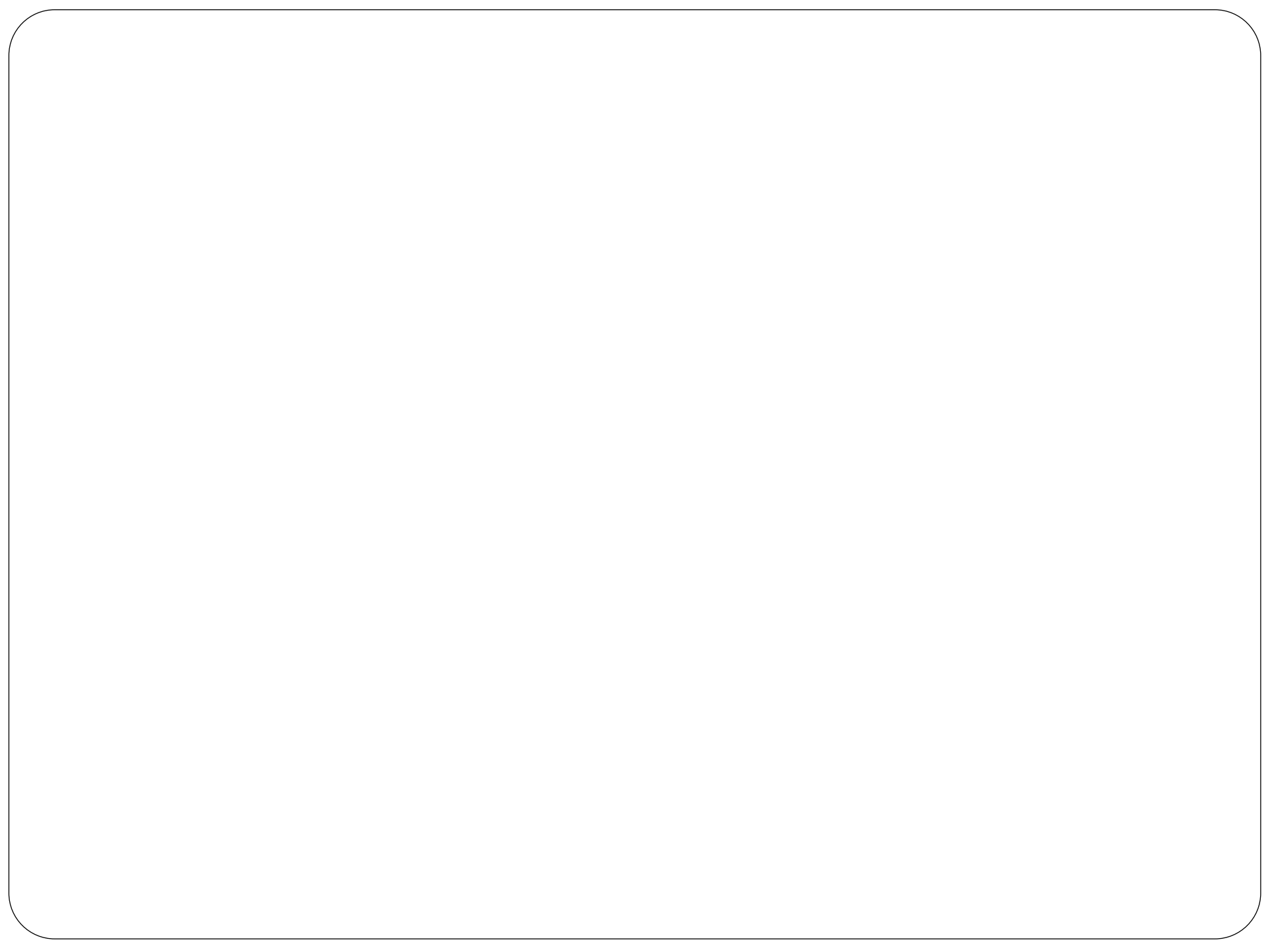


# Introduction to Employee Relations

Lectures 1-3



# Module Resources

## Books

- Budd, John. (2017), Labour Relations - Striking a Balance, 5th Edition. McGraw-Hill Education.
- Teague, P and Thomas, D.. (2008), Employment Dispute Resolution and Standard Setting in the Republic Ireland, Oak Tree Press.
- Fox A. (1966), Industrial Sociology and Industrial Relations, Donovan Commission Research Papers No3, HMSO.
- Paul Teague and Jimmy Donaghey. (2008), 'Why has Irish Social Partnership Survived?', British Journal of Industrial Relations.
- William K. Roche and John F. Geary. (2002), 'Advocates, Critics and Union Involvement in Workplace Partnership: Irish Airports', British Journal of Industrial Relations.
- Colling, T. and Terry, M.. (2010), Industrial Relations: Theory and Practice, Wiley-Blackwell.
- McDonough, T, T Dundon. (2010), Thatcherism delayed? The Irish crisis and the paradox of social partnership', Industrial Relations Journal.
- Bamber, G. J., Lansbury, R. D. and Wailes, N.. (2004), International and Comparative Employment Relations: Globalisation and the Developed Market Economies., 4th. Sage.
- Blyton, P and Turnbull, P. (2004), The Dynamics of Employee Relations, 3rd. Palgrave Mcmillan, Basingstoke.
- Legge, K. (2005), Human Resource Management: Rhetorics and Realities, Palgrave Mcmillan, Basingstoke.
- \*Wallace, J., P. Gunnigle, G. McMahon, and M. O'Sullivan. (2020), Industrial Relations in Ireland, 5th. Gill & MacMillan, Dublin.
- Williams, S. (2014), Introducing Employment Relations : A Critical Approach, OUP, Oxford.
- Williams S and D Adam-Smith. (2009), Contemporary Employment Relations: A Critical Introduction., Oxford University Press.
- Trif, A. 'Overview of industrial relations in Romania', 'Overview of industrial relations in Romania', Issue 2, p.43-64

