

Human resource management: collaboration or contest with labour unions essay samp...

[Business](#), [Company](#)



Human Resource Management

The relationship that Human Resource Management has with labour unions is critical to the management of personnel; therefore understanding the theories, strategies and realities of management-labour relations needs to be studied. This paper discusses the relationship between Human Resource Management models and labour unions during and economic and financial crisis. The event chosen as the starting point was when in 2012 the UK petroleum tank drivers, members of Unite, voted on whether or not to go on strike. This event had many implications for Human Resource department in every sector of business because a strike by the drivers that deliver petrol to the petrol stations would influence the ability of people across the whole country to go to work. The economic crisis is ongoing for the labour class, students, and hospital and civil service workers (etc.) in 2013.

The first part of this paper describes some of the human resource and industrial relation theories and implications of negative versus positive relationships between unions and management. The second part of the paper provides more detail about the event in 2012 and how the event relates to the first half of 2013. UNITE petrol tanker delivery truck drivers discussed a strike due to " safety concerns and growing instability in the fuel industry" (Business, 2012). Jonathan Exten-Wright employment lawyer at DLA Piper, told HR Magazine at the time, " Workers could face large-scale disruption to travel, forcing them to take time off work, particularly if they rely on a car or public road transport to get into work" (HR Editorial, 2012). The effect of the economic crisis, union activities by UNITE and other labour unions in 2013 are still impacting HRM during 2013 in the UK and in the

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European Union. Unite has members who work not only as as petrol tank drivers but also includes senior staff, managers, professionals, white collar workers; members are employed in many business sectors including but not limited to manufacturing, finance, public (civil service) and transportation services. (Unite website)

Importance and Relevance of HRM-Labour Union Relationships

An arbitrator is the person who works with both parties (management and unions) to come to some kind of agreement. Acas is a company that offers facilitators to bring agreement about collective conciliation through arbitration or collective mediation. (ACAS, 2009) Acas can provide an arbitrator, a third party to help the other two parties reach a decision by offering an independent decision which “ is morally, but not legally, binding” (Acas, 2009, p. 2) If management and workers cannot reach a conciliation then collective mediation may be facilitated by a third party so the dispute will be settled without “ coercive action” (Acas, 2009, p. 2).

John Storey (1989) describes in his book titled *New Perspectives on Human Resource Management*, four attitudes a company can make (based on a location in the UK) about how to organize the company in terms of industrial relations. The first is to “ adopt a unitarist individualistic HRM policy” which means the company would not allow any unions and so there would be necessity for collective agreements (Storey, 1989, p. 48). Secondly is to use an internal council to act as a substitute for an independent labour union; a “ company consultative council . . . to offer a collective voice” (Storey, 1989, p. 48). A third option is to “ accept a pluralist perspective” that is would only

allow one union and no type of “ strike clause linked to pendulum arbitration” (Storey, 1989, p. 48). The fourth option Storey (1989) lists, is to “ accept the traditional pluralist perspective in the UK and recognize any unions who can demonstrate significant membership” (Storey, 1989, p. 48). These four choices can be enacted in any country but the important thing is that the culture and location are considered in the decision making process. The location of the company, (or home country), the types of policies in the rest of the country, the culture and traditions of th4e lactation which will include the strength of and respect for labour unions, government regulations, the companies mission and public profile as well as the publicity that will be created based on the final decision (Storey, 1989, p. 48).

In a research study published in 1995, Roderick Iverson and Sarosh Kuruvilla studied the character of a dual commitment with both a company and a union that may be evident in employees. They studied data from Sweden, Australia and the United States which they evaluated with a computer model, LISREL VII (Iverson & Kuruvilla, 1995). A dual commitment is also called “ dual allegiance or dual loyalty” (Iverson & Kuruvilla, 1995). Their findings were not the same as research results from earlier more traditional studies in which researchers claimed that a worker could not be loyal to the company and to the union at the same time (Iverson & Kuruvilla, 1995).

Company commitment is also called organizational commitment.

A real life example of dual commitment HR system can be found at the Saturn plant for General Motors and its partnership with the New United Motor Manufacturing Inc. (NUMMI) in the United States (Iverson & Kuruvilla, 1995). Iverson and Kuruvilla (1995) suggest that the “ adversarial

relationship between management and labour . . . has begun to change.”

