



## Employee Relations

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### Article information:

To cite this document:

Mike Emmott , (2015), "Employment relations over the last 50 years: confrontation, consensus or neglect?", *Employee Relations*, Vol. 37 Iss 6 pp. 658 - 669

Permanent link to this document:

<http://dx.doi.org/10.1108/ER-07-2015-0140>

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# Employment relations over the last 50 years: confrontation, consensus or neglect?

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Received 7 July 2015  
Revised 7 July 2015  
Accepted 9 July 2015

## Abstract

**Purpose** – The purpose of this paper is to discuss significant changes in the concept and practice of employment relations over the last 50 years. It does so from both public policy and management perspectives and highlights the continued failure to align these two perspectives.

**Design/methodology/approach** – The paper draws on the author's research as an adviser at the Chartered Institute of Personnel and Development, and his previous experience as a civil servant in the Employment Department. A range of published sources are relied on, including quantitative, survey based and qualitative, case-study and other evidence.

**Findings** – The over-riding need to tackle inflation led governments in the 1960s and 1970s to make repeated attempts to build a stronger legal framework around collective bargaining, and to intensifying incomes policies which brought governments into frequent conflict with the trade unions. This was followed by incremental reform of trade union legislation under Margaret Thatcher in the 1980s, to which there has subsequently been no serious challenge. The question is posed whether the author is nearing the end of the road for trade union voice in the UK, or whether there is scope for a "new deal" under which trade unions can join with other key stakeholders in making a positive contribution towards economic regeneration. Looking forward, the paper discusses shifts in trade union approaches to industrial action and major challenges for employers, including managing individual conflict and employee voice.

**Originality/value** – The paper suggests that the ambiguity of the term "employee relations" means the author needs to ask what are the specific challenges facing employee relations practitioners today. Employee relations managers are undertaking a wide range of jobs. Their current focus on employee relations reflects a shift from the defensive attitudes that characterised the earlier part of the period to a more positive one. The paper concludes by arguing the case for a national forum bringing together employers, trade unions and other key stakeholders to advise government on workplace issues.

**Keywords** Employee relations, Public policy, Social partnership, Human rights, Employee voice, Individual conflict

**Paper type** Research paper

## Introduction

Looking back at employment relations in the UK over the last 50 years, and comparing the situation at the beginning of the period with where we are now, is to be aware how dramatically the world has changed. The history of industrial relations over the earlier part of the period is in important respects the history of the country's political life: the economic and industrial relations policies pursued by governments were in practice intimately connected. The over-riding need to tackle inflation led to repeated high-profile attempts to build a stronger legal framework around collective bargaining, and to intensifying incomes policies which brought governments into frequent conflict with the trade unions. The 1970s saw governments fall on the back of their failure to achieve industrial peace; while it was the "social contract" with the trade unions that sustained Labour governments through most of the period from 1974 to 1979.

Major confrontations with groups of workers such as seamen, miners and dockers were followed by incremental reform of trade union legislation under Margaret Thatcher



in the 1980s. In subsequent years, no serious political challenge has been mounted to the 1980s reforms and in that sense succeeding governments of all political colours have been led by “Thatcher’s children”. With the annual number of days lost through industrial disputes now averaging under one million, compared with nearly 30 million in 1979, the UK is no longer seen as the “sick man of Europe”. Media attention over the period has shifted from industrial disputes to employment regulation, which can be said to have begun in its present form with the legislation giving industrial tribunals jurisdiction to handle complaints about redundancy payments in 1965. The army of industrial relations correspondents employed by all national newspapers through the 1970s, who reported on industrial disputes in the intervals between lunching with government press officers at the Westminster Arms, have long since found alternative employment.

