

# Ideologies of management



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The extent of complexity in the organisational management processes requires many questions to be raised in the pursuit of effective strategy for management HRM and employees' relation. For managers, what important is the know-how, what, why and how to take the right decisions and how to release these decisions to employees. For them, the challenge is how to use the information gathered and also know how to ignore it. Also, their challenge focuses on how to mix being competitors and being evolver, how to face this complex and non-linear dynamics of the business environment and stay lean and agile. The dilemma is to keep the relation to employees in a good state such that motivation and satisfaction are the status quo, meanwhile the common good for the business is realised. This is why, tangible and intangible have been mixed, and this is why many call for human factor and conscious to play a role. This is difficult, but not impossible, the evidence is produced by Brown and Eisenhardt (1998) quoting companies such as Nike, Microsoft, Virgin and others.

Industrial relations are very much connected to the trade and workers unions' history. At the beginning of the last century there was a leaning towards mass labour and their unions. Trade Unions moved from strength to strength until it started to collapse due to many unworthy tactics and unwelcome strikes which brought many industries to standstill situations. Governments, including the British government, started to attack militancy in trade unions. Industrial relation started to take new forms. Nowadays, many changes have occurred in industrial relations. Silva (1998) stated ' changes in industrial relations practices (rather than in institutions and systems) such as increased collective bargaining at enterprise level,

flexibility in relation to forms of employment as well as in relation to working time and job functions have occurred as a result of such factors as heightened competition, rapid changes in products and processes and the increasing importance of skills, quality and productivity'. Management of today's organisations have the conviction that taking unilateral decision is in their own rights, and that it should not be challenged by employees, or even stakeholders. They consider that this is their duty to manage. The conviction follows the ideology of Unitarism. In this work, this notion of management will be discussed in the light of three ideologies which are Unitarism, Pluralism, and Marxism. However, I will start by looking at the concept of job regulation, which some see as the core of industrial relation. Then, the other parts of the question will be discussed within this context.

The concept of job regulations in some authors' views represents the core of industrial relations. Flanders (1965) stipulated that study of industrial relations should be limited to the institutions of job regulation. In this approach, (Oram, 1984) indicated that 'the 'human relations' variable was given a relatively insignificant role in the explanation of behaviour in industrial relations. Although personal, or unstructured, relationships were acknowledged as being important, they were considered by Flanders to be outside the scope of industrial relations'. Flanders (1965) made a distinction between internal and external job regulations. Internal job regulations are those rules and regulation that can be changed internally by management and subordinates without any outside authorisation. This internal regulation could be achieved unilaterally by the management or bilaterally through negotiation with employees. On the other hand external job regulations are

those being imposed on the organisation from outside agencies where they could be any third parties, state regulation or any outside stakeholders.

Hence, it can be said that job regulations as such may forge the industrial relations and external job regulation may allow different forms of unions. As mentioned previously there are three perspectives on employment relations and these are Unitarism, Pluralism, and Marxism.

Unitarism by definition has a set of characteristics. In Unitarism, the organization is considered as one unit that is working towards a single goal. It represents the happy family picture. It also follows that all members of the family, i. e. the organisation, are loyal. Unitarists do not believe in conflicts or disputes and they do not expect or accept it. Trade unions have no role to play in unitarism, no negotiations and no collective bargaining. Any of these issues would be considered a disruptive influence to the path of the organisation towards its goal. Management in Unitarism considers making unilateral decisions is the norm and any opposition to this is illogic and irrational. Unitarism has a paternalistic approach where it demands loyalty of all employees. Atkinson and Curtis (2004, p. 492) stated ' paternalistic approach to employee relations in many small companies was found to be largely still intact. The government's intention of developing partnerships in the employment relationship in order to promote greater fairness in the workplace has, to a significant extent, failed. Small companies may not be granting their employees all their statutory rights'. The statement quoted indicates that in this approach there is a sense of unfairness in such ideology of unitarism, at least in the view of the author. Other authors such as Rodriguez and Rios (2007) see that paternalism is counterproductive to

