NATIONAL OPEN UNIVERSITY OF NIGERIA

MBA 833

Industrial Relation

Module 1

MBA 833 Industrial Relations
Module 1

Course Developer/Writer
Abdullahi S. Araga, National Open University of Nigeria

Course Editor
Caroline Aturu-Aghedo, National Open University of Nigeria

Course Coordinator
Dr. O. J. Onwe, National Open University of Nigeria

Programme Leader
Dr. Osoba Samson B., National Open University of Nigeria

Credits of cover-photo: Mr. Gbenga Aiyejumo, National Open University of Nigeria.

National Open University of Nigeria - 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi, Abuja, Nigeria.

www.nou.edu.ng centralinfo@nou.edu.ng
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Published in 2021 by the National Open University of Nigeria

Unit 1 Basis of Industrial Relations

1.0 Introduction

An organisation exists at the instance of the efforts of both the employer and the employees who are the prime movers of the operational activities of the entity. The two parties therefore, co-exist and interact in the course of the day-to-day operations of the organisation.

The above scenario in the workplace implies that there is defined relationship between the employer and the employees. The two parties in the organisation engage in formal relationship, which is purely for operational purposes. Therefore, the relationship between the employer and the employees is contractual in nature, which is that of master-servant relations. The implication is that industrial relations as a term embrace all aspects of the relationship between individual workers and groups (trade union and the management) in the course of organisational operations.

Fundamentally, industrial relations from the foregoing cover all aspects of employment relations between the employer and the employees in organisational operations. Hence, it relates to contractual relationship between the employer and the employees, regulation of conditions of service, collective bargaining, management of strikes, industrial democracy, employer-trade union relations, and organisation personnel policies on how to relate on mutual basis with individual workers and their trade unions in the course of organisational operations.

In this unit of the course, therefore, issues bothering on the conceptual framework of industrial relations, the main role players in industrial relations such as the trade unions, the employer and the government are discussed.

2.0 Objectives

At the end of this unit, you should be able to:

- explain the meaning of the term industrial relations
- discuss the role of employer in industrial relations
- explain the role of trade unions in industrial relations
- discuss government intervention in industrial relations.

3.0 Main Content

3.1 Basis of Industrial Relations

Generally, industrial relations can be viewed as all about employee – employer relationship in the work place, the essence of which is to enhance employee satisfaction, and the furtherance of industrial peace and organisational growth. Another dimension to industrial relation is its tripartite nature as a relationship that exists between workers, employers and government. The position of the government is that of a regulator and protector of the workers' rights.

The legality of industrial relations derives from government's recognition of employer and employees as partners in the production of goods and services. In the same token, there is a range of government legislation regulating their (the employer and the employees) day-to-day activities. It implies that the position of government in industrial relations is one of acting as the watch-dog over the relationship between the employer and employees in the workplace.

The essence of industrial relations revolves around the determination of general conditions of service, discipline, maintaining a stable work force, maintaining an ideal level of productivity, and providing welfare facilities for workers, among other issues in the workplace.

The existence of unions is to allow workers to participate in the determination of policies under which they will consent to work. The principal interest of the employer on the other hand, is to maintain control of the organisation, especially by monitoring allocation of organisation's resources. While the trade union demands, for instance, represent extra cost to the employer, the employer in order to remain in business, will introduce some measures to cut down costs by all means so as to make the maximum profit margin. The result is that there is this latent and often manifest antagonism among the two parties, occasioned by the fact that their respective interests are at variance except in their bid to ensure continuity of production which fosters their dependence on each other for survival.

There will be effective industrial relations in an organisation if the following conditions exit:

- effective communication and mutual understanding between the employer (or management) and trade unions
- payment of wages and salaries and the implementation of all other conditions of service, which are fair and reasonable
- high worker morale and the highest degree of workers identification with the economic objective of the enterprise
- the lowest possible level of industrial grievances and trade disputes.

Self-Assessment Exercise

Explain the meaning of industrial relations.

3.1.1 Role of the Employers in Industrial Relations

You now know that an organisation, established to achieve predetermined goals and objectives, may be viewed as a system which forms part of the larger system in the economy. Management's task is, therefore, primarily to devise appropriate strategies with which the organisation can successfully convert available resources into goods and services.

Industrial relation is one of the organisation's most important resources. The industrial relations subsystem in an organisation must therefore also be managed in such a way that value is added to the inputs, in order to produce outputs which satisfy the needs of the society.

Accordingly, various decisions pertaining to such subsystem must be taken by the management to ensure its effective use. Apart from such decisions, strategic decisions regarding the management of this subsystem must also be made. Hence, the employer or the management has a major role to play in industrial relations.

Such responsibility of the employer in industrial relations centres on the following areas:

1. Establishing appropriate contractual relationship between the organisation and the employees.

2. Taking steps to grant recognition to trade unions which have been

   registered by the appropriate government agency.

3. Putting into place appropriate structures with which to manage the trade union activities in the organisation.

4. Establishing appropriate structures for the practice of collective bargaining for resolving industrial conflict.

5. Establishing appropriate structures for the management of workers' grievances on individual basis as well as for group of employees.

6. Establishing appropriate policies and procedures for handling disciplinary issues in the organisation.

7. Creating enabling environment for the workers to participate in management decisions which affect their lives at the workplace and the organisation as a whole.

8. Produce and make available to the workers, organisation manual that incorporates the conditions of service under which the workers have to work.

9. Fostering team building and interpersonal relations among the workers so as to engender mutual understanding among the workers.

10. Recognising and incorporating existing industrial laws and regulations in fashioning out industrial policies and procedures for dealing with industrial matters in the organisation.

Self-Assessment Exercise

Outline the various areas of employer's responsibility in industrial relations.

3.1.2 Role of Trade Unions in Industrial Relations

Trade unions come into being as a collective response of working people exposed to the economic deprivations of an inappropriate societal structure and exploitative attitudes of the industrial and commercial operators. Therefore, the workers find themselves repeatedly engaged in bitter conflicts with the controlling elements in the society. It has been argued that having brought people together in factories and in cities, dissatisfaction and resistance to prevailing conditions of work and living then led to trade unionism aside from social protests and violent revolutions.

The fundamental objective of trade unions therefore, is to look after the interest of their members, providing welfare measures and boosting the morale of members as well as ensuring good relations between workers and management. More so, demanding for worker's participation in management is the prerogative of trade unions. Giving financial support to its members, contributing to the reduction of industrial disputes and obtaining better conditions of service for its members are also the functions of the trade unions.

Furthermore, apart from seeing to the welfare of their members, their role also covers that of: seeing to the maintenance of industrial peace; seeking to bring more members into the union's fold, mostly on voluntary basis; representing the workers; engage in collective bargaining and consultation; taking part in the settlement of trade disputes and seeking to participate in decision making on matters of interest to the workers.

Another perspective is that trade unions find relevance in productivity with their policies directly or indirectly affecting productivity positively. The role of trade unions is also seen in their ability to encourage innovation, flexibility and professionalism as well as in providing the additional advantage of organised approach based on collective strength and wisdom. The role of the trade unions therefore, must go beyond the general interest of worker in terms of remuneration and other working conditions.

In the course of performing its responsibility to the workers, it has been observed that it is in the best interest of the unions and developing countries that the unions render active cooperation in the development plans which aim at the prosperity of the society. This view is based on the Western concept of trade union roles which cut across social, economic and political aspects. Contrasting this against the background of the evolution of trade unions in Nigeria, it is held that trade unions in Nigeria are more concerned with insecurity of job and earnings and an uncertain future in the context of continuing mismanagement of national resources.

Hence, this has pushed workers and unions into proposing sets of complementary and the more immediate demands such as minimum wages and pensions being backed up by strikes. The Nigerian workers generally, simply want to protect their interests against both employer and government encroachments by adopting methods extending beyond the confines of the collective bargaining and job consciousness, akin to the American vintage situation.

Nevertheless, the aims and commitment in union policy vary among trade unions and over a period of time. This can be explained in terms of historical factors, present conditions and the characteristics of unions. Taking the particular case of Nigeria, the reality is that the trade unions constitute an important element in the social structure of the country, influencing as it were, decisions and actions in both the economic and non-economic

sectors. Identifiable among these are their influence in the area of price of industrial, amount of effort or working time, equity or fair play, and power of influence in the work place and large society, as well as in the security of their organisations and the extent of control which these organisations have over jobs.

Fundamentally therefore, trade union serves as the linking pin between the worker and the employer or management and industrial in industrial relations. By their very nature and function, the trade unions are part of the production process because they represent industrial while the employers both private and government represent capital.

Self-Assessment Exercise

Identify the areas of the trade unions' responsibility in industrial relations.

3.1.3 The Basis of Government Intervention in Industrial Relations

The government which is often referred to as the third party in industrial relations also plays an important role through its different intervention strategies using the instrumentality of mediation, arbitration and conciliation besides promulgating the necessary legislations for the protection of the economic interest of the country. All in all, these devices are established to bring peace within organisation.

The legal status of industrial relations derives from government's recognition of the two parties as partners in the production of goods and services. The implication is that there is a range of public legislation regulating the day-to-day activities of the employers and the industrial unions in the course of industrial operations. Consequently, the position of government in industrial relations is that of acting as the watchdog over the disposition of the two parties, that is, the employer and the employees. More so, since the two parties, who are the principal actors in industrial relations come with vested interest, there is the need for government intervention towards ensuring a coalescence of such divergent interests.

Fundamentally, there is an unequal relationship between the employer and the employees, with the employer driven by the inordinate desire to maximise profit. The employees, on the other hand are hunted by fears of unemployment and starvation and therefore, found themselves herded into factories and other workplaces to work under very severe and often debilitating conditions. Hence, there is conflict of interest which can only be resolved with the intervention of the government in form of rules and regulations for the practice of industrial relations.