They also note that gains have been made by industrial psychologists in the ability to measure union commitment and company commitment. As early as 1984 dual commitment was considered “ an essential ingredient in the success of cooperative labour-management relations (Iverson & Kuruvilla, 1995). Their results showed an agreement with academic views but not practitioners’ views but this research was carried out when union were experiencing declining membership. None-the-less Iverson and Kuruvilla (1995) noted that “ HRM and Industrial Relations’ policies (in the countries reviewed) continue to move towards systems demanding high levels of commitment to both the employer and the union” (Iverson & Kuruvilla, 1995).

In 2003 a guest editorial written by Dr. Sununta Siengthai for Research and Practice in Human Resource Management, Curtin University discussed the need of teamwork due to the globalization of trade and work. Under discussion at the International Conference on Globalisation, Innovation and Human Resource Development for Competitive Advantage held in Thailand some interesting and perhaps extreme suggestions were made based on real life successes. In general a successful method for integrating HRM and labour union objectives and goals was to “ develop models of corporate governance and legal structures that facilitate the combination of employee ownership and participation, and thereby enhance corporate outcomes” (Siengthai, 2003). Siengthai’s (2003) main conclusion was the importance of including knowledge-based operations such as the Information and Communication technologies available with the computer, in-house

networking and external networking using the Internet. Not only can the Internet be used to promote particular viewpoints on subjects but more importantly it can be used for good discussions between people with differing opinions.

A book takes the idea of knowledge as a bridge HRM can use between unions and companies even further. *The Firm as a Collaborative Community: Reconstructing Trust in the Knowledge Economy* is written by Charles Hecksher from the Labour Studies and Employment Relations at Rutgers University and Paul Adler from the Management and Organisation Department at Marshall School of Business focused on the organizational aspects of company loyalty. The challenges to company loyalty include many years of downsizing, restructuring and economic crisis. A reviewer of the book, Tony Travaglione, notes that the authors discussed the history, successes and pitfalls of three types of community. The first is the type when hierarchy is the structure (Gemeinschaft), the second is when the market is the major factor (Gesellschaft) and the third is when “ the collaborative community itself is the prevailing principle” (Travaglione, 2007). The collaborative community can mean collaboration between workers and the company but the essential ingredient in such a relationship is trust, especially during times of crisis (Travaglione, 2007).

Graham and McHugh (2004) note that not only are manufacturing and service jobs outsourced, but even Human Resource duties are also outsourced. Graeme Tonks and Lindsay Nelson (2008) who are both associated with the University of Tasmania addressed a modern development towards the workforce called outsourcing. Outsourcing is “ the

use of non-organisational employees to execute activities which were previously undertaken in-house” (Tonks & Nelson, 2008). The advantages for a company include taking power away from the union members and, overall, less legal responsibilities (Tonks & Nelson, 2008).

Richard Hyman is an expert of the European Model of social dialogue used between trade unions and management. His 2010 White Paper requested by the International Labour Office (ILO) in Geneva explains the impacts of financial crisis on industrial relations. The most obvious impact is the reaction by trade unions who organize protests and strikes. Although it is more difficult to HRM to design and implement “ win-win outcomes” especially with the modern development of globalization, win-win is the preferred solution (Hyman, 2010, p. 24, 20). The role of trade unions becomes anti-management and/or management becomes anti-union. The implementation of a solution that is good for all sides of a solution is very difficult to design, but Hyman makes a very important point in his White Paper. Hyman (2010) makes a particular point to warn “ against the tendency to focus on the process of social dialogue while giving only secondary attention to its outcomes” (Hyman, 2010, p. 8). Hyman is referring to a type of cynicism he has observed where everyone agrees that they hear what the other side is saying but they do not agree to taking any related action (Hyman, 2010, p. 20).

Hyman describes the main reasons to pursue a social dialogue model are for (a) regulation, (b) negotiation, and (c) cohesion. The dynamics of social dialogue are much more complex than a relationship between “ labour” and “ capital” or one could say, between the union and management. (See fig. 1)

Labour interacts with capital, public authorities and society while on the other side of the equation capital interacts with labour, and also interacts with public authorities and society. Hyman (2010) explains that what he has observed is that in the real world “ what seems to emerge from analysis of successful initiatives in social dialogue is that the core basis of effectiveness is not so much consensus as trust” (p. 19).

Figure 1. The Dynamics of Social Dialogue

(Hyman, 2010, p. 19)

Hyman concludes his White Paper by addressing the challenge of using social dialogue during times of crisis.