\*[Wallace textbook can be purchased from IPA website](#)

# Module Resources

## Journals

- British Journal of Industrial Relations
- Industrial Relations Journal
- European Journal of Industrial Relations
- International Labour Review, Wiley Blackwell
- European Journal of Work and Organisational Psychology, Psychology Press
- Industrial Relations Law Reports, Lexis Nexis
- Employment Law Reports, Roundhall Publishing

[See Journals tab in Human Resource Management Subject Guide: Library Resources which can be accessed through Moodle](#)

## Online Resources

[www.cipd.co.uk/](http://www.cipd.co.uk/)

[www.CIPD.ie](http://www.CIPD.ie)

[www.ibec.ie](http://www.ibec.ie)

[www.workplacerelations.ie](http://www.workplacerelations.ie)

[Irish Human Rights and Equality Commission](#)

# Learning Outcomes

L1	Demonstrate an acceptable understanding of the contrasting and competing theoretical approaches / models that underpin industrial relations.
L2	Show an appreciation of the nature and impact of the contextual influences on the framework of contemporary Irish industrial / employee relations.
L3	Be capable of demonstrating awareness of the main sources and types of Irish employee protection legislation.
L4	Show an appreciation of the complexity and dynamism of the various parties' role(s), including strategic choice, in the management of employment relations.
L5	Be able to show an acceptable understand of current developments in collective and individual employee involvement, participation and engagement structures and strategies.
L6	Demonstrate an understanding of the nature of workplace conflict and an appreciation of the historical and emerging conflict management / resolution strategies.

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# Assessment

Learning Outcomes	Type of Assessment	Percentage of Total	Date of Assessment
L1-6	Written Project	100%	11th May 2021