Furthermore, for a definite relationship between union and management that will enhance the pursuit of goals and objectives for which the organisation is established to exist, there is need for the intervention of government in industrial relations to ensure the protection of workers' rights and privileges in the workplace. More so, industrial relations embraces the determination of general conditions of service, discipline, maintaining a stable work force, providing welfare facilities for the workers and so forth, therefore, government has to provide conducive environment through legislation for the use of collective bargaining to ensure fair deal for both parties.

The realities of industrial management relations tend to indicate that in spite of the deliberate efforts of industrial and management to co-exist, the two parties have to be prevented from locking horns and at the same time remove their biases against each other

towards ensuring industrial harmony and societal progress. This is the responsibility of the government in any society. Above all, since the employers in industrial organisations are all too powerful with their intimidating might to hire and fire at any plausible excuse, the government has onerous responsibility to ensure the protection of the workers' rights and privileges in the workplace.

3.1.4 Reasons for Government Intervention in Industrial Relations

1. There is need to maintain stability in industrial organisations through the use of appropriate rules and regulations.

2. Government also intervenes to control the work relations in order to ensure industrial harmony.

3. The relationship between employers and employees is contractual in nature; therefore, there is the need for government to regulate such legal relationship.

4. Government is an important employer of industrial in the country, and this implies that it has to exert great influence in industrial relations through legislations on remuneration, fringe benefits etc.

5. There is also the need to enforce government regulations through intervention in resolution of industrial disputes.

6. Government also intervenes to resolve lingering industrial disputes through the use of appropriate institutions to avert breakdown of law and order in the workplace.

7. Government also intervenes in industrial relations by setting the guidelines for the determination of conditions of service and welfare amenities for the workers.

8. Government has the responsibility to encourage desired level of productivity in the economy through intervention in industrial relations.

9. Government intervenes due to the growing awareness that relations between employers and employees could not be left to the two parties alone; in order to protect public interest.

10. Government has the responsibility to protect the peace of the nation, and therefore, the government takes concerted efforts to make employers and the workers resolve their differences through industrial court.

Self-Assessment Exercise

Why is it necessary for government to get involved in the practice of industrial relations?

4.0 Conclusion

The analysis above portray that industrial relations is an integral aspect of the industrial system in any economy, and Nigeria is no exception. Therefore, it behoves on the

government to intervene in the practice of industrial relations in order to regulate the behaviour of the employers, and at the same time to ensure their compliance with the existing industrial laws.

Furthermore, government also intervenes in industrial relations to ensure fair deal for the workers whose interest can be jettisoned by the employers in their inordinate quest to maximise the returns on their operations. Above all, government serves as an arbiter in industrial disputes by using its various agencies to mediate in such cases. This government's area of intervention is imperative towards ensuring industrial harmony and the protection of the economy from industrial instability as well as guiding against the exploitation of the workers by the employers.

5.0 Summary

This unit of the course has highlighted the basis of industrial relations. Therefore, in this unit, the meaning of industrial relations has been considered along with the various areas of responsibility of the employer, and the trade unions. The basis and reasons for the government involvement in the management and practice of industrial relations in industrial and commercial organisations have also been analysed in this unit.

In the next study unit, you will be taken through the discussion on the basis of relationship between the employer and the employee in organisational setting.

6.0 Self Assessment Exercise

1. What are the reasons for government involvement in the practice of industrial relations?

2. Outline the various areas of involvement of the employer in the practice of industrial relations.

7.0 References/Further Reading

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Unit 2 Nature of Relationship between Employers and Employees

1.0 Introduction

Fundamentally, the basis of relationship between the employer and the employee is the contract of employment. The employers and the employees are normally brought together by virtue of the understanding that there exists a contractual relationship between them. In essence, the action of the employer, which constitutes an invitation to treat, beckons on the employee that invariably makes an offer for the acceptance of the employee invariably results into employment relationship.

The implication of such relationship between the employer and the employee is that there is always an agreement that is legally binding and enforceable on the basis of which the latter party accepts to work for the former. Hence, a contract of employment is an agreement that creates the relationship between the employer and the employee and contains terms that are legally binding on both parties just like all other forms of contract.

In this unit, you are going to be exposed to the nature of the contract of employment, which serves as the basis of the relationship between the employer and the employee.

2.0 Objectives

At the end of this unit, you should be able to:

- explain the term contract of employment
- identify and explain the essential elements of a valid contract of employment
- analyse the master-servant relationship between the employer and employee
- mention and discuss the conditions of service in contract of employment

- differentiate between contract of employment and contract of apprenticeship
- identify and explain the various ways through which contract of employment can be terminated.

3.0 Main Content

3.1 Contract of Employment

3.1.1 Overview of the Contract of Employment

According to Aturu (2005), contract of employment is essentially a bilateral agreement between an employer and an employee, whereby the employee offers his or her industrial potential to the employer, and, in exchange therefore, the employer remunerates his/her industrial. The content of the employment contract is determined by the employer and employee.

More often than not the contract of employment is expected to set out the conditions of service in term of the issues relating to job description; remuneration; working hours per day; annual leave, sick leave, maternity leave, compassionate leave and study leave; and the fringe benefits (pension, provident fund, medical fund and housing).

Other issues considered in the contract of employment are in relation to protection of the company's interests – confidentiality and restraint of trade, the term of the contract, retirement age and notice period, requirements in respect of agreement, occupational health and safety rules, disciplinary rules, grievance procedure, and any relevant procedural or substantive agreement between the employer and a trade union in area of collective bargaining.

The contract of employment is regulated by: common law rules of contract and other applicable laws such as the Industrial Act of 1978 and judicial decisions. The reasons for the state intervention are not difficult to see. Such reasons include the need to:

- protect the employee, who is the weaker party
- ensure harmonious relationship between both parties to the contract
- ensure fair treatment of the weaker party in terms of conditions of service
- amicable resolution of employer-employee disputes
- interpretation and enforcement of the contractual obligations of the parties
- check the excesses of both parties
- check wrongful disengagement of the employees
- mitigate oppression of the employees by the employers.

Therefore, you can appreciate the fact that both the employers and the employees operate under the watchful eyes of the government so as to ensure equity as much as possible, in terms of the contract relationship between both parties.

3.1.2 Essential Elements of Contract of Employment

For a contract of employment to be valid there are some conditions precedent, which must be adhered to by both parties who are the subjects of the contractual relationship that subsists in the workplace. In the same vein, Aturu (2005) succinctly posits that all such ingredients of validity must be satisfied for a contract of employment to be legally binding on both parties.

Such conditions in the contract of employment are as follows:

1. Offer

It is an expression of interest by one person or group of persons, or by agents on their behalf, made to another of his or their willingness to be bound to a contract with that other person on terms either certain or capable of being made certain. The terms of the offer must be made clear and capable of being accepted. It must also be communicated to the other person. This is very applicable to the contract of employment.

2. Acceptance

It signifies the indication by the person to whom the offer is made of a person to accept unconditionally the term of the offer and to be bound by them. In the acceptance of the offer, the terms of the offer must not be varied otherwise it would amount to a counter offer. And until the person who first made the initial offer accepts the counter offer, there cannot be any valid agreement subsisting between both parties. This condition is also very essential in the contract of employment.

3. Consideration

Based on classical definition, the term means some right, interest and benefit accruing to one party or some forbearance, detriment, responsibility given, or undertaken by the other party. Hence, it implies consideration is what the parties give to each other in order to derive a benefit under the contract, and it is must be sufficient and not necessarily enough.

In the contract of employment, the consideration from the point of view of the employee is the salary that the employer pays, and to the employer, his expectation from the employee is the services to be rendered by the worker.

4. Intention

The intention to enter into legal relations which is binding on both parties - the employer and the employee - is said to be usually inferred from the consideration. Hence, the mutual agreement between the employer and the employee should be incorporated into individual worker's contract of employment.

5. Capacity

Under this condition, a person cannot have a valid contract of employment unless he or she is of a sound mind and has reached the age of maturity. Therefore, a person who is under the age of 16 years is not capable of entering into a contract of employment as a manual or clerical worker except as an apprentice.

The Industrial Act provides that the parent or guardian of a person above the age of 12 years and under the age of 16 years with the consent of the person may by a written contract permit an employer to train the person for a trade or employment in which art or skill is required or as a domestic servant. The term of the apprenticeship cannot exceed five years.

The Industrial Act also provides that where the young person is up to 16 years and above, he or she may apprentice himself or herself for the same term. The contract of apprenticeship must be duly attested to by an industrial office otherwise it is termed void. Removing or attempting to take out of Nigeria an apprentice who is under the age of 16 years is prohibited.

Self-Assessment Exercise

What are the essential elements of a contract of employment?

3.2Master-Servant Relationship between Employer and Employee

The master is the employer of industrial, and by implication, he is the stronger party in the relationship. The responsibility of the master arising from a master-servant relationship implies that the master owes some duties to the servant and also assumes some liability to the servant.

3.2.1 Duties of the Master to his Servant

The master's duties to his servant are fixed partly by the express terms of the contract and partly implicit in the nature of the contract. Such duties include:

1. To provide work. It is mandatory for the master to provide work for the servant.

2. To remunerate the servant. The master has the duty to pay cash remuneration in legal tender, at the right time and the agreed quantity unless otherwise stated or for reasons known and acceptable to the two parties.

3. Maintenance of a safe, secured and clean work environment.

4. To provide competent and responsible staff, instruct him and follow up with reasonable supervision.

5. To indemnify a servant for all liabilities and losses of property incurred in the course of his duty.

6. To indemnify a servant for all liabilities and losses of property incurred in the course of his duty.

7. To comply with all necessary conditions for the purchase, use, maintenance and discard of equipment and machineries at work.

8. To safeguard employees from fumes, exposure to dangerous and explosive items and installation of safeguard devices.

3.2.2 Employers Liability to the Employees

The master also owes the servant some liabilities. A master is liable for the acts of the servant in the following circumstances:

- when the servants action of inaction has been expressly authorised
- when even unauthorised actions or inactions of the servant is subsequently ratified
- the actions or inactions of the servants were done in the course of servants' employment.

