituted a neo-laissez-faire economic route, involving reduced state intervention with the economy left largely to the devices of the marketplace.

The advent of this 'new realism' in the 1980s and early 1990s was accompanied by reduced trade union bargaining power. This was expressed in falling unionisation levels, spiralling unemployment, a greater prevalence of non-union employments and an upsurge in managerial confidence, together with instances of 'macho management' practices. As the international recession heightened in the early 1990s, a persistent balance of payments problem, increased unemployment and rising interest rates all combined to create real constraints and tensions. A consequence of this downturn was the intensification of divisions within society, as unemployment spiralled and welfare benefits and services declined. Nevertheless, the various indices used to measure industrial action or strike levels reveal a general downward trend, accompanied by a decline in trade union density (the percentage of employees who are union members). Reflecting on the social and political impact of the crisis of liberal capitalism, Bew *et al.* (1989) noted the relative lack of class conflict, radical politics, industrial militancy or any fundamental change in the nature of Irish society. Ireland remained a conservative society, imbued with the values of Catholicism, nationalism and ruralism, although apparently less stridently so than in earlier periods.

By the mid-1990s the 'Celtic Tiger' had arrived, bringing with it a new economic confidence and aura. This was reflected in such factors as the fastest growth rates in the European Union (EU), the healthiest exchequer returns ever, a large balance of payments and current budget surplus, low mortgage interest rates, declining unemployment, booming profits and incomes and the lowest crime rate for nearly twenty years. Inflation was below the EU average from 1987 to 1997, although thereafter it drifted above that level. No economic model had predicted such a reversal of fortune. According to O'Donnell and O'Reardon (1996), the much needed recovery from the disastrous early and mid-1980s was largely attributable to the social partnership deals. A relevant

feature of the first social partnership agreement was the wage restraint (and industrial peace) which unions traded in return for an input to the wider economic and social agenda. According to Roche (2007a), the main thrusts of successive social partnership agreements since 1987 have been the promotion of economic recovery, the maintenance of national competitiveness, adjusting to European economic integration and monetary union and the promotion of improvements in wages, living standards and social services at levels consistent with economic and political imperatives.

The period of the Celtic Tiger was not a homogenous one. Commentators have generally distinguished between the period up to 2000 and the period thereafter. Up to 2000 the economic growth was based on a sound economy characterised by increased competitiveness; thereafter it was based on a property bubble and ever-increasing public spending. By 2007 the housing market had entered into decline, leaving the banking system in a perilous state. By September 2008 the government felt forced to intervene in order to save the banks, and the controversial bank guarantee was introduced.

There was a dramatic turnaround in 2008 and the economy officially entered into recession in the first half of the year. By the third quarter of 2010 the economy was contracting. Associated with this contraction, consumption and investment levels declined, reflecting continued weakness in the demand for housing and domestic services. Banking bailouts and budgetary cutbacks adversely affected consumer confidence and unemployment rose to 14.7 per cent by the end of 2010. In response to these deleterious indicators, the government initiated public sector pay and pension reforms over the period 2009 to 2010, entering into the Croke Park Agreement 2010–2014 with public sector unions. This agreement served to secure co-operation for these (and related work practice) reforms in exchange for a commitment to no redundancies or further pay cuts. Consequent to the recession, employers' industrial relations focus turned to finding ways of controlling and reducing pay and headcounts (McMahon 2011). A feature of this trend is the sense among trade union officials that their role is to 'rubber stamp' decisions already made by employers, while employees remain largely compliant and fearful for their livelihoods:

The current recession has led to the collapse of the formal national social partnership arrangements ushered in during the previous recession ... The 'Croke Park' agreement ... and the joint accord between IBEC on public policy priorities and private sector pay reflect the legacy of social partnership and its continuing informal or depleted influence on employment relations in Ireland. (Roche *et al.* 2011: 245)

In the context of the economic framework, developments in the labour market exert a significant influence on industrial relations and human resource management policies and practices. Many of the key influences on such policies and practices are summarised in Table 1.1.