## \*Assignment Task:

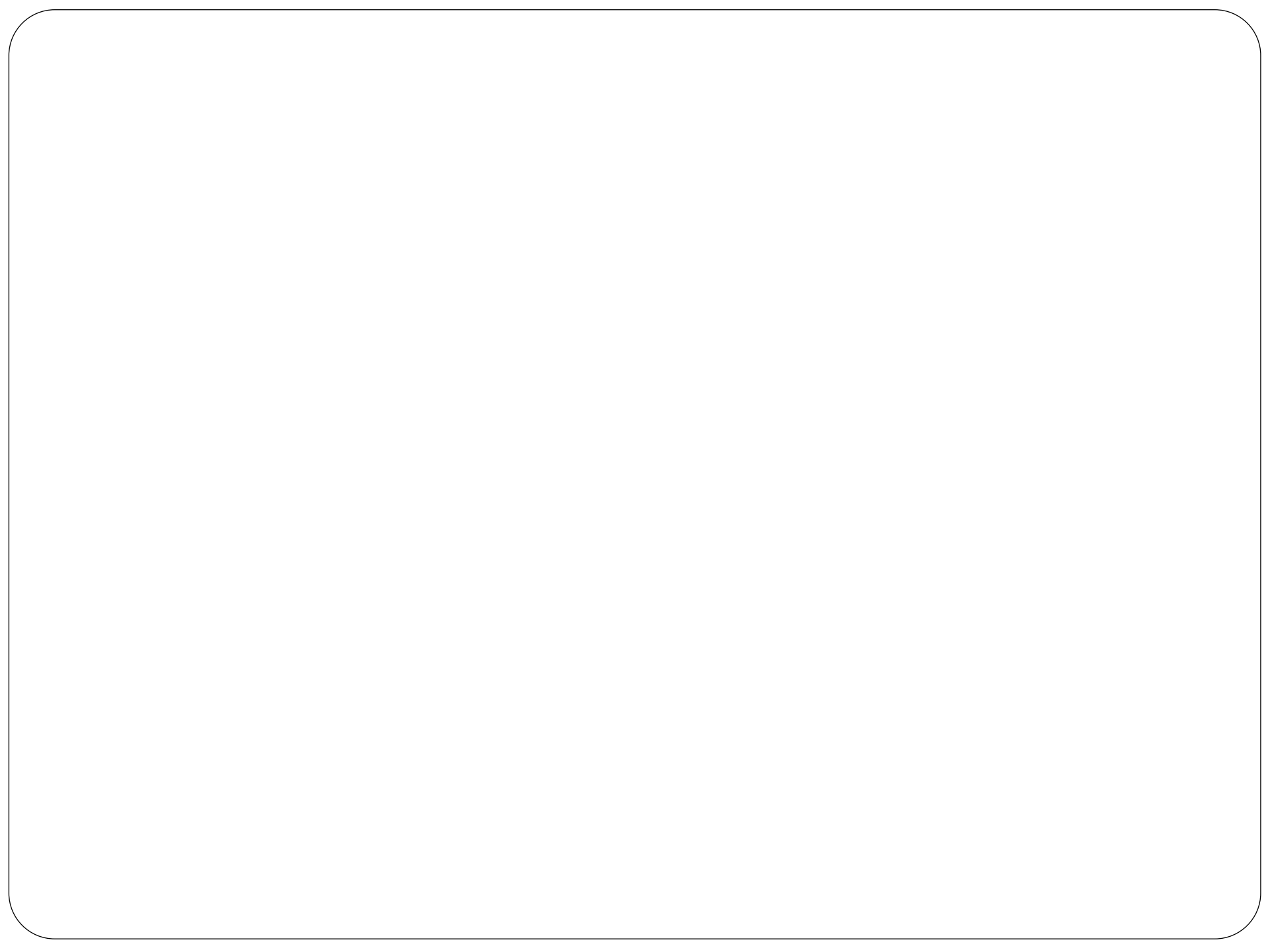
Choose an organisation, operating within Ireland, which you are familiar with.