The liability arises from the implied terms in the contract of service which specify that a master shall indemnify his servant in respect of all legitimate actions in the course of his duty. Nevertheless, care must be taken by the servant to the effect that a mere relationship of master and servant does not give the servant any power to act as agent for his master.

3.2.3 The Servant Worker's Duty of Fidelity

The worker servant is the employed, and according to the Industrial Act 1974, is any employee who has entered into or work under an employer. His obligations include the following:

1. A servant must not enter into transaction whereby his personal interest conflicts with his duty in his particular capacity. He should be faithful, loyal and honest.

2. Duty to obey orders: The servant is duly bound to obey all lawful and reasonable orders of his employer.

3. Duty to perform work for which he is employed or related duties.

4. Duty to comply with reasonable restraint of trade.

Self-Assessment Exercise

What are the duties of the master to his servant worker in the contract of employment?

3.3 Conditions of Service in Contract of Employment

The conditions of service that are normally spelt out in a contract of employment include the following:

1. Remuneration

This is considered as the important item in a contract of employment. Remuneration in itself comprises of salaries (or wages) and allowances (fringe benefits and commissions) which form part of the terms of a contract of service.

Remuneration is normally negotiated between master and servant, and where no rate is agreed, the rate paid is deemed to be what is current in similar industry in the area. Nevertheless, the need to prevent workers from exploitation has necessitated the promulgation of legislation on wages. A worker's rights to his wage is inherently incorporated into the contract of employment, and where fringe benefits are a part of the contract, payment of bare wages will not be considered adequate.

An employer is allowed to make deductions from the employee's wages to any pension fund, taxes or others. Deductions of overpayment can also be made but it must be made in at least three equal instalments and must not exceed one third of the worker's monthly wages at a time.

The Industrial Act does not permit an employer to suspend his worker without payment of wages except where criminal offences are committed. Restriction in the use of wages by the worker is not allowed. The manner in which a worker expends his wages shall not be restricted in any way. A worker who is required to walk for at least 16 kilometres or more to his place of work or another work site shall be entitled to free transport or an allowance in lieu.

2. Working hours and holidays

The working hours of a worker are not more than eight hours per day, and all the public holidays which attract work are normally expressly stated in the contract of employment. Any excess hour over this constitutes overtime.

3. Normal working hours

The normal working hours in terms of time of reporting for duty and closing has to be fixed by agreement or through collective bargaining. In addition, statutes have been used to regulate strictly the number of hours, which may be worked in any one week.

Both Sundays and public holidays are to be observed as work-free days. By implication, an employee cannot be compelled to work on these days against his wish. Where employees agree to work on such days, he should be paid for on the basis of full working day or more in addition to his wages. There must be at least a 90 minutes break for meal or rest each day.

4. Provision for holidays

Provision for the annual leave is embedded in the terms of employment between employer and employee. Nevertheless, the employee is entitled to an annual leave with pay unless otherwise stated in the contract of employment. Women on maternity leave are entitled to at least 50 percent of their salary provided they have worked for 6 months prior to the maternity leave.

Self-Assessment Exercise

What are the essential elements of a condition of service in a contract of employment?

3.4 Contract of Apprenticeship

Apprenticeship is a contract to train; it may be entered into by both an adult and infant, must be approved by an industrial officer, and must be beneficiary to the apprentice. It is regarded as an agreement under which a person whether an infant, adult, male or female undertakes to serve and learn for a definite time from a master, who consents to teach his trade or professional calling to the apprentice.

Differences between contract of employment and that of apprenticeship include:

1.Learning is the main focus of the contract of apprenticeship.

2. They are often identified with training of young people, i.e. it has the young ones in view, though older people can also get into it.

3. Contracts of employment may be either oral or written whilst that of apprenticeship must be in writing.

4.Contract of apprenticeship must be approved by an industrial officer.

5.An infant can be involved in a contract of apprenticeship but he must consent to the terms of the contract and it must be to his benefit.

6. In a contract of apprenticeship, a parent or guardian must countersign the agreement.

Like any other contract of employment, the terms of contract of apprenticeship are set out fully in the DEED of apprenticeship. Such terms include the following:

- length of apprenticeship
- amount of premium to be paid
- hours of work
- holidays with pay
- surety, etc.

Self-Assessment Exercise

What are the differences between a contract of employment and a contract of apprenticeship?

3.5 Termination of Contract of Employment

The termination of contract of employment can be effected through many ways. The form of determination to be used at any point in time is usually gathered through express or implied terms of the contract or may be inferred from circumstances surrounding the contract.

1. Termination by operation of the law

Contract of the employment can be determined or brought to an end because of the contents of the law. For instance, an employment will be determined under the law by:

- the efflux ion of time i.e. where a particular period is fixed
- notice where duration is not fixed
- the death of one of the parties to the contract, for example, the worker or the boss going bankrupt
- protracted illness making it impossible for one to work
- situations where there are frustrating agents, e.g. war, that makes the performance of the contract of employment impossible or that destroys the subject matter of the contract.

2. Termination by the intention of the parties

Both parties can indicate their intention to terminate the relationship. Such intentions must be made in a notice, which has to be expressly or impliedly spelt out. Such notice may be one month, three months or as may be agreed by both parties right from the onset of the contract. However, such determination is preceded by three conditions.

Payment in lieu of such notice can also be given by one of the parties, and the other party should accept such notice and make it work. Misconducts, inefficiency and inability to perform assigned responsibilities by a party to the terms of a contract of employment can also determine a contract of employment. Other situations that can also determine a contract of employment include redundancy, retrenchment, resignation, and retirement, etc.

In a situation where the employer is asking for termination, he must ensure that he informs the trade union of its intention and of the affected workers. He must also ensure that he pays all monies due to such workers.

Some issues fall out of this second determinant for termination of a contract of employment such as termination of public servant and a managing director. A public servant is a civil servant. The contract of employment of a civil servant can be terminated only based on the civil service rules because he enjoys an appointment with statutory flavour.

A managing director's employment is dependent on his terms of agreement with his employer, which is for a fixed period. Therefore, he cannot be terminated before the expiration of such period, except by the decision of a general meeting of the Board. Even where the managing director or any service director has an informal service agreement or for an unspecified duration, his service can be terminated only by a resolution passed in a general meeting, which can be held at any time.

3. Termination by dismissal

An employee can also have his employment contract terminated without notice regardless of the fact that no payment has been made in lieu of notice. Dismissal may result from misconduct on the part of the employee which could result from incompetence, disobedience to lawful orders, neglect, and misconduct, etc. Summary dismissal on the other hand results from more serious and grave misdemeanour on the part of the employee.

Some of these grave misdemeanours include: actions by an employee which are likely to bring the employer into disrepute; gross negligence of duty; gross immorality; gross misconduct; and abscond from duty post.

An exception to this rule is the employment with statutory flavour. Employments with statutory flavour are those appointments that are governed by statutes which regulate mode of the employment, rights, privileges and duties of the employee and how the employment can be determined. Therefore, in order to put an end to this kind of employment, the statues must be strictly complied with.

Failure on the part of such organisations to comply strictly with the statues establishing them renders the dismissals of the employee null and void. According to Aturu (2005), in such cases, the law court will readily order re-instatement of the dismissed or sacked employee. Nevertheless, the onus is on the affected employee to show that there is a statue that protects his or her employment.

In essence therefore, an employment is regarded as that which is associated with a statutory flavour if the employment is directly governed or regulated by a statue or a section of the statue delegates power to an authority or body to make the regulations or conditions of service as the case may be.

Self-Assessment Exercise

What are the inherent features of an employment with statutory flavour?

4.0 Conclusion

The above discussion has exposed you to the nature of contractual relationship between the employer and the employee; in terms of the essential requirements for a valid contract of employment. You were also exposed to the master-servant relationship between the employer and the employee as well as the important considerations inherent in the conditions of service for the employees.

5.0 Summary

This unit has been used to discuss the contractual relationship between the employer and the employee. In addition, the unit also analysed issues which border on the factors to consider whenever the necessary decisions are to be taken towards engaging the services of the employees in relation to the provision of the law; particularly the conditions of service. The unit also explained the issues relating to the contract of apprenticeship.

In the next unit, you will be exposed to the discussion on the regulation of the relationship between the employer and the employee in relation to the provisions of the industrial law in the country.

6.0 Self Assessment Exercise

1. Identify and explain the essential elements of a valid contract of employment.

2. Mention the important considerations in the condition of service of an employee.

3. What are the differences between contract of employment and that of apprenticeship?

7.0 References/Further Reading

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Unit 3 Regulation of Employment and Duties of Employers and Employees

1.0 Introduction

In the previous unit, the focus is on the contract of employment. In this unit, discussion is on the regulation of employment between the employer and the employee by the statutory provisions as contained in the industrial law.

You will recall from the previous study unit that the contract of employment can be oral or in writing. This is because an oral agreement known as parole in law can be enforceable under the general law of contract. Manual workers and clerical staff may only be employed orally for a period of three months.

The industrial law provides that not later than three months after commencing work with an employer, the latter has a duty to give to the worker a written statement specifying the terms of employment except the worker already has a written contract.

Contract of apprenticeship must be in writing and attested by an authorised industrial officer. The authorised industrial officer must satisfy himself that the apprentice consented to the contract and that the consent was not obtained by coercion or undue influence.

2.0 Objectives

At the end of this unit, you should be able to:

- describe the statutory terms of employment
- identify and discuss the various categories of workers
- describe the regulation on employment of women and young persons
- analyse the rights and obligations of both parties involved in the contract of employment.

