

HRM | NELSON EDUCATION SERIES
IN HUMAN RESOURCES MANAGEMENT

SECOND EDITION

*Industrial Relations
in Canada*

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Chapter 1

Introduction

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Learning Objectives

1-2

- At the end of this chapter, you will be able to discuss:
 - the similarities and differences between terms such as labour relations, human resources, employment relations and industrial relations;
 - a systems framework that can be used to assess and understand industrial relations issues;
 - the differing views in the field of industrial relations; and
 - how this textbook is structured to follow the industrial relations system framework

Important Terms in Industrial Relations

1-3

□ **Union**

- a group of workers
 - recognized by law
 - collectively bargain terms and conditions of employment with their employer

□ **Industrial Relations**

- study of employment relationships and issues
 - often in unionized workplaces

Important Terms in Industrial Relations

1-4

□ **Labour Relations**

- study of employment relationships and issues between **groups**
- employees and management
- also known as management relations

□ **Collective Agreement**

- written document outlines terms and conditions of employment
- in a unionized workplace

Important Terms in Industrial Relations

1-5

- **Human Resource Management**
 - examines employment relationship
 - between employers and **individual** employees
- **Employee Relations**
 - usually in nonunion settings

Important Terms in Industrial Relations

1-6

- **Employment Relations**
 - ▣ examines employment relationships
 - ▣ in union *and* non-union workplaces

Dunlop's Industrial Relations System Model

1-7

□ Four key features:

1. **Actors**

- specialized government agencies
- hierarchy of managers and their representatives
- hierarchy of workers

2. **Shared Ideology**

- set of ideas and beliefs held by the actors
- helps to bind or integrate the system together

Continued...

Dunlop's Industrial Relations System Model

1-8

3. Contexts

- environmental factors that influence actors
- market/budgetary constraints
- workplace and work community constraints
- distribution of power in the larger society

4. Web of rules

- procedural
- substantive
- distributive

Criticisms of the Dunlop Model

1-9

- ❑ Descriptive
- ❑ Lacks ability to predict outcomes/ relationships
- ❑ Underestimates importance of power and conflict in employment relationship
- ❑ Is static
- ❑ Cannot explain rapid decrease in unionization especially in the U.S.

Craig's Industrial Relations System Model

1-10

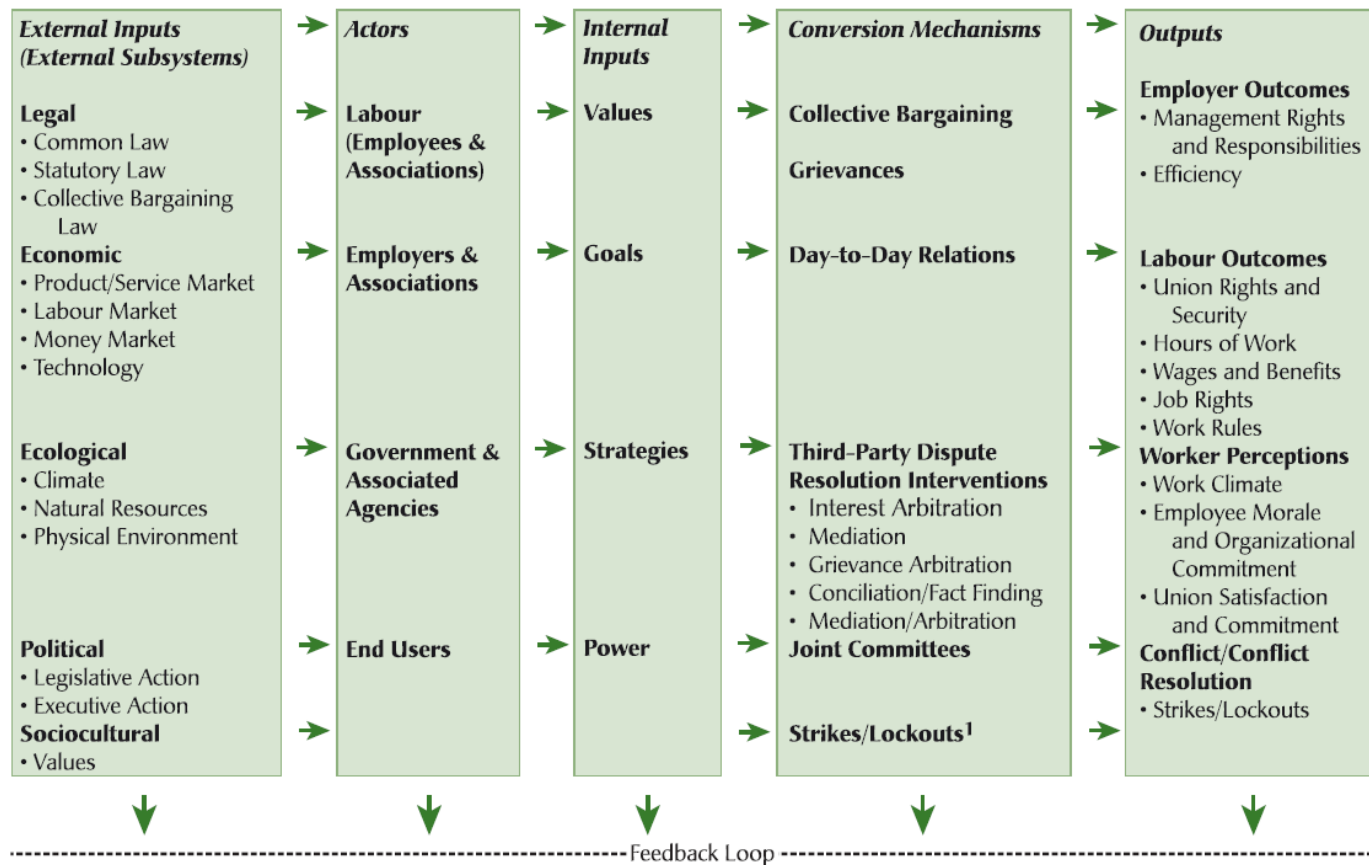
- Adds an actor: end user
- Elements from the external environment converted into outputs
- Series of conversion mechanisms
- Outputs flow back into the environment through a feedback loop