**Table 1.1***Key Changes in the Irish Labour Market 1922–2011*

- After a lethargic forty-year period subsequent to the foundation of the state (characterised by a predominantly agricultural economy with high emigration rates) pursuant to modest industrial development in the 1960s, in the following decade a boom in the economy transpired, facilitating high levels of employment. In the 1980s a contraction in the domestic economy led to an employment crisis. In the 1990s employment improved in the export and international services sector but unemployment rates remained persistently high. In the 2000s a construction boom occurred in the domestic economy, facilitating full employment. In the period 2008 to 2011 a contraction of the domestic economy led to an employment crisis, although the export economy remained relatively stable throughout the boom–bust period.
- Up to 2008 the size of the (better educated, more skilled) labour force had been constantly increasing over a period of forty years. Reflecting the change in Ireland's economic fortunes over the period 1971 to 2008, there was an increase of nearly 90 per cent in the size of the labour force. By 2011, out of a population of almost 4.5 million, 1.8 million were in the labour force, of whom 86 per cent were employed. This is attributable to a combination of the underlying growth in the population aged fifteen years and over, increased female participation rates and immigration. The level of female participation in the labour force escalated from 28 per cent in 1971 to approximately 52 per cent by 2011. This increased participation level is particularly evident in retail distribution, insurance, financial/business, professional and personal services. Reflecting the sizeable immigration trend is the fact that it more than doubled from 21,000 in 2004 (when EU enlargement took place) to 48,000 in 2007 (CSO 2011). However, consequent to the aforementioned recession, emigration increased sharply over the period 2010 to 2011, and was estimated to have reached 76,400 in the year to April 2011.
- A salient feature of the changing composition of the labour force has been the substantial shift in employment levels from the agricultural to the services sector. The period since 1926 has witnessed major changes in the relative employment shares of the three broad sectors of economic activity: agriculture, industry and services. The diminishing importance of agriculture is clearly evident, as is the growth of the services sector since 1971. The composition of industrial types of employment has altered significantly, with contractions in many of the older, labour-intensive, indigenous sub-sectors (e.g. textiles, clothing and footwear) and expansions in technology-related, export-oriented and foreign-owned employments. A notable characteristic of the changing sectoral composition of the labour force is the decline in male manual jobs in the manufacturing sector, alongside a sizeable increase in the number of (predominantly female) part-time jobs, posing practical problems for trade union organisers. Alongside increased immigration levels, these changes also have implications for a host of areas related to industrial relations and human resource management (HRM). These include labour market segmentation, 'atypical' work patterns, trade union recognition, working methods, job content, wage differentials, skill protection practices, the incidence and extent of low pay, job security, downsizing, subcontracting, outsourcing, job displacement, 'race to the bottom', the management of diversity, equal opportunities, decreased union density and collective bargaining strength, and the protection of collectively agreed pay and employment standards (above legally fixed minima) and initiatives in respect of (and arising from) protective labour laws.

- Technological advances generally accompany (if not prompt) major waves of economic and social change, e.g. the Industrial Revolution. New technologies energising post-industrial societies are rooted in information technology (IT). The IT revolution is not confined to the economic sphere of production: it is changing the social, cultural and political arenas of society at an accelerating rate. The technological impact on matters such as the size, spread, location and duration of employment is sizeable (e.g. the electronics/information technology revolution). The quickening pace of technological change has a dramatic impact on the structure and nature of the labour market and numerous job types therein. A notable impact of this trend is the aforementioned move away from manual work together with the ease of workplace relocation. Technology also affects cost structure and consequently impacts on key aspects of industrial relations, e.g. job security, deskilling, demarcation lines, reward systems and relative bargaining power positions.

*Source:* Ahearn (2010) and [www.cso.ie](http://www.cso.ie)

### Politics in Industrial Relations

The role of the state in the industrial relations arena has been most significant over the past century. This has seen it adjust from the casting of trade unions as illegal entities to an accommodation in a social partnership or neo-corporatist model (see Chapter 13) with union involvement in the national-level decision-making processes covering the whole gamut of economic and social affairs. Although the state aspires to the role of independent referee and regulator of labour relations matters, as it addresses the worst excesses of liberal capitalism, it would be inappropriate to evaluate its role as only that of an impartial facilitator. In any democratic society, the state reflects the differences in power between capital and labour and endeavours to side with whomever yields the greatest political influence. In effect then, through their various powers and agencies, successive Irish governments have upheld the established norms, values and culture of liberal capitalism. Over time, the state has tended to refine the extremes of laissez-faire ideology and concede some trade union demands, so long as they are peacefully presented and pursued, constitutional and maintain due deference to property rights and industrial capitalism.