3.0 Main Content

3.1 Terms of Employment

The industrial law makes it mandatory for employers to give their workers not later than three months after the beginning of a worker's employment a written statement specifying the following terms:

1. The name of the employer or group of employers, and where appropriate, of the undertaking by which the worker is employed.
2. The name and address of the worker and the place and date of his engagement.
3. The nature of the employment.
4. If the contract is for a fixed term, the date when the contract expires.
5. The appropriate period of notice to be given by the party wishing to terminate the contract which must conform with the relevant provision of the Industrial Act.
    - One week where the contract has continued for more than three months but lessthan two years.
    - Two weeks where the contract has continued for a period of two years but less than five years,
    - One month where the contract has continued for five years or more.
6. The rates of wages and method of calculation thereof and the manner and periodicity of payment of wages.
7. Terms and conditions relating to:
    - hours of work
    - holiday and holiday pay
    - incapacity for work due to sickness or injury, including any provisions for sick pay.
8. Any special conditions of the contract. The employer has a duty to inform the worker of any change in the terms not more than one month after the change. The requirement of

written particulars is however not applicable to workers who have been given a written contract of employment covering the above particulars.

The following terms cannot be included in a contract of employment of manual or clerical workers:

- That wages shall be paid at intervals exceeding one month unless it is authorised by the state.
- That a worker can be made liable for the debt or default of another person.
- That a worker's employment shall depend on whether he or she joins does not join a trade union or that he or she shall or shall not remain a member of a trade union.

A worker cannot be dismissed or prejudiced by reason of trade union membership or because of trade union activities outside working hours or within working hours with the consent of the employer.

Any provision excluding or limiting the liability of an employer in respect of personal injuries caused to an employee or an apprentice by the negligence of a fellow employees.

10.Termination of contract of employment. The Industrial Act gives a guideline in case where the parties have not by conduct waive their right to notice. Example is where a party accepts payment in lieu of notice or commits such acts as may entitle the employer to terminate the employee summarily.

i. Where the contract has continued for a period of three months or less, one day notice shall be given.

ii. One week where the contract has continued for a period of more than three months but less than two years.

iii. Two weeks where the contract has continued for a period of two years but not less than five years.

iv. One month where the contract has continued for a period of five years or more.

Any notice for a period of one week or more shall be in writing and that all wages and other entitlements shall be paid on or before the expiry of any period of notice.

Self-Assessment Exercise

What are the essential terms in a contract of employment?

3.2 Categories of Workers

The term worker does not include any person exercising administrative/executive or technical functions according to the Industrial Act. Hence, on notification of trade union of redundancy does not apply in the case of persons exercising administrative/executive or technical functions.

1. Public officers or servants

A public officer is any person employed in the service of either the federation or of a state in any capacity in respect of the government of the federation or of a state. By virtue of the constitution of the country, public servants would include staff of the following establishments:

- National Assembly
- Judiciary, Commission or Authority established for the federation or for any state or local government
- Statutory corporation, company or enterprise in which the government has controlling shares or interest
- iv. Educational institutions established or financed by the federal or the government of a state or local council
- Ministries or departments or agencies of the federal or state government or local council.

Such workers can be said to be employees whose employment have statutory flavour. Therefore, their rights, privileges and duties are regulated by the statutes establishing such organisations or government regulations.

2. Common law employees

Workers who are employed in the private sector or even in government establishment but whose terms of employment are governed or regulated by contract alone and not by statute are common law employees. The relationship is described as that of master-servant relationship. However, a public servant or officer whose employment is not governed by statues is also a common law employee.

The employment of the workers can be terminated by either party upon notice or upon payment of salary in lieu of the notice. The length of the notice is as contained in the contract of employment.

Where the parties did not stipulate the length of notice the court will have regard to the nature of the employment and the status of the employee concerned and read a length of notice it considers reasonable into the contract of the employment.

3. Foreign employees

No foreign employees can accept employment with Federal Government of Nigeria or any state government without the consent in writing of the Director of Immigration. The aim is to protect certain businesses from exploitation by non-Nigerians and make sure that Nigerians are not at any disadvantage**.**

3.3 Regulation on Employment of Women and Young Persons

3.3.1 Regulation of Employment of Women

The provisions of the Industrial Act on the employment of women are as follows

1. Generally, women are not supposed to be employed on night work. Nevertheless, the provision does not apply to women in medical profession and persons in agricultural undertakings who are engaged in manual-industrial.
2. 2. A night work for women is only permissible where the work due to an unforeseen interruption of operation and is not recurring or it has to do with raw materials which are likely to get spoil fast.
3. 3. No woman can be employed in an underground work in any mine unless she is undergoing a study which requires such work or she occasionally enters the underground parts of a mine for a non-manual work.
4. 4. A woman is entitled to be absent from her work six weeks before her confinement is due and six weeks thereafter, if she produces a medical certificate to that effect.
5. 5. In the above cases, the woman is entitled to 50 percent of her wages regardless of her absence and cannot be given notice of dismissal during her absence.
6. 6. More so, a woman must be allowed half an hour twice a day to nurse her baby during working hours.

3.3.2 Regulation of Employment of Young Persons

The provisions of the Industrial Act on the employment of young persons are as follows:

1. Generally, no young person shall be employed during the night. Nevertheless, young persons over the age of 16 years may be employed at night in the manufacturing of:

- iron and steel
- glass works,
- paper, raw sugar, and
- gold mining reduction work.

2. A young person under the age of 15 years cannot be employed in a vessel (ship) except the vessel is a school or training vessel or only member of his family are employed in the vessel.

3. No young person under the age of 16 years can be employed to work underground, on machine work or on public holiday.

4.No child can be employed except by members of his family to work on light work of an agricultural, horticultural or domestic character approved by the minister.

5. A child cannot be employed to lift, carry or move anything so heavy as to be likely to injure his physical development.

6. A young person under the age of 14 years can only be employed on a daily wage and day-to-day basis provided he or she returns each night to the place of residence of his or her parents or guardian.

7. Every employer of young persons must keep a register of all the young persons in his industrial undertaking with particulars of their ages, date of employment and nature of their employment.

Self-Assessment Exercise

Give reasons why it is necessary for the state to regulate the contract of employment?

3.4 Individual Agreement in Industrial Relations

Fundamentally, the individual agreement is the contract of employment by means of which the relationship between the individual employer and employee is regulated. Since the contract of employment constitutes a very important component of industrial relations management at the organisation level, it is important that it is considered.

Basically, once a person offers his or her services (industrial) to any other person (an employer) in exchange for remuneration, a specific contractual relationship comes into being. There is no need for such agreement to always be a written contract. Where an oral agreement is concluded between the two parties, such parties are expected to abide by the provisions agreed upon.

You will recall from the previous study unit that a contract of employment is essentially a bilateral agreement between an employer and an employee. The employee offers his or her industrial potential to the employer, and, in exchange therefore, the employer remunerates him/her industrial. The content of the employment contract is determined by the employer and employee, but relevant laws and agreements laying down minimum conditions also have to be taken into consideration.

Usually, the contract sets out the rights and obligations of the employer and employee by way of provisions dealing with issues such as: job description; remuneration; working hours per day; annual leave; sick leave; maternity leave; compassionate leave and study leave; benefits (pension, provident fund, medical fund and housing); protection of the company's interests – confidentiality and restraint of trade; the term of the contract, retirement age and notice period; requirements in respect of closed-shop agreements or agency-shop agreements; occupational health and safety rules; disciplinary rules; and any relevant procedural or substantive agreement between the employer and a trade union.

The implicit aspect of this contract of employment is that both employer and employee have specific rights and duties. The employee sells his/her services to the employer and in return the employment relationship requires the employer to render counter-performance.

The rights of the employee in the organisation normally include the right to associate with other employees (that is, to belong to a trade union), to bargain collectively, to withdraw his industrial or go on strike, to be protected and to receive training, among others.

3.5 Duties of the Employer and the Employee

Both the employer and the employee have some duties to perform arising from the contractual relationship between the two parties. Such duties are set out below.

3.5.1 Duties of the Employer towards the Employee

The duties of the employer are as follows:

1. Duty of employment

Once a contract of employment has been concluded between an employer and an employee, the employee must be employed by the employer in accordance with the provisions of the employment contract. The employer must therefore take the employee into his/her service and remunerate the employee as from the date agreed upon. Implicit in this duty is the duty to keep the employee in employment and not to dismiss him or her arbitrarily.

2. Duty to provide work as agreed upon

The designation of the job to which the employee is appointed is usually specified in the contract of employment, and in such contract, the employee's duties are set out in broad outline. The employer may, within the limits of the provisions of the employment contract, use his or her discretion regarding the utilisation of the employee's services. Nevertheless, the question that must always be asked is what the intention of the parties was and what can reasonably be expected of the employee.

An example which is clearly indicative of breach of contract in this regard is that where a person is appointed as a manager, but is demoted to a lower post after a few months, yet still receives the same salary. Another of such a breach of contract is that where a person is appointed as a training instructor, but is instructed after two weeks to perform low-level, clerical work for a few months. In both cases, there is no consensus (a meeting of the minds) and a lowering in status is the outcome. The employer is not entitled to unilaterally amend the terms of the employee's appointment.

3. Duty to remunerate

In the contract of employment, the parties agree that remuneration is payable periodically (daily, weekly or monthly). The remuneration need not necessarily be payable in money (an employee may, for example, be entitled to part of a harvest). Moreover, not all of the remuneration need be paid in the form of a wage or salary, but may be calculated on a commission basis. The remuneration must, however, be fair and reasonable vis-à-vis the services rendered. It is the employer's duty to remunerate the employee for purely making his/her services available, which means that, where the employer is prevented from utilising the employee's services owing to circumstances beyond the control of the employer, he/she (i.e. the employer) must remunerate the employee, provided that the latter continues to offer his/her services. The principle of "no work, no pay" however applies where an employee fails to make his or her services available as a result of participation in a strike.

4. Duty to provide a safe working environment

Every employer is expected to exercise reasonable care in ensuring safety of his or her employees. In essence, not only must the workplace be safe, but also the machinery, equipment and work systems which are used.

There are relevant safety laws in Nigeria that impose specific obligations on the employer as regards safeguarding of the work situation. Nevertheless, numerous matters pertaining to safety are negotiated by employers and trade unions, such as the training of employees and safety representatives in safety matters.