Craig's Industrial Relations System Model

1-11

FIGURE 1.1

Industrial Relations System Model¹



¹ Strikes and lockouts can be both a conversion mechanism and an output. Source: Craig and Solomon, 1996.

Craig's Industrial Relations System Model

1-12

- **External Inputs**
 - Legal Subsystem
 - Economics Subsystem
 - Ecological Subsystem
 - Political Subsystem
 - Socio-cultural Subsystem

Craig's Industrial Relations System Model

1-13

□ Internal Inputs

□ Goals

- sought by actors

□ Strategies

- processes developed and implemented to achieve goals

□ Power

- the ability to make another actor agree to your terms

Craig's Industrial Relations System Model

1-14

□ **Conversion Mechanisms**

- Processes actors use to convert internal and external inputs into outputs
- Collective bargaining
 - produces a collective agreement
- Grievances
 - written complaint by employees
 - Alleges collective agreement not been followed
- Day to day relations—communication

continued...

Craig's Industrial Relations System Model

1-15

- **Third-party interventions**
 - interest arbitration
 - mediation
 - grievance arbitration
 - conciliation
 - fact-finding
 - mediation/arbitration
 - strikes/lockouts
 - joint committees

Craig's Industrial Relations System Model

1-16

□ **Outputs**

□ **Management outcomes**

- productivity, profitability

□ **Labour outcomes**

- equity issues, ways to achieve fairness in the workplace

□ **Worker perceptions**

- work climate
- employee morale
- organizational commitment
- union satisfaction/commitment
- conflict or conflict resolution

Views of Industrial Relations

1-17

- An interdisciplinary field
 - Economics
 - Law
 - History
 - Sociology, psychology
 - Political science
- Results in different views of IR

Views of Industrial Relations

1-18

- **Neoclassical Economics View**
 - grounded in economics
 - sees unions as an artificial barrier to the free market

Views of Industrial Relations

1-19

- **Pluralist and Institutional View**
 - emphasizes importance of institutions
 - multiple actors (including labour)

Views of Industrial Relations

1-20

- **Human Resources/Strategic Choice**
 - reaction to decline of shared ideology
 - movement away from unionization toward non-unionized employment relationships
 - employers' deliberate strategies
 - minimizing unionization and the role of collective bargaining

Views of Industrial Relations

1-21

□ **Political Economy**

- based in socialism and Marxism
- stresses inherent conflict between labour and management