The Irish Free State inherited the legislative framework laid down in UK statutes from 1871 to 1906 and these continued to apply so long as they were in accordance with the 1922 (and later the 1937) Constitution. However, the first Free State government displayed some disdain for entitlements granted by their British predecessors, as it proceeded to alienate many working-class voters and rejected the application of Whitley procedures to Ireland (the provision of arbitration machinery for the civil service).

In line with the eventual adherence to an 'auxiliary' or accommodative strategy, the state largely supported the voluntarist principle in labour relations by mainly confining legal interference to the provision of mediation services. Such a strategy, while successfully isolating trade union militancy and dampening popular support for the route to revolutionary socialism, forced the trade union movement to (generally) separate and seek its ideologically driven aspirations through a political wing, e.g. via the Labour Party or tripartite/corporatist structures such as the 'social partnership' agreements.

The Irish Labour Party was established in 1912 at the initiative of James Connolly and James Larkin at the Trade Union Congress. However, between preoccupations with the burning 'national' question (which has consumed the overwhelming majority of political thought and action over many centuries) and a negligible industrial base (at least until the 1960s), the scope for the development of strong working-class communities and culture was severely restricted. Of some further relevance to the relatively modest influence of the Labour Party is the fact that, together with the ITUC, it decided not to contest the 1918 General Election. According to Kavanagh (1987), this policy of abstention (since the party sidestepped the independence question) removed Labour from centre stage in Irish politics for many years.

In any case, a working class consumed by sacrosanct relativities and occupational status was unlikely to fill the ranks of a vibrant left-wing movement along western European lines. A striking consequence of this void is that there has been little substantial difference in policy stances between successive Irish governments on economic and social issues. Given the ideological similarities across the main political parties and governments, there has been relatively mild opposition to the directions, policies and actions of the governmental process.

The absorption of working-class demands into the existing industrial and political structures has also facilitated the maintenance of widespread support for those parties representing the values and beliefs of liberal capitalism. Indeed, up to the 1970s the state adopted such an 'auxiliary' role as it avoided direct coercive interference in the industrial relations process, leaving the parties to resolve their own differences via free collective bargaining.

The progressive creation of a welfare state in the decades succeeding World War II reflected a belief within society that the state should accept responsibility for the provision of education, health and related social services. This perspective also dominated in the economic arena, as the government maintained and persisted with semi-state industries such as the ESB, Aer Lingus and Bord na Móna. Of course, the gradual creation of a welfare state facilitated the maintenance of political consensus, stability and legitimacy. The emergence of a corporatist or interventionist ideology was accompanied by an integration of political, economic and social decision making. From the 1960s onwards, the state's policy of corporate control came into evidence as trade union representatives were invited onto consultative bodies with a role in economic planning, notably the National Industrial and Economic Council (NIEC). The advent of tripartite consultations was adjudged important, given the need for economic adaptation, restructuring and the establishment of appropriate and realistic planning targets. The government therefore had to fall back on those interests involved on the ground in order to acquire the necessary information and understanding as well as to secure their co-operation in the implementation of policy. The downgrading of enterprise and sector-wide free collective bargaining and the emergence of national-level tripartite bargaining (involving government, employers and trade unions) marked a new phase in the relationship between the state and the trade union movement.

The decision to enter the European Economic Community (EEC) with effect from 1973 was another important development in the political environment of industrial relations.

An immediate impact was felt in areas of industrial development and individual labour law. Indeed, this latter feature has made persistent inroads into almost every facet of day-to-day interactions at the workplace. Furthermore, the influx of multinational enterprises is commonly accredited with a greater level of professionalism in the area of personnel or HRM, together with an increase in trade union membership-cum-preproduction employment agreements and non-union establishments (McMahon 1990).