5. Duty to grant leave

The employers are to grant paid vacation leave to their employees. Where the employer cannot go on leave due to the nature of his or her work, the leave bonus must be paid.

Other duties of the employer include:

- contribute to the pension fund
- keep certain prescribed records
- provide severance allowance at the instance of separation
- allow employees to join to a trade union
- encourage the use of collective bargaining.

3.5.2 Employee Duties to the Employer

The employee also has specific duties to perform, arising from the contract of employment. Such employee duties include the following:

1. Duty to make his or her services available

Every employee has a duty to make his or her services available to the employer as agreed upon in the employment contract. Thus, his or her right to remuneration depends on the availability of his or her services and not on the actual rendering thereof.

2. Duty to be competent on the work

On the strength of a person's application for employment, he or she tacitly guarantees that he or she is able and competent to do the work required by the post. Every employee undertakes, by way of his or her employment contract, to exercise the necessary care and competence in performing his or her work. It is only when an incapacity is serious or continuing that termination is justifiable.

3. Duty to act in good faith

On conclusion of a contract of employment, a relationship of trust comes into being between the employer and the employee. Therefore, the employee is required at all times to serve his or her employer honestly and to act in good faith. The employee must further the employer's business interests and the personal interests of the employee may not conflict with the interests of the employer.

4. Duty to protect property and information

Employees may also not misuse the property of their employers or divulge confidential information or business secrets.

5. Duty towards good behaviour

Employees must refrain from committing acts of misconduct such as dishonesty, theft, intoxication, and the like.

6. Duty to render services as subordinate of the head

Employees are expected to render his or her services in subordinate capacity, and to obey the lawful and reasonable instructions of the employer. They are also required to act respectfully to the employer and senior colleagues.

An employer may only take disciplinary action against the employee if the employee's refusal to carry out lawful instructions is intentional and of a serious nature.

Self-Assessment Exercise

Enumerate and explain the duties of an employee to his employer?

3.6 Employer's Rights and Management Responsibilities

3.6.1 Employer's Rights

The employer has specific rights vis-à-vis the employees. Therefore, the employee must:

- Perform the required duty and may not arrive unnecessarily late, be absent from the workplace or be under the influence of alcohol or drugs.
- Be obedient, must not ignore the lawful instruction and reasonable instructions of management, and must not incite or intimidate co-workers.

- Behave properly and acknowledge and respect the authority of management, must not swear or fight, must not be dishonest towards management, must not commit fraud and must not insult co-workers.
- Exercise the right to associate, negotiate and strike in a reasonable and responsible way.
- Be loyal to the employer.

3.6.2 Management Responsibilities

The management is responsible for ensuring that both parties respect each other's rights and abide by their respective duties. Such management responsibilities include:

- determine organisational objectives and strategies
- arrange for the utilisation of resources to realise the objectives of the organisation
- entrench quality assurance that products or services satisfy the requirements of consumers or the customers
- ensure that things are done efficiently
- ensure that customers are satisfied and will therefore buy and use the products or services, thereby guaranteeing the overall success of the organisation.

4.0 Conclusion

The above discussion has exposed you to the nature of the regulation of the relationship between the employer and the employee in terms of the statutory terms in contract of employment and the necessary areas within which both employers and the employees can exercise their rights regarding the contractual relationship between them. Nevertheless, it is instructive to note that such contractual rights of both parties carry with them some defined obligations. Hence, both parties are entitled to their rights and they are also under obligations to reciprocate in the like manner.

5.0 Summary

This unit has discussed the rights of the employers and those of the employees under the contractual relationship between both parties. In addition, the unit has also treated issues which border on the factors to consider whenever the necessary decisions are to be taken towards engaging the services of the employees in relation to the provisions of the law. The unit also explained the issues relating to the regulation of the employment of women and young persons.

In the next unit, you will be exposed to the discussion on the necessary framework to be established in the management of industrial relations in an organisational setting.

6.0 Self Assessment Exeercise

1. Identify and explain the statutory terms of employment.

2. Discuss how women and young persons are protected in employment.

7.0 References/Further Reading

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Unit 4 Framework for Management of Industrial Relations

1.0 Introduction

Cronje *et al.* (1990) posit that in general management, a broad plan and objectives in themselves are not sufficient as a management strategy and that "there must be a framework or structure within which management sets about putting organisational strategy or plan into operation." The development of such a structure includes the second fundamental element of management which is organising. Hence, Cronje *et al.* explain that organising means developing mechanisms to put the strategy or plan into action.

Organising decisions involve the grouping of activities and the allocation of groups of activities to persons who will accept responsibility and accountability for them. This includes a number of structural decisions, as well as decisions concerning mechanisms for strategy implementation and the allocation of work among the workers.

In this study unit, the emphasis is on the application of these concepts in industrial relations management. This involves decisions that top management should take about organisational structure in operationalising the formulated management policies in respect of industrial relations. Essentially, these decisions must be taken towards the effective implementation of the functional policies of an organisation on industrial-related matters.

2.0 Objectives

At the end of this unit, you should be able to:

- explain specialisation and devolution as they relate to industrial relations management
- explain standardisation and formalisation of functions in managing industrial-related matters
- identify the decisions necessary in structural arrangement for handling collective bargaining in organisation
- explain the relevant mechanisms for managing industrial relations
- identify and discuss the various role models that can be used for the management of industrial-related matters.

3.0 Main Content

3.1 Specialisation and Devolution in Management of Industrial Relations

The most important aspect of the organising function has to do with decision regarding who does what when it comes to the management of industrial-related matters.

The employment relationship which must be managed is that between employee and the employer. The management team is accountable to the shareholders or owners for the management of this relationship. Due to the fact that workers organise collectively, however, they elect representatives in the workplace, and these representatives become yet another group of role players in the employment relationship.

Management decisions should be taken regarding who plays what role in the management of the employment relationship. In this regard, specialisation and centralisation are two of the crucial aspects determining the management structure that has to be created for the role players involved in industrial relations management. The successful management of the employment relationship is ultimately a line management responsibility. With regard to the various levels of management, the question arises as to who formulates industrial relations strategy and who is responsible for its implementation. Here, a distinction may be made between initiators, facilitators and implementers**.** Initiators, usually a small group of top and senior managers are responsible for formulating strategy and policy.

Facilitators, on the other hand, are usually industrial relations specialists who give professional advice to line management and who provide top management with feedback. Implementers are all the other role players in the organisation, such as line management and workers and their representatives. It behoves on the management to decide who must be the facilitators and who must be the implementers. Empirical evidence reveals the impressive emergence of general 'business managers' and line managers as key players on employment issues. There was evidence of these managers devising, driving and delivering new initiatives. This aspect, which is termed devolution, should therefore be considered at top management level as part of strategic management decision making regarding industrial relations.

Brewster and Holt-Larsen (1992) opine that devolution is one of two core elements in a trend towards a more strategic approach to the management of industrial relations. The degree of devolution regarding the role of line management in this area of management as opposed to the degree of specialisation in respect of the role of industrial relations specialists is a decision to be taken at top management level.

Specialisation refers to the degree to which special tasks are identified and are allocated exclusively to certain specially trained persons. Smith & Cronje (1992) succinctly observe that departmentalisation regarding decisions about the process in which tasks are grouped into controllable units is a relevant issue when a special department is established to look after certain aspects of a matter. Specialisation may also be explained as the degree of authority that the line manager has in the area of industrial relations as compared with the specialists, an aspect that will ultimately have to find a place in organisational policy. The less the devolution, and thus the more specialisation, the greater the role of the specialist function. This, in turn, will mean that there will be a large number of specialists, and therefore a concomitant and complex departmentalisation of the function itself.

The personnel and industrial relations manager has a great deal of decision-making authority in the area of industrial relations management. Where this is the case, top management as part of its strategic management approach will be entitled to ask questions about the size of the personnel and industrial relations department. The current trend internationally is towards devolution rather than specialisation.

Basically, these top management decisions should be taken in the context of the formulated policy in respect of industrial relations management. In this connection, it seems that management would be more inclined to opt for devolution as it moves up the vertical axis of the matrix organisational hierarchy, because it will be more likely to believe that all managers have the ability or potential to take more and more of the decisions about the employment relationship for themselves.

Self-Assessment Exercise

Differentiate between specialisation and devolution in labour relations management.

3.2 Decisions on Employment Relationship and Collective Bargaining Structure

The top management decisions on the role of the line manager and personnel specialist in taking decisions about the employment relationship are influenced also by decisions about the centralisation or decentralisation of decision making in this area.

Decentralisation refers to the extent to which decisions can be taken at lower levels without having to be approved at higher levels. Smith and Cronje (1992) posit that centralisation is the location of a high degree of authority at the top of the hierarchy while decentralisation refers to a high degree of delegated authority down the organisational hierarchy.

The emphasis herein is on the extent to which decisions relating to industrial relations management including those regarding negotiations are taken at a lower or higher level within the organisation. The important consideration is the role, and the powers and participation of various management levels including middle-level management and first-line supervisors when it comes to decision making. In multi-plant or multi-unit organisations, therefore, decisions have to be made about the extent to which head office as opposed to plant-level management has the autonomy to take management decisions about the employment relationship.

For example, if on one hand, a greater degree of decentralisation is decided on, with each plant being empowered to make decisions about recruitment, selection, career matters, training, supervisory style, job evaluation and remuneration, in conjunction with a policy of joint employee care, then, typically, management-trade union committees or teams at plant level will be empowered to take these decisions autonomously at plant level. On the other hand, if top management adopts a policy of integrative, negotiated care and also decides that, say, decisions regarding selection, training, welfare and remuneration will be centralised at head office level, then management personnel at head office will take these decisions. This is normally preceded, however, by regular, win-win negotiations with trade unions regarding these matters.