productivity. Rodriguez and Rios (2007, p. 356) stated ‘ Given this historical account, paternalism has been closely related to the traditional personalized social bond between a boss and his employees. The association also implies that paternalism and productivity are not compatible. In this paper we argue that some of the new modern labour bonds that are being established rise from the paternalistic womb. New fully modern bonds non paternalistic are present as well. Both are related to productivity under the condition that organizations act consistently with the premises under which the contracts are made. By consistent we mean non hypocritical relationships that realistically and sincerely take into account those premises to decide upon Human Resources management policies and practices’. On the other hand, authors such as Lewis (1989) see that unitarism approach is what is required in the midst of recession. Lewis (1989) referred to Cressey and McInnes (1985) argue that ‘ the effect of the recession has been to downgrade the role of consultation. In the companies in which they reviewed the process of consultation, it was “ trivial” and “ bland”. Any “ lifeboat democracy”, as they term it, brought about by the desire to improve co-operation in order to cope with the recession, is extremely fragile and will come to grief on the rocks of managerial prerogative’. Moreover, some authors consider that unitarism is normal and required, for example Wilkinson, et al (1991) stated ‘ unitarism is an underlying theme which remains unquestioned.

Implementation is seen as a matter of motivation, with the correct attitudes being instilled by simple training programmes’. Black and Ackers (1998) termed the context of unitarism as looked upon in this investigation as ‘ macho management’ or direct control as a management style. The authors then referred to what they termed as ‘ new unitarism’ and indicated that

there is now a shift towards such ideology. Black and Ackers (1998) suggest that 'management is shifting its emphasis, within the strategy of responsible autonomy, away from the shop stewards' organisation towards the shop-floor worker. This involves a shift of issues from collective bargaining to consultation and an attempt to supplement or replace the workplace corporatism of the post-war period, with a greater stress on direct communications with and involvement of the shop floor. The new unitarism attempts to circumvent unions and restrict their scope rather than smashing them'. In support of this Gunnigle (1992) views neo-unitarism as 'a unitarist perspective involving a range of HRM policies designed to eliminate employee need for collective representation'. In this sense neo-unitarism is a diluted version of the old unitarism that is investigated here.

The second perspective that will be discussed within the context of unilateral managerial decisions is pluralism. Keenoy and Anthony (1992) indicated that the 1970s debate about pluralism was centred on 'the appropriateness of pluralistic methods to the achievement of social justice'; an ethical controversy regarding how the business organizations should be managed'. Chigara (1995) indicated that 'Pluralism holds that employers and employees interests are diametrically opposed to each other, and that they are held in the balance by the common need of keeping the enterprise alive. For pluralists, the trade union is a welcome vehicle for communication'. Oram (1984, p. 23) added to the above that 'Pluralists see trade unionism as merely one more example of a competitive pressure group which Western democratic society accommodates as a matter of course. Pluralists also see that within legal limits, trade union aspirations can be fulfilled sometimes by

imposing their wishes in ways which management may see as arbitrary. Trade unions are seen as presenting legitimate challenges to managerial rule with one outcome being in the form of agreed rules, regulating terms and conditions of employment'. Dobson (1982) indicated that in the pluralist approach, it is implicit to industrial relations a great belief in the virtues of collective bargaining since it is the method which is used to resolve conflicts. Dobson (1982) stated that ' other forms of job regulation-especially unilateral regulation by employer, trade union and workgroup-are usually condemned, since they over-ride the interests of other groups'. The author then aired the views of the critics to pluralism as stipulating that ' the legitimacy of collective bargaining is based on certain assumptions, most notably the assumption that all interest groups possess approximate equality of power, so that the eventual compromise reflects equal concessions by all the parties. Even the commonly used definition of collective bargaining of joint job regulation, seems to suggest equality between the parties. Dobson (1982) added that ' Critics of pluralism have argued that power is very rarely distributed equally, and since in the long run the employer can move his production and investment elsewhere, power is predominantly concentrated in the hands of the employer'. For the very same reasons other researchers such as Gunnigle (1992) pointed out to the rise of Neo-pluralism. Gunnigle (1992) stated that Neo-pluralism presented a second type of HRM which ' involves moves towards greater consensualism and commitment in unionized companies. It is characterized by what might be termed a " dualist" approach, involving the use of HRM techniques such as direct communications with employees and performance related pay systems alongside established collective bargaining procedures'. Pluralism then seem

to think that organisation conflicts does exist and that employers and employees interests may be different, however, having accepted this they also accepted that these conflicts are resolvable and that trade unions and the process of collective bargaining are more than capable of attaining a resolution. This assumes that power is equally distributed between employers, employees and unions. Hence, collective bargaining works efficiently. However, researchers also doubt this assumption. Dobson (1982) disputed this unrealistic balance of power and stated ' A more realistic view of collective bargaining, which takes account of the varying power balances between employers and workers, would see collective bargaining straddling the continuum between unilateral worker regulation on the one hand and unilateral employer regulation on the other. Such an approach would bring into question the pluralist assumption that collective bargaining is necessarily good per se, for at the extremes of the continuum the substantive content of a collective agreement may be identical to that of a unilateral decision'. Dobson as such dismissed the application of collective bargaining as equal to unilateral decision within the imbalance of power that exists in reality. Ackers (1994) agrees with Dobson's view and stated ' Today, the narrow, institutional version of pluralism is unsustainable. Any view of industrial relations as simply collective bargaining would confine it to a minority activity in a declining sector of the economy'.