The advent of contemporary national-level partnership arrangements, covering a host of economic (including pay) and social issues, can be traced back to the maintenance men's dispute of 1969–70. This was, according to the Dublin Chamber of Commerce, 'the greatest crisis in industrial relations ever experienced in the history of the state', producing a 20 per cent wage rise over eighteen months (Ó Gráda 1997: 103). The expectations sparked by this settlement promptly raised industrial relations on the government's agenda. Such a large settlement threatened the government's economic management aspirations in the desire to control incomes and inflationary pressures, thus eventually giving rise to the national tripartite arrangements.

Over the 1970s these arrangements had expanded in scope to accommodate a plethora of economic and social affairs under the title of 'national understandings'. The temporary demise of the consensus approach at national level during the 1980s can be primarily attributed to a hardened negotiating stance on the part of both employers and state. Related to this was a change in government, with the more populist or pragmatic Fianna Fáil party being replaced by a Fine Gael–Labour coalition. A subsequent change of government facilitated the resurgence of the social partnership-type approach from 1987 onwards, as national-level agreements emerged again to embrace a range of economic and social issues. However, in this regard it is also pertinent that the monetarism or neo-laissez-faire economic policies espoused particularly by Thatcher's Conservative government in Britain and Reagan's Republican government in the US prevailed. The choice for the Irish unions, in an era of declining membership and rising unemployment, spanned probably futile industrial action or participation in the nation's key decision-making forums. The participative model (initiated by Seán Lemass in the late 1950s) was accepted by the majority of trade unions and employer organisations.

By the early 1990s a persistent international recession and constraints on remedial initiatives imposed by membership of, and adherence to, the EU and Single European Market, respectively, combined to signal a new era in the management of industrial relations. Political developments in many industrialised economies (including the resurgence of laissez-faire individualism, with its emphasis on monetarism, free enterprise, open markets, deregulation and privatisation) and the demise of socialist economies in eastern Europe forced the recall and revision of many left-wing and trade union ideological aspirations. This helped reinforce for the trade union movement the merits of operating inside the neo-corporatist model and the furtherance of its more immediate demands under the auspices of the prevalent liberal capitalist political system.

In return for involvement, trade unions were expected to deliver industrial peace. This quid pro quo exchange was particularly evident in the Celtic Tiger phase. Given the contention that in the absence of such (social) partnership agreements, income determination would have been more fractious, with more strikes and higher pay

settlements (Sweeney 1998: 93) and that relative industrial peace prevailed in this period, various sources accorded social partnership a fundamental role in the economic miracle (Auer 2000; MacSharry and White 2000; NESC various years; O'Donnell and O'Reardon 1996, 2000). This role is not unchallenged, however. Baccaro and Simoni (2004) point out that although the economic transformation began in 1987 and overlapped in time with the institutionalisation of social partnership, much of the economic literature discounts this overlap as sheer coincidence. It is salutary to note that the view of social partnership has changed, with critics claiming it contributed to excess state spending, especially through the benchmarking process within the public sector.

In any case, it is apparent that the social partnership model effectively constituted a 'new form of governance' or a parallel political system within the state in this era (Roche 2007a). Subsequent to the demise of the Celtic Tiger and the onset of the economic crisis, the consensus approach to social and economic policy-making faded, while the formal institutional process governing collective bargaining was dropped. Related to this, the Taoiseach of the new government (elected in 2011) labelled the shift as one from 'social partnership' to 'social dialogue' (Sheehan 2011c).

## THE ROLE OF THEORY IN INDUSTRIAL RELATIONS

The role of theory is to facilitate the analysis and appraisal of the processes, structures and institutions of industrial relations in as objective a manner as is possible with any of the social sciences. This section of the text attempts to outline and evaluate the main academic theories that have been developed in an effort to provide a logical and consistent means of understanding and interpreting industrial relations realities.

Over time there have been a series of prescriptions for change designed to improve the conduct of industrial relations in Ireland, e.g. laws on strikes, worker participation/involvement schemes and trade union recognition. Such proposals can often be highly contentious, and the theoretical principles and value judgments upon which they are founded are rarely made explicit. Accordingly, this section introduces and assesses the main theoretical perspectives and related value judgments on the nature of the world of work. Familiarity with the underlying values of the various theoretical perspectives facilitates insightful analysis. As each theory originates from a different base or set of assumptions, it would be inappropriate to insist upon a single 'best' theory of industrial relations. However, it would be remiss not to acknowledge the traditional primacy of the pluralist analysis in Irish industrial relations practices and debates.