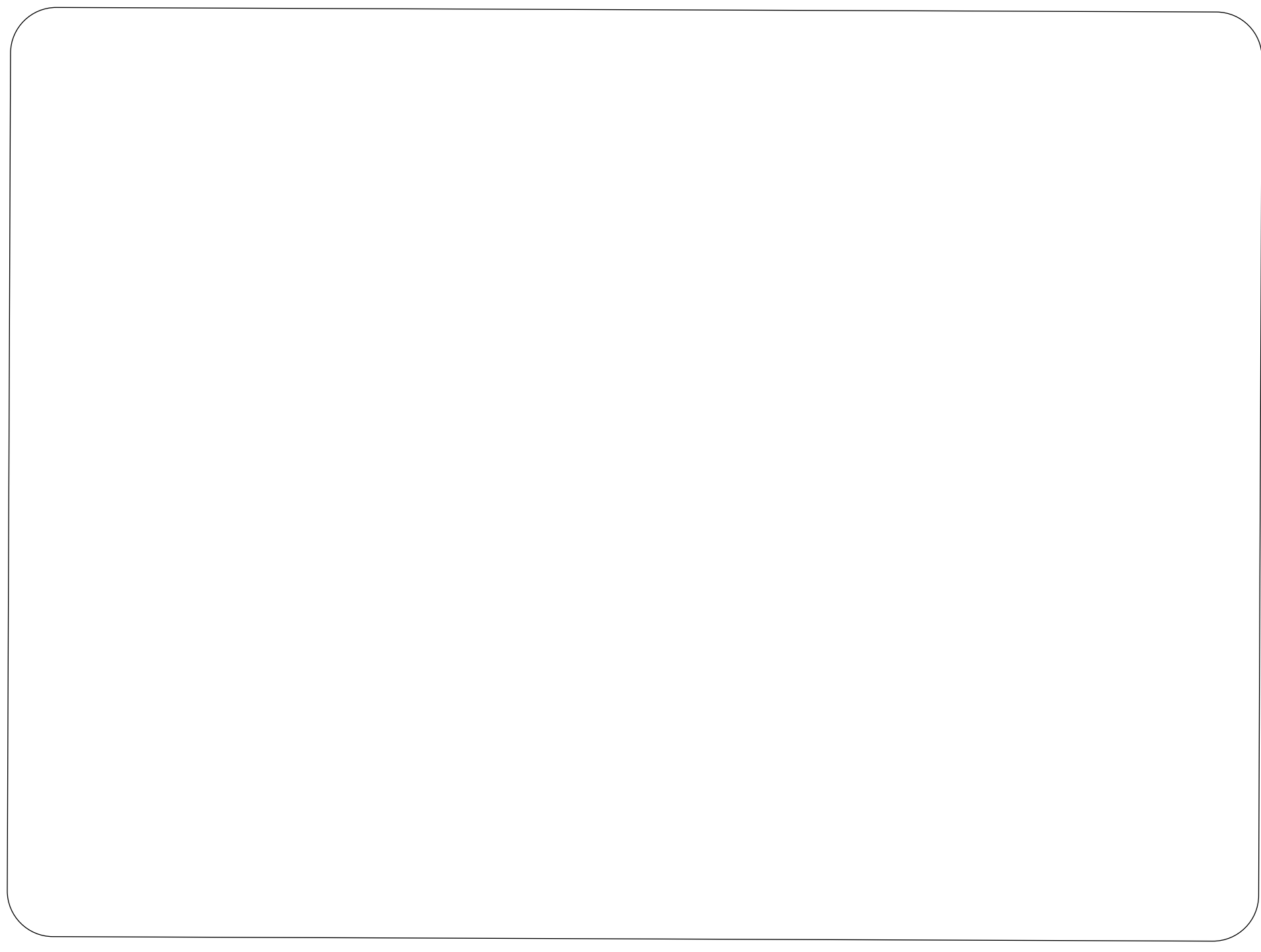
Write a report (2000-2500 words maximum) on employee relations in your chosen organisation.

In your report:

- Analyse the conduct of employee relations within your chosen organisation using your knowledge of relevant course concepts (e.g. employee engagement/voice; conflict; main parties in the Irish framework of industrial relations; relevant employee legislation in Ireland).
- Determine which perspective(s) is evident referring to Fox's Frames of Reference (i.e. unitarist, pluralist, radical perspectives).
- Propose recommendations for improvement.

Support your arguments with relevant sources and practical examples. You must conform to academic standards, include a Reference List, and use the Harvard Referencing and Citation System.