The third perspective on employment relationship is that of Marxism. Hyman (1975) is considered as the authority on Marxism in relation to industrial relations, albeit that he was criticized for being too theoretical in his approach. Wood (1976) referred to Davis criticising the work of Hyman as '



so abstract and general as to be almost worthless, in either theoretical or practical terms'. Still, Hyman explain that worker grievances could only be expressed through collective bargaining and industrial actions. Barbash (2005) indicated that the Marxist model assumes the existence of class conflicts and it is built on the assumption of coalition formation. Marxism stipulates that coalition formation is based on classes that form from out of groups that are in the same authority position in the organisation. Marxism also assumes that classes are able to regulate conflicts and can bring change through negotiations. Marxists acknowledge unions but see the faults in them when in the interest of workers they seek economic improvement rather than embarking on a revolutionary change and they accuse some unions and their members are subject to false consciousness and that they need to work towards their Leninist destiny. Marxists believes that capitalism creates and endorses monopolies and that capitalism has a powerful luring to the workers when they acquire some powers. Therefore the Marxism approach is to make a goal of overthrowing capitalism. It supports the notion that industrial relations are made by those that are involve in the production and gives the first importance to workers and their affair. It holds true that workers for capitalism are considered a burden on profit making. Marxists also held the view that workers contracts are imposed upon them and they do not enter to it freely and that makes them weak as individual and their strength is therefore lies in their coalition. Marxism sees conflict of interest between capital and workers and employment relations are formed through this conflict. Marxism also uphold the view that trade unions presents optimal solution for such conflicts and ironically Marxists views that 'institutions of joint regulation would enhance rather than limit

management's position as they presume the continuation of capitalism rather than challenge it'.

From the above a conclusion can be drawn regarding the conviction of management that they have the right to unilateral decision making over human resource issues and that this right is legitimate and rational. It is obvious to many that the trade unions power has been in the last two decades in a decline state. Also, the power of collective bargaining has been in decline, especially after the rise of capitalism in Eastern Europe. The pluralistic approach was seen to be restrictive to the flair and individualistic behaviour of entrepreneurial organisations. Pluralism, whilst acknowledging the conflicts in employers and employees interests, it upholds the idea that survival of the organisation is the derived force to keep it going. Pluralists see trade unions as presenting legitimate challenges to managerial rule and that it leads to a satisfactory outcome. In fact, each one of the two perspective unitarism and pluralism has its critics. For example, in unitarism there is no obvious reason as why managers have the only say, and whether this is sensible. It can be argued against unitarism that it gives organisation values to managers and not to groups. If it is a fact of life that conflicts exist in organisations, unitarism does not seem to appreciate this. The same also could be said about pluralism, where it is based on assuming a balance of power that seldom exists in organisations. It also assumes that all conflicts are resolvable and that all those involved have no hidden agendas apart from the common good. It also assumes the full trust in each party; therefore it is unreal and impractical. In regard to Marxism, it was found, in my view, as a mere attack on capitalism and rejection of all of its principles based on

naive attempt to show its drawbacks. Marxism hence, relay on giving power to unionists leaders and support the use of extreme measures to resolve conflicts. The concept of job regulations seems to be taken by many researchers as the centre for employment relations and that this relation is formed by both internal and external means. As such this concept may encapsulate all three perspectives in one as it contain unilateral, bilateral and collective as well as state efforts in forming the employment relation.

In regard to the subject in question which discusses the unilateral decisions by managements over human resource issues and whether it is legitimate or not. I am of the opinion that it is unrealistic to think that management would allow such decisions to be made collectively. Even if on the face of it, they pretend that it is so. I found myself entirely agree with Lewis (1989) who stated ‘ The industrial relations debate about the reasons why management promote employee participation in decision making has run for many years. Much of the literature emphasises the theory that participation in the U. K. is more imagined than real. It gives employees the illusion of a say in organisational decision making whereas the reality is that management use the illusion as a mechanism for control of employees’. In fact, this illusion is carried out everywhere and seems ingrained in any organisation.

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