“ . . . In times of economic adversity, its existing institutional expressions have obvious limits. Most notably, primarily enterprise- or establishment-based mechanisms are forced to accommodate to the externally imposed imperatives of intensified global competition, and may be unable to do more than underwrite managerial priorities.” (Hyman, 2010, p. 21)

Media Presentation and Media Influence

The media does not usually include HRM in news presentations because the situation is presented as government versus labour. In order to find a description from a human resource point of view HRM consulting business and MR journals are more informative. Strikes test a human resource managers' employee absence management. Exten-Wright told HR Magazine “ warned that the industrial action could cause serious disruptions for businesses, not least in increasing staff absences” (Businesses, 2012). There are several reasons this was a concern for HR managers across the country

that could have a ripple effect in the EU. The problems would include worker absenteeism, disrupted work, and commuter travel problems so the regular work-day hours could not be kept. The HR managers and the employers were encouraged to rethink strict work hours and allow flex-time and allow some people to work from home. (Business, 2012) A back-up solution offered by the government was to use soldiers from the army to replace the drivers. Exten-Wright explained at the time that employers should be prepared in case the UK government's plan to use soldiers did not work out.

The reasons the drivers were considering taking such actions were not frivolous but instead included issues over safety and economic instability (Business, 2012). In fact " members of the union Unite working for five out of seven major fuel distribution firms backed a call for strike action by an average of 69 percent" and would have meant the closing of popular petrol stations (Business, 2012). The government was trying to mediate between the union and the petroleum companies (Business, 2012). In 2012 negotiations were successful and the drivers did not go on strike but the problems were not wholly resolved.

Throughout the first half of 2013 Unite has been in the media and newspapers quite a bit. Unite gained members during 2012 and the union has about 1.4 million members. (Unite trade, 2013) Petrol tanker drivers in Ireland are members and in May a merger with Transport Salaried Staffs' Association (TSSA) started negotiations. (Eaton, 2013) In April, 2013 a general strike was called.

The general election for general secretary of Unite was held in April.

Organized Rage (2013) is a self-described blog from the " perspective of the

working classes and the dispossessed.” Organized Rage (2013) reports that Len McCluskey won the position; he was supported by the labour union’s “United Left grouping.” The government would like Unite to agree to austerity measures but instead Unite takes a “no to all cuts-don’t make workers pay for the crisis” (Landin, 2013). A demonstration against austerity is being planned for June. The idea of the anti-austerity strike began in 2012 but a question of legality was raised because the purpose of the strike is not over a trade dispute.

“A general strike held about government policy or a political matter which is not directly related to the striking workers and their employer over an issue such as terms and conditions of employment or working arrangements,’ explained Eversheds’ lawyer Marc Meryon.” (Unite, 2013)

A general strike would cause the stoppage of all work presumably throughout London and perhaps throughout the UK.

The way media presents the relationship between HRM and the workers or unions affiliated with a company may have a negative or positive influence on the way consumers regard a company. For this reason Storey (1989) suggests that when a decision is being made about how to include or exclude unions in decision making, the desired profile of the company must be included in the decision making because the final decision will generate publicity for the company (Storey, 1989, p. 48).

In general the major news stations and newspapers published stories on HRM and labour unions but the stories almost always left out the Human Resource Management part of the events or the discussion. Instead the media always

pitted one side against the other. The example in this paper most closely examined was the situation in the UK and the labour union, Unite. The new stories emphasized the differences and bad feelings between the union and the government most often. Other stories emphasized the differences between the companies and the unions, or a company and the workers. In 2012 proposed strike by Unite petrol delivery truck drivers had particular reasons that led them to make such a difficult decision, but very few (if any) of the media reports addressed the essential, practical reasons the drivers felt that strike was necessary. In 2012 a resolution was found that satisfied the drivers and the petroleum companies but the essential details of the agreement were not in the media reports. In 2013 the last few months of news about the economic crisis and the human resource management community has not reached the major media outlets. It is discussed in the media on the basis of personalities (such as McCluskey, Blair and even Thatcher) or on the conflicts between the three parties. So the same story is repeated that companies so not want regulation, that workers are anti-management and that the government is anti-worker. In order to understand the story the Human Resource Management sources and the union websites give a good sense of the situation but both must be read and considered.

Conclusion

In conclusion an excellent point was made on the Ayushveda Business page “ employee unions are here to stay and managements and the Human Resource department . . . have to deal with them in a way that is mutually beneficial” (Krish, 2010). Although the government or the media may

present the reasons unions go on strike as unimportant, other sources, such as the unions' websites, need to be checked because the unions may have compelling reasons that should be discussed openly by the whole community.

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