# Part II: Definitions of IR and the Employment Relationship

# Definition of Industrial Relations

- ‘a set of phenomenon, both inside and outside the workplace, concerned with determining and regulating the employment relationship’ (Salamon 2000:3)

# Definitions of Employee Relations

- Aligning the values of an organisation with the experience of people
- “creating and delivering people practices which develop and maintain a positive working relationship between an organisation and its people”

Source: [peopleprofession.cipd.org](http://peopleprofession.cipd.org)

# Definition of the Employment Relationship

- “the legal link between employers and employees. It exists when a person performs work or services under certain conditions in return for remuneration. It is through the employment relationship...that reciprocal rights and obligations are created between the employee and the employer.” ([International Labour Organization 2021](#))
- “the relationship between the individual worker and their employer...shaped by legal regulation and by the outcomes of social partner negotiations over the terms and conditions governing the employment relationship.” ([European Foundation for the Improvement of Living and Working Conditions 2021](#))

# Class Discussion

- What internal factors have an impact on the employment relationship?
- What external factors have an impact on the employment relationship?
- Why is the employment relationship important?
- What can an employer do to foster a 'positive working relationship' through HR practice?

# The Psychological Contract

- Problem for many orgs is the mismatch between employee expectations about the job/career prospects & reality of the situation
- ‘an unwritten agreement between employers and employees which covers a series of mutual expectations and satisfaction of needs arising from the people-organisation relationship’ (Mullins 2007)
- ‘Implies that there is an unwritten set of expectations operating at all times between every member of an organisation and the various managers and others in that organisation’ (Schein)

# Psychological Contract – Employee Perspective

What are some examples of unwritten employee expectations?

- Fairness
- Security of employment
- Scope to demonstrate competence
- Development
- What else?

# Psychological Contract- Employer Perspective

What are some examples of unwritten employer expectations?

- Competence
- Effort
- Compliance
- Loyalty
- What else?

# Class Discussion

- If you had a choice, would you....
  1. (a) remain with the same employer for life? (b) have different employers?
  2. (a) stay with one occupation? (b) have different occupations/change occupation?
  3. (a) retire as soon as you can? (b) work as long as you can?

# Developing a Positive Psychological Contract

- Defining expectations during recruitment and induction programmes
- Communicating and agreeing expectations as part of the continuing dialogue implicit in good performance
- Adopting a policy of transparency on company policies and procedures
- Generally treating people as stakeholders, relying on consensus and co-operation rather than control and coercion

# Changing Nature of the Psychological Contract

- Business organisations are neither stable nor long lived
- Flexibility, adaptability and speed of response
- Leaner organisations means that careers develop laterally
- Leaner organisations make greater demands on employees
- Has the era of Covid-19 changed the psychological contract?  
If so, how?

# Additional Reading

- Available through Emerald Insight in your Library resources:
  - [‘The impact of COVID-19 pandemic on conventional work settings’, By Randa Diab-Bahman, Abrar Al-Enzi \(2020\)](#)

# Part III: The Irish Context

# The Irish Context

Developments in labour market regulation:

- Industrial Relations (Amendment) Act 2015 gives employees the right to bargain collectively
- Industrial Relations (Amendment) Act 2015 also set out new sectoral wage-setting mechanisms
- The Workplace Relations Act 2015 established on 1 October 2015 the independent statutory body, The Workplace Relations Commission (WRC)
- National Minimum Wage

# National Minimum Wage

- History of National Minimum Wage
  - National Minimum Wage Act, 2000; €5.58 on 1<sup>st</sup> April 2000
  - <https://www.gov.ie/en/publication/9463f6-historic-nmw-rates/>
- Increased on 1st of January 2021 to €10.20
  - [https://www.citizensinformation.ie/en/employment/employment\\_rights\\_and\\_conditions/pay\\_and\\_employment/pay\\_inc\\_min\\_wage.html](https://www.citizensinformation.ie/en/employment/employment_rights_and_conditions/pay_and_employment/pay_inc_min_wage.html)
  - [announced 6 Oct 2020; will benefit 122,000 low-paid workers\)](#)
- Sub-minimum rates apply
- Other minimum rates in certain sectors