Alternatively, top management may decide to lay down broad parameters only, with less emphasis on monitoring the performance of individual plants or business units in the area of industrial relations management; or a great deal of autonomy may be granted, with little or no monitoring. In order to retain a measure of control and coordination, top management has to decide on the degree of monitoring to be carried out in the event of decentralisation. In this regard, information technology can create a great many new possibilities when it comes to conveying the necessary management information to head office. Where the structure of an organisation is more complex, the divisional units, too, can play a part in decision-making, coordination and control in industrial matters.

At this juncture, you should appreciate the fact that the general characteristics of organisations and how they are organised in general will have a considerable influence on top management decision making concerning the centralisation or decentralisation of industrial relations management. For example, an organisation with plants in other countries which are exposed to different trade unions, legislation, and so forth, will of necessity have to allow more decentralisation.

Colling and Ferner (1992) note, however, that head office will still have to intervene at decentralised levels to resolve conflicts and to prevent repercussions shortly before listing on the stock exchange. Apart from this strategic, centralised role, head office can exercise control by means of monitoring and contact at plant level. Top management thus has to decide on the degree to which such measures are going to be applied when the circumstances of the organisation change, for example as a result of privatisation.

Other issues which are related to the centralisation or decentralisation of decisions in industrial relations management are standardisation and formalisation. The former refers to management decisions on the extent to which specific rules have to be laid down for uniform management action in respect of industrial-related matters. The stronger the centralised control, the greater the role of standardisation and the less scope there will be for autonomous management decision making at lower levels of the organisation.

The other related matter is formalisation, which refers to the extent to which rules, processes and agreements are committed to writing. Formalisation thus has to do with, among other things, the formal or written establishment of procedures in respect of recruitment, selection, guidance, dispute resolution, grievances, discipline, collective bargaining, and even strike management, as well as with agreements arising from collective bargaining. In the case of constitutional bargaining strategies, top management will probably have to place far more emphasis on formalisation than in the case of management trade union cooperation strategies, where a stronger case can be made for a more informal approach.

In extreme cases of standardisation, formalisation, specialisation and centralisation, top management would therefore have a wide range of highly detailed procedures put into writing by specialists from head office about such matters as job design and job descriptions, career and personnel planning, employment, conditions of service, discipline, the handling of grievances, and remuneration practices. Alternatively, top management might decide that it is better to decentralise management decisions about the employment relationship to plant level, but that formalisation remains an important principle.

The head office of an organisation can, on the basis of the individual procedures and agreements of plants and business units, still monitor the status of the employment

relationship after decentralisation. Clearly, then, this aspect represents a further, important top management decision that will ultimately have an impact on the nature of the role played by the personnel and industrial relations departments within the organisation, and more specifically, at the various levels of the organisation.

In the context of external environmental demands such as legislation, top management should also decide on the most appropriate levels for collective bargaining with trade unions if any are involved. Thus, within the framework of the organisational policy instituted for the management of industrial relations, the emphasis is primarily on the trade union recognition and bargaining strategies.

The decision on the appropriate structure for collective bargaining is imperative particularly in countries where trade unionism and negotiation are so entrenched. Nevertheless, the decision is a complex one which has to be harmonised with external environmental demands such as legislation, as well as with other structural elements of the organisation and with the organisation's business and industrial relations policy.

Bendix (2001), in discussing the collective bargaining structure at the generic level, states that the concept also encompasses "the concepts of 'bargaining units' and 'bargaining levels'." The former refers to the decision regarding on whose behalf and with whom bargaining will take place and also whether bargaining will be conducted with one union only or with a number of unions.

For some obvious reasons, it is important to decide at what level and with whom negotiations will take place. These reasons include: cadre of employees covered by collective agreements; the degree of trade union influence in the organisation; the degree of direct and indirect worker participation in management decisions; and the degree of inter-union conflict, among others.

Several factors have to be taken into consideration when such decision is being made. These factors include the state of the national economy, the nature of the industry, legislation, historical variables, trade union representation levels, organisational policy and strategy, the scope of the trade union's registration, and competition between trade unions. Economic factors, as well as worker perceptions and needs, obviously play an important role, and government policy and relevant legislation also exert important influence on such decision.

As you have observed, the structures, policies and general preferences of an organisation are also important in such decision. The power of trade unions is probably one of the most crucial variables in deciding at what level negotiation will take place. This is because it is unlikely that strong unions would allow management to amend collective bargaining procedure without resistance. The decision will also be influenced by the perceptions of strategic decision makers as to the level at which management has the best chance of shaping collective bargaining outcomes and processes to the best possible advantage of the organisation.

It is instructive to note that because trade unions argue that bargaining should be to their advantage, conflict between trade unions and management is always a possibility if the two parties advocate radically different structures. In the past, especially in the 1980s and early 1990s, this in fact led to a great deal of industrial conflict, and even to industrial action.

As it were, apart from the organisational rights of trade unions, it is management's grand strategy in respect of industrial relations that will be the chief determinant in this decision.

This is in view of the fact that it will basically facilitate either avoidance of or cooperation with trade unions. The decision as to whether or not a trade union should be formally recognised is also a fundamental one.

Another decision to be taken is whether to give preference to collective bargaining through an employers' association. If an appropriate bargaining council within the employers' association with jurisdiction does exit, it can be decided to what extent to participate actively in the negotiations of this council. Grand strategies such as constitutional, integrative and negotiated employee care may provide the framework for a top management decision to negotiate as little as possible with trade unions at organisation level.

The management may decide on an approach to react, as far as possible, only on the basis of centrally negotiated agreements and/or trade union requests to negotiate at a local level. In such cases, management may well want to bargain at corporate level rather than at plant level, with the intention of precisely limiting trade union influence at decentralised levels.

An obvious implication arising from the above approach is this; that the more the top management supports decentralised bargaining, the more the information that will be shared with trade unions about matters concerning the lower levels. And by extension, the more informal and non-standardised the decisions will become in order to create flexibility for the different conditions existing at various organisational levels. In the case of management-trade union cooperation strategies, multilevel trade union involvement and participation may be stressed rather than formal collective bargaining at a particular level. Nevertheless, as you are aware, collective bargaining with trade unions cannot really be avoided, especially if, for example, an organisation operates in an industry or in a country where a collective bargaining culture has been entrenched.

On the other hand, the top management of a multi-plant organisation may retain control at corporate level in all sorts of ways even if it decides to decentralise collective bargaining procedure to the extent that a mere symbolic autonomy is created at plant level, because the real strategic decisions can be taken only by head office. Management may use this approach called institutional separation to limit trade union influence over organisational matters if the organisation policy requires it, especially if the trade unions are seen as too strong, or if they are perceived to be a threat.

Similarly, top management may decide to opt for specialisation rather than devolution when it comes to collective bargaining procedure. In this vein, Marchington and Parker (1990) observe that collective bargaining is dealt with by specialist in industrial relations and personnel managers, who perform a buffer or gatekeeper role, thus keeping trade unions away from other senior managers who are therefore free to take strategic decisions without the need for bargaining solutions. Hence, the framework for collective bargaining can be organised in such a way that it is centralised at head-office level, thus favouring specialisation rather than devolution.

Central control may also be retained by the top management by retaining other aspects of employment relations such as remuneration decisions. If matters such as fringe benefits, job evaluation and remuneration structures are centrally determined, and strict financial control is exercised in a multi-plant organisation, decentralised collective bargaining framework may become an illusion because some of the principal issues of collective bargaining are still under central control of the top management.

The issue of central control may also be more strongly maintained over certain items about which collective bargaining takes place at a lower level. Therefore, top management must decide not only on extent to which bargaining will take place at bargaining council and/or at organisation level, but also about the levels at which it prefers to negotiate certain issues. In this regard, it is thus a question of the scope of collective bargaining, which naturally forms part of management decisions about the collective bargaining structure.

Other aspects to be decided on in bargaining structure are whether management should: negotiate with more than one trade union, and especially with minority trade unions; adopt the closed-shop or agency-shop principle; join an employer's organisation or association for negotiation; bargain with trade unions at different levels; and participate actively at national level when social contracts are being negotiated.

Since circumstances are constantly changing, it is essential that management regularly reviews the collective bargaining structure. Because decision regarding collective bargaining structure is such an important factor in top management's preferences concerning centralisation or decentralisation in general, the issue cannot be avoided. The bargaining structure ultimately has to be appropriate not only to the organisation's business strategy and structure, but also particularly to the industrial relations policy. This is why these decisions are interwoven with decisions about management's other control systems, such as financial and operational control systems. It can be a complex matter and should not be dealt with haphazardly.

Self-Assessment Exercise

Why is it necessary, in your own view, for an organisation to have specific rules laid down for uniform management of industrial-related matters?

3.3 Decisions on Framework for the Implementation of Industrial Relations Policy

Management decisions on how to organise for the implementation of the organisation's industrial-related policy also involve the structures, mechanisms and procedures used at organisation level.

The implementation of industrial relations strategies is concerned with, among other things, decisions regarding the structure, mechanisms, and procedures as a framework to be used by all role players so that the employment relationship can be managed according to the laid down organisational policy.

The previous section deals specifically with the devolution and specialisation decision and its implication for decisions about the size and organisational structures of the personnel and industrial relations department. There are diverse views on human resource management materials on where such department fits in organisationally and how it can be structured in the organisation. Every organisation has to decide on these matters and also on precisely how the function is to be organised.

The specialist function may, for example, be centralised primarily at head office level, or at a divisional level, or at the business unit or plant level. As you have observed, this decision will affect other decisions about the size (the personal strength) of this functional area at

different levels of the organisational hierarchy. Furthermore, it will also influence the degree of contact with, and control over, the decisions of this functional area at the various organisational levels. Apart from these appropriate organisational structures, a number of other procedures, structures and mechanisms have to be considered.

The other aspects of the framework to be considered are communication systems, consultative committee systems (such as workplace forums), safety committees and various other procedures. The formulation of such procedures is a highly detailed task which usually does not fall within the ambit of the top management. Nevertheless, it is normally done with due cognisance to the policy of the organisation, and it plays an important part in the implementation of the personnel strategy.