### Pluralist Analysis

The pluralist model is based on the existence of a 'post-capitalist' society, where industrial and political conflict have become institutionally separated, ownership is distinguished from management, and authority and power in society are more widely distributed. In effect, this analysis acknowledges that society is comprised of a range of individuals, interest and social groups, each in pursuit of their own objectives. As in society, the employing entity is comprised of an accommodation or alliance of different values

and competing sectional interests. So it is only through such an accommodation or alliance that work organisations can attempt to operate with any degree of continuity and success. Just as the political system is institutionalised and regulated through a party political and parliamentary process, so too is the industrial system institutionalised and regulated through representative organisations and appropriately structured processes. According to Fox (1973), these competing organisational values and interests have to be 'managed' for the purpose of maintaining a viable collaborative structure.

This perspective acknowledges the legitimacy of trade union organisation, interests and the right to contest managerial prerogative. This is done through collective bargaining, which engenders greater industrial relations stability and adaptability than the outlawing of trade unions (Clegg 1975). Accordingly, conflict is viewed as a logical and inevitable feature of the world of work and consequently it requires management by a variety of role players, representatives, procedures, processes and specialist institutions.

A central feature of this post-capitalist perspective is that the class conflict by-product of the Industrial Revolution has now abated. The Marxist analysis of the powerful capitalists and weak wage earners – of the socially elite and the socially weak – is (allegedly) no longer an appropriate model. Contemporary society, it is argued, is more open and mobile, with the franchise (vote) extended for the further democratisation of politics, greater accessibility of educational opportunity opening hitherto closed occupational routes and the advent of the welfare state serving to alleviate the worst extremes of deprivation and inequality. Furthermore, the spread and diffusion of property ownership, status and authority in the post-capitalist society has irretrievably removed the sharp divisions between those who were once industrially and politically powerful and their counterparts, who were weak and powerless in both these crucial spheres.

With the separation of industrial and political conflict, collective bargaining has become the focus of attention at the workplace for the regulation of relations. With the emergence, structuring and regulation of representative organisations on both sides of industry, appropriate forums have been established to address the tensions and conflicts arising at all levels between these sectional interest groups. For example, in the event of failure to resolve differences at plant level, an array of third-party institutions provides a generally acceptable route for the resolution of contrasting objectives and conflict. According to Dahrendorf (1959), these developments are well reflected in:

- the organisation of conflicting interest groups, e.g. trade unions and employer associations;
- the establishment of 'parliamentary' negotiating bodies in which these groups meet, e.g. social partnership forums;
- the institutions of mediation and arbitration, e.g. the Labour Relations Commission and Court;
- formal representations within the individual enterprise, e.g. via shop stewards/employee representatives; and
- tendencies towards an institutionalisation of workers' participation in industrial management, e.g. consultation initiatives.



Therefore, pluralists acknowledge the inevitability of conflict but point to the relative stability of a society that institutionalises, manages and contains any differences via collaboration, negotiated compromises and mediation.

### Unitary Analysis

The basic premise of the unitary analysis is that all employment units are, or should be, cohesive and harmonious establishments with a total commitment to the attainment of a common goal. Being unitary in structure and purpose – with shared goals, values and interests and one source of (managerial) authority – staff relations are set upon a plinth of mutuality and harmony. There is no conflict between those contributing the capital (the owners) and the contributors of labour (the employees). Consequently, all staff members agree unreservedly with the aspirations of the organisation and the means deployed to give effect to them. Through this team or complementary partnership approach, it is assumed that both sides can satisfy their common goals of high profitability and pay levels, job security and efficiency. Furthermore, it is implicitly acknowledged that competent and strong leadership or management are a prerequisite to the pursuit of organisational effectiveness. In practice this may give rise to elements of paternalism and/or authoritarianism on the part of management in their approach to employee relations matters.