# EU and Minimum Wage

As of 1 January 2021:

- All EU member states have minimum wages
- 21 out of 27 EU member states have statutory national minimum wage
- Denmark, Italy, Cyprus, Austria, Finland and Sweden do not have a national minimum wage – minimum wage is by collective agreement
- Minimum wages vary across EU from 332euros in Bulgaria to 2202euros in Luxembourg (per month)

Source: Eurostat 2021

# EU and Minimum Wage

- ‘A comparative assessment of minimum wage employment in Europe’ ([ESRI, April 8, 2021](#))
- Summary of ESRI report:
  - Ireland second highest minimum wage rate
  - 7<sup>th</sup> highest when taking into account cost of living
  - (Based on data from 2017 and 2018):
    - Just under 10% on minimum wage in Ireland (compared to average 10.5% other European countries)
    - Associated with younger age, lower levels of education, non-national (across Europe)
    - In certain countries 60-70% women (Belgium, Germany, France, Netherlands, UK, Portugal, Latvia); in Ireland gender composition roughly equal
    - In Ireland, 43% employed in accommodation, food, wholesale or retail sectors; higher than other countries studied; disproportionately exposed to impacts of Covid-19 pandemic
    - In Ireland, 11% of minimum wage workers at risk of poverty; lowest compared to other countries studied; often from higher-income households
    - Linked to less job satisfaction in comparison to higher-paid workers

# EU Commission and Minimum Wage

- On 28 October 2020 EU Commission proposed an EU Directive to ensure EU workers are protected by adequate minimum wages
  - *“Today's proposal for adequate minimum wages is an important signal that also in crisis times, the dignity of work must be sacred. We have seen that for too many people, work no longer pays. Workers should have access to adequate minimum wages and a decent standard of living. What we propose today is a framework for minimum wages, in full respect of national traditions and the freedom of social partners. Improving working and living conditions will not only protect our workers, but also employers that pay decent wages, and create the basis for a fair, inclusive and resilient recovery.”*

President of EU Commission, Ursula von der Leyen

([Source: European Commission 2020](#))

# EU Commission and Minimum Wage

- Context
  - In the EU 'in-work poverty' increased from 8.3% (2007) to 9.4% in (2019)
  - Increase in wage inequality – increase polarisation of labour market
  - Current crisis has hit sectors with high share of low-wage workers (e.g. retail, tourism)
- Purpose of Directive
  - To create better living and working conditions in the EU by:
    - Improving the adequacy of statutory MW;
    - Promoting collective bargaining on wages in all member states;
    - Enforcing and monitoring
  - To contribute to level playing field in the Single Market
- Next steps: European Parliament and Council approval; once approved member states will have 2 years to transpose into national law

([Source: European Commission 2020](#))

# Additional Reading

- [Living Wage](#) (€12.30; ‘minimum acceptable standard of living’)
- [Low Pay Commission](#) (established in 2015; makes recommendations to govt regarding NMW)
- “Irish Government was one of nine EU member states resisting a proposed EU directive aimed at ensuring that member states would have mechanisms to ensure adequate minimum wages” ([RTE, Feb 2021](#))

# Trade Union

- Definitions:
  - An organisation aimed at protecting the rights and interests of its members
  - ‘a continuous association of wage earners with the objective of improving or maintaining conditions of employment’ Beatrice Webb (1920)
  - Organisations that aim to ‘unite workers with common interests while seeking to define those interests, express them, safeguard and advance them through their interactions with individual employers, employer associations, govt, govt agencies and other parties’ (Wallace et al 2013: 47)

# Union Recognition

- What does union recognition mean?
  - ‘... the process by which management formally accepts one or more trade unions as the representative(s) of all, or a group of its employees for the purpose of jointly determining terms and conditions of employment on a collective basis’ Salamon

# Trade Union in the Workplace

- Provide information/advice
- Represent employees
- Sanction industrial action
- Contribute to policies and procedures
- Challenge management decisions
- Engage in collective bargaining
- Offer services to members
- Offer education and training
- Organise campaigns