You are aware from above that decisions concerning procedures are closely associated with formalisation and standardisation. Top management's approach to centralised control, formalisation and standardisation will determine the extent to which procedures, policy, regulations, and rules regarding aspects such as employment, working hours, absence, leave applications among others will play a role. You should note that rules leave no room for discretion, but are meant to lay down specific standards of behaviour.

Procedures are meant to specify a precise, sequential and inter related series of steps. Too many rules, regulations and procedures can, however, be an obstacle to flexibility but the relevant ones are still necessary. For instance, grievance and retrenchment procedures, disciplinary procedures and codes, and dispute-resolution and strike management procedures are also essential and important in the management of industrial relations.

Long-term decisions about the necessary mechanisms and procedures must therefore be derived from, and be closely associated with, the organisational policy for the management of industrial relations. In the case of the strategy for trade union-management cooperation, trade unions and management should cooperate to a greater degree in laying down procedures for industrial relations and personnel management. Details of these procedures can be worked out at lower levels of the hierarchy, where heads of the various functional areas can play a prominent role.

It is also necessary for the top management to decide, as part of its decision on the structural dimension of industrial relations management, regarding the extent to which detailed procedures should be put in place for employment (in the areas of recruitment, selection and appointment) of new staff members and for determining commencing salaries, promotions and transfer. The decision may be, for example, that each business unit or plant should make its own decisions about remuneration, performance evaluation and training. Nevertheless, it may decide that specific, detailed procedures relating to these matters should be drawn up at the head office. Basically, flexibility should be the watchword because the bureaucracy that results from too many procedures can slow down any business that is exposed to a rapidly changing external business environment.

There are also other mechanisms which the management of an organisation may decide to use in order to implement its chosen strategy or policy on industrial relations management. Consultative committees and safety committees can play a valuable role. For instance, such committees system can be used as the channel for the implementation of a joint employee care strategy. The purpose of such committees is to establish links at organisation level. A structure of committees can be established at various levels in the organisation. These may include ad hoc management-worker task teams and management-union task teams.

Decisions on the desirability of such structures are strategic ones, which fall under the purview of the top management. If top management intends, within the context of a policy of joint governance, for instance, to implement extensive worker participation and union-management cooperation, it can start at the top hierarchy with these alternative mechanisms and structures and devolve them to lower levels.

There can be a committee that deals with corporate strategy in relation to the management of industrial-related matters. Such committee comprises management and trade union representatives jointly taking care of managing the employment relations. Smith (1990) suggests in this regard, a human resources Committee where all departmental managers in the human resources division and the full-time shop stewards meet to discuss policy and procedure on all personnel issues. Issues such as training, advancement, recruitment, health and safety, are discussed in such committee; debated and agreed upon.

Smith also suggests other committees which can be formed to function at lower levels. In the same vein, Reese (1991) proposes organisational structures ranging from the workshop floor to plant management and even management board level, where supervisory boards can be employed as mechanisms to form part of a dualistic management board system similar to that which exists in Germany, among other places.

Self-Assessment Exercise

Identify the necessary considerations in the structural decisions for the effective implementation of industrial-related policy.

4.0 Conclusion

The analysis above indicates that top management has onerous responsibility to take strategic decisions about the appropriate framework or mechanisms that can serve as instruments for the implementation of the organisational policy or chosen grand strategy on industrial-related decisions. The above analysis also portrays that such decisions have strategic implications for the resources of the organisation. As it were, the decisions have to be taken by the top hierarchy of the organisation so as to ensure that the organisation's strategic policy on industrial matters can be implemented effectively.

5.0 Summary

This unit discussed the decisions necessary towards the effective management of the industrial-related issues in terms of whether the management of industrial relations should be decentralised or centralised in the organisational hierarchy. The unit discussed decisions on the use of standardisation and formalisation in the management of industrial matters. Above all, the unit also touched on the decisions regarding the appropriate framework for the management of collective bargaining issue in an organisation.

In the next unit, you will be taken through the typology of role players in terms of the role to be played by the line managers, supervisors and the shop stewards in the management of industrial relations in organisations.

6.0 Self Assessment Exercise

1. Mention and explain the reasons for the use of specialists in industrial relations management.
2. Give reasons for the use of decentralisation approach in industrial relations management in some organisations.

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Unit 5 Typology of Role Players in Industrial Relations Management

1.0 Introduction

The functions and roles of personnel departments vary greatly from one organisation to another and even from one level to another in a given organisation. In some organisations, the role and influence of this specialist function may be limited to the trade union-management dimension, while, in others, it may play an important part with regard to strategic management and change, and especially in the development of human resources.

The top management is to determine the general, long-term role of this department or function in an organisation. Such a decision will obviously be closely linked with the specialisation or devolution decision. It will also have a direct effect on related decisions, such as those concerning the size and structure of the human resources or personnel department.

In this unit you will be exposed to the strategic roles to be played by the line managers or organisational officials at different levels of the organisation in industrial-related matters. This sub-section also deals with decisions on the ideal framework within which they can be organised by the top management to manage the employment relationship in the organisation.

2.0 Objectives

At the end of this unit, you should be able to:

- explain the ideal roles to be played by the personnel officers and the line mangers
- describe the role to be played by the supervisors and shop stewards.

3.0 Main Content

3.1 Storey's Framework of Models for Specialist Function in Industrial Relations

In some literature on the role of the personnel function in industrial relations management, various general typologies are proposed by some writers as models of the role of the human resources or the personnel department in the organisation.

Storey (1992) based on empirical evidence, establishes a typology of models, focusing on two dimensions such as the manner in which the human resources or personnel department becomes involved and intervenes in decisions of the organisation, and the type or area of involvement.

In respect of the former, as viewed by Storey, the personnel department may get involved in the management of the organisation either in a reactive (non-intervention) or a proactive (intervention) manner. In the case of the later, the focus may be either on a strategic involvement, that is, on long-term, business-related issues; or on a tactical involvement concerned with short-term trouble-shooting and problem solving in the area of industrial relations alone.

Figure 1 portrays a classical representation of the matrix which these two continuums can form, which presents four, typical general roles for these specialists and their department.

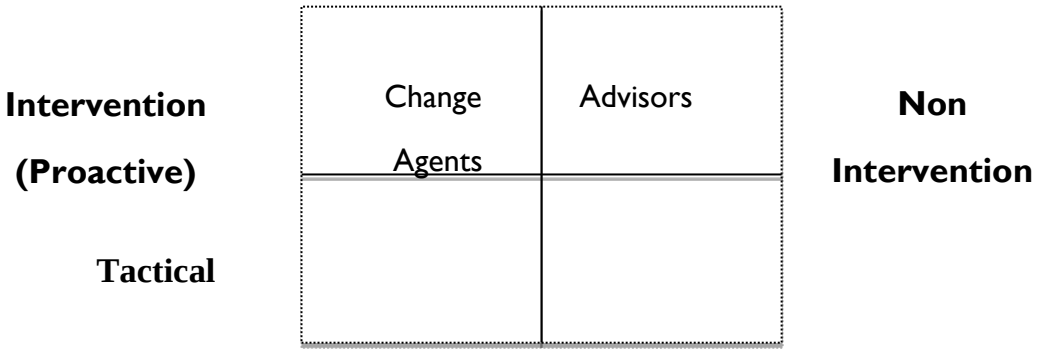

Fig. 1: Storey's Role Typology for the Personnel Function Strategic

Source: Storey (1992)

1. The advisor

In the case of the advisor's role, the function is reactive and the specialists act as advisors or consultants only if line management requests them to do so. There is devolution: line managers manage the employment relationship and generally take the decisions. If, however, there is any uncertainty about policy matters, the small group of advisors can be called in. The role of these specialists may even focus on business-related aspects. Such "internal consultants" are therefore well trained and competent, but work reactively and wait until approached for advice.

2. The handmaiden

The handmaiden's role is also largely reactive, but the focus is restricted to industrial problems, especially with regard to administration, the well-being of workers, the collective dimension of trade union interaction, and all the contractual aspects which must be administered in this regard. The employees of such department are available to assist in these areas when requested to do so by line managers. They therefore have a very subsidiary "service role" to play, especially at the lower levels such as at the plant level.

Storey (1992) posits that personnel specialists operating within this setup are found to be engaged in servicing the routine requirements of line management. Specialists may, for instance, sometimes be called in when the line management is in doubt and needs advice about grievances or discipline and about certain rules and or regulations concerning the employment relationship.

The main difference between the handmaiden's role and the advisor's role is that the service offered by the former is of a more routine administrative, or at best tactical kind, rather

than being in the nature of strategic advice. Thus interventions remain reactive, and the line management retains the strategic role in the management of the employment relationship.

3. The regulator

Regulators are the typical, traditional industrial relations managers. Important decisions on, for instance, trade union recognition and membership of employer organisations or associations are taken in practice by the personnel and industrial relations departments as regulators. Accordingly, line management leaves most of the decisions, which are strictly industrial-related to the specialists.

Storey (1992) contends that the regulators formulate, promulgate and monitor observance of employment rules. These rules range from personnel procedure manuals to joint agreements with trade unions. These are the 'managers of discontent,' seeking order through temporary, tactical, truces with organised industrial. Storey observes that personnel specialists of this type are decidedly interventional in the conduct of people management but their interventions rarely involve engagement with wider business strategy.

4. The change agent

The change agents have higher ambitions of initiating new forms of people management that are in line with the business needs of the organisation. Interventions are introduced in a practical manner so as to make a strategic impact and to add value to the business by going the extra mile to achieve worker dedication. Storey contends that the orientation is away from bargaining, away from ad hoc and away from 'humble advice.' The dual forms of integration such as integration of the different aspects of resourcing, planning, appraising, rewarding and developing, and the further integration of all of this into the business plan are the characteristics of this kind of approach.