Paternalism may be reflected in a managerial concern for staff needs, together with a rejection of union recognition and collective bargaining practices. Authoritarianism may also materialise in a dominant managerial value system, characterised by a minimal concern for employee welfare and outright opposition to union recognition and collective bargaining initiatives. For example, during the nineteenth century many employers adopted an aggressive unitary stance, actively excluding unions while employing women and children on low pay for long hours in unsanitary working conditions. In either scenario – paternalism or authoritarianism – trade unionism is opposed as a threat to the organisation's unity of purpose and managerial prerogative, as it competes for employee loyalty and commitment. The consequent rejection of collective bargaining is therefore based on management's perceived legitimate prerogative to proceed without the incumbency of negotiation to attain consent to their decision-making initiatives and responsibility. In such settings it is assumed that management will insert an appropriate communications structure to alert staff to organisational priorities and to manage the expectations of staff in respect of same. In response, members of staff are expected to give effect to these instructions and to show loyalty to the entity for the realisation of common goals.

In essence, the unitary theory rejects the concept of enduring conflict or organisational factionalism, as such collision or competition distracts from what are assumed to be non-competing, co-operative initiatives. The existence of conflict is not perceived to be a structural feature of organisational life.

The unitary philosophy is therefore predominantly managerialist. It legitimises management authority under the heading of commonality, largely attributes the source of conflict to subordinates and serves as a means of justifying managerial decisions to

any interested parties, while explaining opposition to same as either ill-informed or perverse. Increased levels of opposition to trade union recognition and the associated rise in the number of non-union establishments have significantly strengthened the prevalence and validity of this particular model in Ireland. Accordingly, it provides 'the subconscious foundation' (Salamon 2000) for managers in their choice of issues upon which they are prepared to negotiate and those upon which they are only prepared to consult. Furthermore, it provides a *raison d'être* for many of the now prevalent HRM practices in Irish employments.

### **Radical or Class Conflict Analysis**

The radical or class conflict perspectives endorse the Marxist view of capitalist societies being divided into antagonistic class forces. Although Marxist analyses of industrial relations are more a by-product of a theory of capitalist society and social change rather than of labour relations, they provide a useful framework for the interpretation of the relationship between capital and labour. Marxism is more concerned with the structure and nature of society than with the actual workplaces that society accommodates. When the original Marxist analysis of the nature and structure of society was conceived, the phenomena of trade unionism and collective bargaining were barely established. Consequently, the application of the original Marxist analysis to contemporary labour relations institutions and phenomena is problematic. Classical Marxism saw capitalism as an advanced stage in societal development, with class conflict over the distribution of the 'surplus value' of workers' efforts giving rise to irreconcilable antagonism between capital and labour. It predicted the impoverishment of an ever-growing working class, eventually leading to revolutionary change.

This body of theory is essentially an analysis of the evolution of society, of which the capitalist (or bourgeois) state is only one phase. Therefore, Marxism depicts a series of developments or phases of social change: from the initial state of primitive communism, through an era of feudalism, to capitalism (which it is predicted would give rise to a class war between the 'bourgeoisie' and the 'proletariat'), culminating in a dictatorship of the proletariat before progressing to socialism and eventually a utopian, classless society.

In essence, Marxism is based upon the premise that class (i.e. capital and labour) conflict is at the root of societal change. This conflict is not a simple consequence of contrasting demands and tensions at the workplace; it is the product of an inequitable distribution of power and wealth in wider society. Such inequity is also reflected in society's social and political institutions, serving to maintain the position of the dominant establishment group (i.e. the owners of the means of production). Therefore, social and political conflict (and social change) is the consequence of economic inequity within society, between the owners/capitalists and the labouring classes. Accordingly, conflict reflects the difference between these groups, with their diametrically opposed economic and political interests. This class and political conflict is linked to industrial conflict, which Marxists adjudge to be a permanent feature of capitalism, as the competing interests seek to consolidate and advance their relative positions in the economic power structure, contesting the distribution of the entity or society's power, wealth and 'surplus

value'. Hence, the industrial relations system is viewed as a marginal forum for the conduct of this class war, although some Marxists suggest that it will ultimately spill over into a more fundamental political revolution.