(Wallace et al 2013:

47)

# Trade Union at National Level

- Lobby and make submissions to the govt and its agencies
- Present views in the media
- Engage in collective bargaining

(Wallace et al 2013: 47)

# Trade Unions in Ireland

- Union Density in Ireland = 24%
  - Denmark = 67%
  - Iceland = 91%
  - USA = 10%
  - UK = 23%

Source: ([Organisation for Economic Co-operation and Development 2021](#))

- ICTU currently has 44 affiliate trade unions
- Additional sources:
  - [Central Statistics Office](#)
  - [Worker Participation](#) EU (European Trade Union Institute)
  - [International Labour Organisation Statistics](#) (Country Profile)

# Trade Unions in Ireland

- ICTU - Irish Congress of Trade Unions (44 affiliates)
- SIPTU - Services Industrial Professional Technical Union (199,881 members)
- IMPACT - public sector trade union\*
- AHCPS – Association of Higher Civil and Public Servants
- Unite (covers UK and Ireland)
- BATU - Building and Allied Trades Unions
- CPSU - Civil, Public and Services Union\*
- CWU - Communication Workers' Union of Ireland
- IBOA - Irish Bank Officials' Association
- IFUT - Irish Federation of University Teachers
- IMO - Irish Medical Organisation
- INMO - Irish Nurses and Midwives Organisation
- INTO - Irish National Teachers' Organisation
- MANDATE - Union of Retail, Bar and Administrative Workers
- NIPSA – Northern Ireland Public Service Alliance
- PSEU - Public Service Executive Union\*
- TEEU – Technical, Engineering and Electrical Union
- TUI - Teachers' Union of Ireland
- UTU - Ulster Teachers' Union
- Veterinary Ireland
- Veterinary Officers' Association

\*Fórsa, a public service union with over 80,000 members formed in 2018 – an amalgamation of the Civil, Public and Services Union (CPSU), IMPACT, and the Public Service Executive Union (PSEU)

# To Join or Not to Join

- The Irish Constitution recognises the right of every citizen be a member of a union. Article 40.6.1 subsection (iii) protects the right of citizens to form associations and unions. This is an important and a fundamental right that is recognised not only in the Irish Constitution but also by a number of International Treaties and Conventions. (ICTU)

## Related Reading:

- [http://www.irishstatutebook.ie/eli/cons/en#article40\\_6](http://www.irishstatutebook.ie/eli/cons/en#article40_6)

# For Trade Unions

- “Our labour unions are not narrow, self-seeking groups. They have raised wages, shortened hours and provided supplemental benefits. Through collective bargaining and grievance procedures, they have brought justice and democracy to the shop floor.” (John F. Kennedy, Aug. 30, 1960)
- “Without unions to stand up for people at work, Britain would be a much less fair society, pensions would be on their way out - except in the boardroom - and many more people would be injured or die at work every year” (Tony Woodley T&GWU)

# Against Trade Unions

- “Mandatory trade union recognition or a legal right to collective bargaining would not create a single job in this economy and would instead threaten many thousands of jobs by damaging our capacity to attract and retain inward investment. Irish employees are already well protected by a raft of employment legislation. Mandatory union recognition would only put off companies that are considering investing in the country and would act as a barrier to job creation.” (IBEC director Brendan McGinty, 2010)
- “One of my greatest achievement was to resist trade unions coming into Ryanair.” (Michael O’Leary CEO 2014)
  - Additional Reading: [Irish Times Article 2018](#)

# Class Discussion: For or Against

- Should the government put in place legislation to provide for mandatory TU recognition? Why or why not?