There can be two variations within this type of role model. Nevertheless, the emphasis remains on integration with business strategy and on proactive, contributory interventions, but the approach to role fulfilment is sometimes hard and sometimes soft. In the former case, the emphasis is on the business language of figures, where manpower planning is well quantified and accurate and where, consequently, the focus is on the maximum utilisation of all workers in terms of quantifiable input-output ratios. It is indeed an overriding profit-maximising role in which quantification and the bottom line are the predominant factors.

Hence, the role of specialists will be so inherent as part of the business management plan that the department can hardly be called a specialist department, for all the "specialists" think along business lines. They are not set apart as a group that provides a special, personnel-related input. In such a set-up, many line managers can eventually move over to the personnel department.

The softer role comprises a specific focus on the distinctive nature of their input to the team. They stress the importance of tapping the creativity and commitment of the resourceful specialists. The focus of the personnel and industrial relations department is also on proactive interventions directed at business strategy per se, but the emphasis falls rather on the unique technique in areas such as motivational aspects, two-way communications, developmental potential and the ultimate managerial leadership.

In this context, top management may, as regards this important decision, be guided by aspects similar to those in Storey's role models, as espoused above.

Self-Assessment Exercise

Identify and explain the four typical role models to be played by the specialists in the management of industrial relations in organisations, using Storey's matrix.

3.2 Brewster and Holt-Larsen's Framework of Models for Specialist Function in Industrial Relations

Brewster and Holt-Larsen (1992) also provide a typology for role models of the specialist function. Their approach focuses more specifically on the role of line management in relation to that of the specialist department. It is closely related to aspects of industrial relations management which we have already discussed, namely devolution and integration, with the latter being concerned with the extent to which industrial relations management strategy is integrated with the organisation's business strategy.

In plotting these two dimensions on intersecting vertical and horizontal continuum, these authors again present us with four role models as shown in Figure 2.

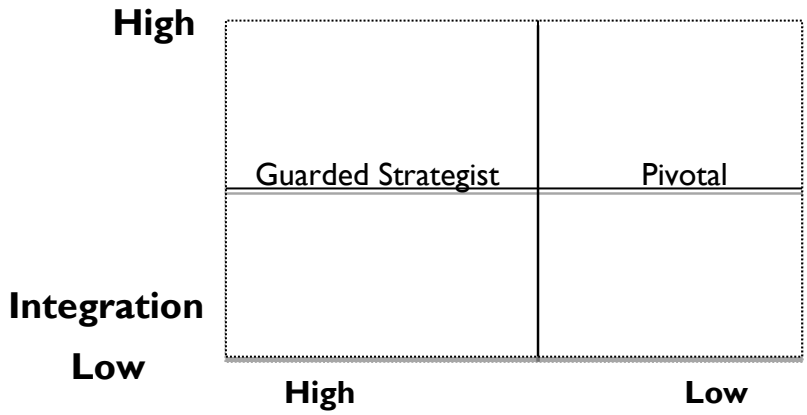

Fig. 2: Brewster and Holt-Larsen's Models of Human Resource Management
Source: Brewster and Holt-Larsen (1992)

1. The pivotal

In some organisations, it may be decided that line management should play the more prominent role in managing the employment relationship (keeping the specialist department more in the background), and, at the same time, to integrate human affairs fully with business affairs. Brewster and Holt-Larsen (1992) describe pivotal role succinctly that pivotal on the grounds that small, highly respected personnel departments at the policy making level can exert a powerful, disproportionate influence. Furthermore, in this type of model, the senior personnel specialists operate as catalysts, facilitators and coordinators at the policy level of the organisation.

They have small powerful departments monitoring and advising, probably departments which are accessible in career terms to line management. The concentration on the development and monitoring of policy is correlated with the devolution of responsibility and authority to carry out the policy to line management.

Brewster and Holt-Larsen (1992) observe that this role model is typical of Sweden and Switzerland, and, while conceding that differences occur even within a country, they nevertheless state that intriguingly, empirical evidence end to give some support to the view that the pivotal position is linked to success.

2. The guarded strategist

On the other hand, decision makers may opt for the role of a guarded strategist. Empirical evidence provides that this type of role allocation is particularly common in Spain, France and Norway. The integration of business strategy and the strategy for the management of the employment relationship is also well advanced, but there is specialisation and little devolution of decision making to line functionaries. Here, the role of line management in industrial relations management has been scaled down and largely taken over by the personnel and industrial relations department.

Brewster and Holt-Larsen (1992) observe that the specialists are usually powerful figures within the organisation, working with senior managers to develop corporate strategy and operating in large and influential departments controlling such issues as how many, and who, is employed, who is developed and how the reward system operates. For the other managers, however, this can be a situation of considerable inefficiency and frustration. The line managers find that many aspects of relationships with subordinates are in practice abrogated by the personnel department.

The choice may also fall on little devolution plus little integration of industrial relations management strategy with business strategy.

3. The professional mechanic

In the case of the professional mechanic role model, the restricted and specialised abilities of the specialist function are emphasised.

Brewster and Holt-Larsen (1992) observe that this represents the most classical model. The "professional" human resource manager as with other professions (law, medicine) sees himself or herself as having "higher imperatives" above those of the organisation. This specialist believes that there are many areas of specialty in which only the specialists can handle. The result therefore, is an increasing distance from the strategic interests of the business, an increasing obsession with the mechanical requirements of the function (with increasing work overload) and an ever-greater isolation from other members of the management team.

On the basis of empirical evidence, the model is particularly prominent in the 'United Kingdom and Italy, and, to a lesser extent, in Germany because devolution is much more common there. Brewster (1992) does mention that Germany is a special case. In Germany, strict legislation with regard to co-determination contributes to industrial relations issues being integrated at the top level as a result of the high level and form of worker representation by trade unions as well the Wild West rather than in a personnel department.

4. The Wild West

The last role model of Brewster and Holt-Larsen (1992) is the Wild West model, which shows high devolution and low integration. Brewster and Holt-Larsen (1992) observe that under this role model, every manager is free to develop his or her own style of relationship with employees and, in extreme cases, would have the power to 'hire and fire,' to reward and to invest in employees as they wished. By implication, the potential for incoherence, inconsistency and a strong employee reaction is obvious. While the employment relationship is largely managed by line management itself, a potential problem is that line managers are not always properly trained to handle such matters as performance evaluation, communication, motivation, team-building, and the like.

On the basis of empirical evidence, this is the case in both Denmark and the Netherlands, countries where the "Wild West" model is prominent. This is not necessarily a problem, however: historically speaking, line managers could already have built up good experience, knowledge and skills in managing the employment relationship. Where this has not happened, it may be risky for top management to make such a reactive almost passive choice about industrial relations management and the role of the various role players.

The preceding discussion emphasises the importance and complexity of the top management decision on role allocation, particularly in so far as the line management/staff function at a higher level is concerned. The various typologies show many areas of overlapping and similarity. Top management can use these typologies to guide it in this long-term decision. Both line management (higher level) and the personnel and industrial relations department have a part to play at various levels of the organisation and in respect of various aspects of industrial relations.

Although the management of people employed by organisation is the responsibility of the line management, the wider approach to the nature of the role at each level of management still has to be decided at the top.

The role, influence, autonomy, perceptions (hence, frames of reference) and abilities of upper-level line managers are therefore important aspects of the management of industrial relations. However, the role of line management at this high level is not necessarily just a matter of implementing the strategy formulated with regard to the industrial sphere. It can cover a wider field. These role players may even participate in shaping the nature and content of strategy and policy.

The general proposal is that the various levels of line management should be involved in the formulation, interpretation and implementation of strategy, especially by means of multidisciplinary task teams at various levels in the organisation.

It follows that the top management decision will have an important influence on decisions as to who must receive what types of training in the management of industrial relations, and at what level. Top management decides which groups at which levels must engage in the formulation and implement of strategy, and thus policy in respect of the management of industrial relations, and what degree. This is an important decision, because a lack of clarity regarding roles can lead to the non-implementation of strategy and to the obstruction of the organisations pursuit of its business objectives.

Lower management levels, such as first–line supervisors, are also involved in the industrial relations management, primarily at the shop floor level. It is here that the shop steward also has an important role to play. However, top management should reflect on the type of

role of all lower –level participants if it wishes to formulate the necessary policy guidelines for all role players.

Self-Assessment Exercise

Identify and explain the four typical role models to be played by the specialists in the management of industrial relations in organisations using Brewster and Holt-Larsen's matrix.

4.0 Conclusion

The analysis above indicates that top management has onerous responsibility to take strategic decisions about the appropriate framework or mechanisms that can serve as instruments for the implementation of the organisational policy or chosen grand strategy on industrial-related decisions. The above analysis also portrays that such decisions have strategic implications for the resources of the organisation. As it were, the decisions have to be taken by the top hierarchy of the organisation so as to ensure that the organisation's strategic policy on industrial matters can be implemented effectively.

You can also appreciate from the foregoing analysis that various categories of the line managers in the organisation have defined roles to play in the management of industrial-related issues. Hence, you have been introduced to such models of managerial roles so as to arm yourself with such knowledge in order to utilise them whenever you find yourself in the saddle of organisational leadership.

5.0 Summary

This unit discussed the decisions necessary towards the effective management of the industrial-related issues in terms of whether the management of industrial relations should be decentralised or centralised in the organisational hierarchy. The unit discussed decisions on the use of standardisation and formalisation as well the decisions regarding the appropriate framework for the management of collective bargaining issue in an organisation. Above all, the unit also discussed some ideal models for such roles as propounded by some notable authorities in industrial relations management.

In the next unit, you will be taken through the framework for discipline and disengagement of employees from organisation. The discussion will focus on the appropriate procedure for the management of disciplinary cases and the options available for disengaging erring employees from the organisation.

6.0 Self Assessment

1. Mention and explain the various role models which can be adopted in the management of industrial relations.

2. Give reasons for the use of decentralisation approach in industrial relations management in some organisations.

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