Neo-Marxist and radical sources attribute the industrial relations system with a limited role, via the resolution of pay and condition issues and the delineation of the boundaries of managerial prerogative, although conflict is seen as a reflection of the opposing economic interests engendered by capitalism. The starting point for those holding the radical reference frame is the largely unequal distribution of power between the employer and the employee, while radicals do not see the collective organisation of employees (e.g. in unions) as restoring the power balance between the 'propertied' and the 'unpropertied'.

Radical writers (e.g. Fox 1977) suggest that conflict is contained and stability maintained by the social and political system and associated trade-offs. In other words, the institutions of industrial relations serve to institutionalise conflict. In this context, unions are viewed as a collective response to the exploitation of capitalism, with a role in the wider political process for the attainment of significant alterations to the economic and social system. However, Marxists adjudge the operation of (national, industrial and enterprise-based) bodies of joint regulation as accommodating, consolidating, legitimising and effectively enhancing management's prerogative and power position, while projecting an image or veneer of power sharing. The collective bargaining process is perceived to (at least temporarily) accept, facilitate and ultimately support the inherent contradictions of capitalism. Furthermore, Marxists view the state's legislative framework as a related piece of armoury designed to support managements' interests (Hyman 1975).

In summary, Marxists argue that economic and political issues cannot be separated and they place great emphasis on the antagonistic interests of capital and labour. In sharp contrast with alternative analytical frameworks, this theoretical perspective focuses on the importance of assessing the power held by opposing interests and so offers a valuable insight into the mechanics of the industrial relations system.

### **Social Action Analysis**

The social action perspective on industrial relations 'stresses that the individual retains at least some freedom of action and ability to influence events' in the manner they adjudge to be most appropriate or preferable (Jackson 1982). This theory emphasises the role players' or actors' definitions, perceptions and influences on reality. It is these definitions and perceptions that determine, in part, their relationships, behaviours and actions. Therefore, with this frame of reference, social and industrial relations actions are best understood in terms of their subjectively intended meanings. Concentration on observed behaviour at the workplace restricts the value of any interpretation, since it would overlook the deeper intent of the actors. The actors' decisions are determined not just by the specific work situations they find themselves in, but by a plethora of wider and underlying influences such as the attitudes, values, experiences and expectations developed over a lifetime, both inside and outside of the workplace. The central relevance

of this particular perspective is that it attributes to the individual actors some prerogative or discretion to shape the actual workplace and society in which they exist along (their) desired lines. However, in this context, they are restricted by their own perception of reality. Thus, the social action analysis accords some control or priority to the individual over the structure or system in which they find themselves. It offers a frame of reference that concentrates on the range of industrial relations system outputs as being as much the end result of the actions of its constituent parts as of the structure of the system itself. This theory is rooted in a well-developed sociological school of thought which argues that just as ‘society makes man ... man makes society’ (Silverman 1970). The impact on Irish industrial relations of people like James Larkin and William Martin Murphy arguably provides support for the social action view that individuals have a capacity to influence and shape events.

### Systems Analysis

The systems theory of industrial relations originated in the late 1950s in the US when John Dunlop proposed that industrial relations is a system made up of actors, contexts and an ideology serving to bind the system together, producing a body of rules that govern the actors at the workplace (Dunlop 1958). Dunlop’s construction of an integrated model is based on a view of the system as one which, though overlapping and interacting with the economic and political decision-making systems, is nevertheless a societal subsystem in its own right. This subsystem’s output or product is comprised of a set of rules pertaining to the employment relationship, which spans their design, application and interpretation. Accordingly, the industrial relations system is primarily concerned with an output of rules covering all matters of pay and conditions, together with the installation of procedures for their administration and application. It is based on the standard *input–process–output* model, which Dunlop argues may be applied regardless of the prevailing economic or political system.

Under *input*, three sets of influences apply: *actors*, *environmental contexts* and *ideology*. These combine in the bargaining, conciliation and legislative processes, yielding a body, network or web of *rules*. The *actors* include the different worker categories (whether organised or unorganised), various layers of management (together with their respective representatives) and the range of third-party agencies. The *environmental context* impinging on the system is comprised of technological, market/budgetary and societal power location and distribution variables. The technological impact is reflected in such factors as the size, skill and sexual breakdown of the workforce, its concentration or distribution and the location and duration of the employment. The market or budgetary constraints, whether applied locally, nationally or internationally, affect all enterprise types – not just the entity’s management but also, ultimately, all of the system’s role players. The *power* input relates to the degree of autonomy afforded to the industrial relations system by wider society, as significantly influenced by the distribution of power in that society. The *ideological* input recognises that while each group of actors in the system may have their own set of ideas, these are sufficiently congruent for a level of mutual tolerance, common belief or unifying ideological compatibility to prevail.