## Additional Reading:

- <https://www.oireachtas.ie/en/debates/question/2018-07-10/103/>
- <https://www.ictu.ie/globalsolidarity/workersrights/unionrights.html>
- <https://mandate.ie/2019/11/collective-rights-of-workers-must-be-protected/>
- <http://www.ilo.org/Search5/search.do?searchLanguage=en&searchWhat=trade+union+recognition+and+ireland>

# Employer Organisations

- IBEC - Irish Business and Employers Confederation (70%)
- CIF - Construction Industry Federation
- IFA - Irish Farmers' Association
- SFA - Small Firms Association
- ISME - Irish Small & Medium Enterprises Association
- IHF – Irish Hotels Federation
- IPU - Irish Pharmaceutical Union
- ISA - Irish Software Association
- IEA - Irish Exporters Association
- SIMI - Society of the Irish Motor Industry

# Other

- Workplace Relations Commission
- The Labour Court
- Health and Safety Authority
- Irish Human Rights and Equality Commission
- National Disability Authority

# Workplace Relations Commission

- an independent, statutory body under the Workplace Relations Act 2015
- assumes the roles and functions previously carried out by the National Employment Rights Authority (NERA), Equality Tribunal (ET), Labour Relations Commission (LRC), Rights Commissioners Service (RCS), and the first-instance (Complaints and Referrals) functions of the Employment Appeals Tribunal (EAT)
- provides a range of industrial relations services around preventing and resolving workplace disputes and disagreements involving groups of workers, individual workers, employers and their representatives
- core services: inspection of employment rights compliance, the provision of information, the processing of employment agency and protection of young persons (employment) licences and the provision of mediation, conciliation, facilitation and advisory services
- [www.workplacerelations.ie](http://www.workplacerelations.ie)

## IV. Managerial Frames of Reference in ER

## Frames of Reference (Fox 1968)

- Argued management approaches to ER are mainly determined by the 'frame of reference' adopted by managers
- Frame of reference: 'the main selective influences at work as the perceiver supplements, omits and structures what he notices' (Thelan and Withall 1979).
- 'Frames of reference arise and are adopted on the basis of lived experience in the workplace; assessments of the state of power relations in industry and the balance of interests in the economy; general socio-cultural attitudes; and the norms, conventions and values held to be valid in actors' immediate social environments, whether within the workplace or beyond' (Cradden 2011, p. 9).
- Related Reading: ['UNITARISM, PLURALISM, RADICALISM... AND THE REST?' by Cradden 2011](#)

# Importance of Frames of Reference

- Determines how management expects people to behave and how it thinks they should behave (i.e. values and beliefs)
- It determines management reactions to actual behaviour (i.e. management practice)
- It shapes the methods management choose when it wishes to change the behaviour of people at work (e.g. strategies/policies)

(Gunnigle & Heraty 2006, p. 313)

# Unitarist Perspective (Fox 1968)

- Only one source of authority – must command loyalty
- Emphasises dominance of common interests - everyone should strive to achieve org's goals as everyone will benefit
- Anyone who doesn't share common interests/accept managerial authority – dissenter/agitator
- Sees organisation as harmonious
- Conflict seen as disruptive and unnatural
- Trade Unions seen as unnecessary evil

# Pluralist Perspective (Fox 1968)

- Sees organisation as made up of different interest groups with different objectives linked by association with the org
- Management's role is to achieve equilibrium
- Conflict seen as inevitable
- Conflict not necessarily bad – can be reconciled in organisation's interests
- Fox suggests this perspective is a more realistic frame of reference

# Radical Perspective (Fox 1968)

- Derived from Marxist principles
- Conflict between 'capital' vs 'labour'
- Org as 'microcosm' of society
- Conflict of capitalist society manifested in org
- Inherent imbalance favouring capital
- Trade unions seen as the necessary labour 'army'
- Assumes labour is being exploited for profit
- E.g. Marxist trade unions in France and Italy
- Conflict cannot be resolved without radical change, e.g. socialist society; militant strikes
- Uncommon in contemporary organisations

# Group Exercise

- Purpose: to illustrate a ‘practical example’
- Read article entitled, ‘Walmart Has Everything – Except Unions’ by Hugo Meunier (2019)
- In your group, answer the following questions:
  - Which perspective(s) can be seen in this article? Give reasons for your answer.
  - What impact did this perspective have on ‘worker voice’ as can be seen in the article? Conflict?
  - How is the Irish context of IR different to the context evident in the article?
  - If Walmart were to open a store in Ireland would their conduct of IR need to change?