## CONCLUSION AND CRITIQUE OF MODELS

Given their contrasting premises and prognoses, the various models of industrial relations are the subject of critical evaluation. For example, despite its prevalence, the pluralist analysis has been criticised for its undue emphasis on consensus and integration, alongside a ready acceptance of the social and political status quo and a fundamental conservatism which assumes an illusory balance of power between the various interest groups (Fox 1973; Goldthorpe 1974). Furthermore, it tends to ignore the decision-making powers resident beyond the collective bargaining process. In this regard, radical theorists point out that power is also about the ability to prevent matters becoming the subject of negotiation. Yet unlike both the unitary and Marxist theories, pluralism appears less value driven, though it does veer towards prescriptions favouring the constant negotiation of conflicts based on compromise (Clegg 1975).

The unitary perspective is cautioned for its unrealistically utopian outlook, limited applicability (e.g. to non-union entities) and a paternalistic, management orientation that assumes a generally accepted value system. Indeed D'Art and Turner's overview of Irish industrial relations serves as a sturdy challenge to this perspective. Their findings support the case 'for the utility and continuing relevance of trade unions and collective bargaining' (2002: 303).

The classic Marxist analysis is adjudged to be anachronistic given that, among other things, the nature of class conflict has substantially changed and contemporary society (with its mixed economy and welfare state) is now more open and socially mobile. The distribution of power, property and social status in society is also more widely diffused today (at least in the developed world) than it was in the nineteenth century. Furthermore, capitalism has been successful in developing wealth in certain parts of the globe, though the distribution of that wealth remains an issue with which many neo-Marxists and radical writers take issue. It is also pertinent that 'revolution' came to pass not in the developed West but in the less developed East. In addition, a number of predictions of classical Marxism have failed to materialise, although the growth of large-scale business or monopoly capital is one area of Marxist analysis with contemporary resonance, as is the current international economic and financial crisis (Resnick and Wolff 2010). In drawing attention to the nature of power and control in the workplace and society, the neo-Marxist and radical analysis presents a valuable intellectual challenge to unitarist and pluralist thinking.

With regard to social action theory, critics point to its neglect of those structural features that influence the action of its actors. This oversight reflects the theory's inability to explain the very nature of the wider system inside which these actions occur.

Systems theory has also been subjected to considerable critical evaluation, refinement and modification (Gennard and Judge 2010). For example, it is contended that the model's narrow focus omits the reality of and mechanisms for the distribution of wealth and power in society. In effect, its convenient unifying ideology-cum-status quo inclination (which takes society as given) merely accords the industrial relations system some functional role in the maintenance of stability and overlooks a range of issues, including industrial relations change, the source of conflict and the system's interrelationship with the 'outside' political, economic and social scene. It is also argued

that its structural emphasis leads to an output, or rules focus, at the expense of the actual decision, or rule-making processes. It also fails to explain important behavioural variables (i.e. why actors act as they do) and it is suggested that this model ought to accommodate the significant role of the owners of business, who warrant inclusion as actors and in their contextual capacity. Wood (1978) also recommends that a distinction be made between the (industrial relations) system which 'produces' the rules and the (production) system which is governed by these rules.

### CONCLUDING COMMENTS

Far from being a subject based on a single analytical framework or a set of incontrovertible facts and statistics, political and theoretical controversy is inherent to the subject of industrial relations. There are many ways of interpreting what is going on and a multitude of opinions about what ought to be happening. The fact that there is no universally accepted global theory is unavoidable and ought to be accepted by the student as an attractive dimension to a topic that easily lends itself to contrasting perspectives, opinions and debate. It is for the student to make up their own mind on these matters, since this book endeavours to take a neutral line, presenting the different sides of the various issues under examination.