One benefit from looking back at the way employee relations have been managed in earlier decades is that it can help identify alternatives to current political perspectives. People who lived through the 1970s and 1980s tend to have sharply etched memories of how industrial conflict impinged on their everyday lives. Politicians appear to have drawn the lesson that workplace issues can be messy and divisive and are best left to others. Any attempt to initiate a serious dialogue with a range of stakeholders about economic or industrial strategy is typically dismissed as “corporatism”. But it is arguable that the wrong lessons have been learned from that period, and that the failure of efforts to develop a long-term national consensus on workplace issues was a product of the particular circumstances, and not a final judgement on the efficacy of national dialogue.

If the early years were characterised by industrial conflict, it was nevertheless a period in which Ministers sought to work with the unions to achieve some kind of consensus on industrial and employment policies. In the second half of the period, as union membership and power has continued to decline, such efforts by government have been muted or non-existent and trade union influence on public policy has declined correspondingly. The question has to be asked whether we are approaching the end of the road for trade union voice in the UK, or whether there is scope for a “new deal” under which trade unions can join with other key stakeholders in making a positive contribution towards economic regeneration via the public policy debate.

### *Attempted reforms*

My own career started almost 50 years ago in the Ministry of Labour and was dominated from the beginning by industrial relations as a major political issue. The post-war consensus supported conciliation and in those pre-Acas days the Ministry was actively involved in seeking to bring about industrial peace. In 1967 as a young civil servant I was secretary to the official court of enquiry into industrial disputes that had brought construction to a standstill on large sites at the Barbican and Horseferry Road. The enquiry was chaired by a Scottish judge, Lord Cameron, and the side members were Danny McGarvey, General Secretary of the Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers, and Pat Lowry, human relations (HR) director of British Leyland. The enquiry report helped significantly to achieve settlements in the two disputes.

The next ten years saw repeated attempts to achieve radical reform in the wider framework of industrial relations in the UK. To highlight a few of the more significant initiatives:

- Royal Commission on Trade Unions and Employers’ Associations (1968) (also known as the Donovan Commission) targeted unofficial action and made recommendations to reform the system of collective UK labour law by improving collective bargaining.

- In 1969 a white paper in place of strife introduced by Barbara Castle, Secretary of State for Employment, proposed to use the law to reduce the power of trade unions but failed to secure Cabinet approval.
- The 1971 Industrial Relations Act attempted to construct a comprehensive framework to regulate collective bargaining. It also established a National Industrial Relations Court, with power to grant injunctions to prevent harmful strikes. However the Act failed due to non-cooperation by the trade unions and conflicting decisions by the courts.
- The Bullock report on industrial democracy recommended in 1977 a right to representation for workers on boards of companies with over 2000 employees. These recommendations were not implemented, partly because of trade union resistance to the idea of non-union representation.

It's striking how little impact these initiatives had, despite the considerable bureaucratic effort, academic input and political capital expended on them. It took the so-called 1979 "winter of discontent" to bring an end to the Labour Government under Jim Callaghan and put in its place a Conservative government under Margaret Thatcher. Her trade union reforms in the 1980s, and defeat of the miners' strike in 1984-1985, are generally credited with having undermined trade union power in the UK, though globalisation has clearly also had a major part to play.

It's worth referring to one major industrial dispute in the mid-1970s, which turned on the issue of union recognition and lasted for two years. Workers at the Grunwick film processing laboratories in north-west London, the vast majority from ethnic minorities, went on strike and demanded the right to join the Association of Professional, Executive, Clerical and Computer Staff (APEX). Following the company's refusal and dismissal of striking workers, the TUC called for other unions to give their support, leading to mass pickets and major confrontations between strikers and the police. The Prime Minister, Jim Callaghan, phoned the Secretary of State for Employment, Albert Booth, noting that there was "a mob on the streets of London" and looking for action. The subsequent enquiry by Lord Scarman (1977) recommended recognition but this was rejected by the employer. After their successes in seeing off earlier attempts by government to control them, the unions' defeat in this dispute marked a significant decline in their power and influence.

#### *Industrial relations and economic policy*

In 1964 the Department of Economic Affairs was established under George Brown, who introduced his National Plan the following year. In 1968 Barbara Castle was appointed Secretary of State for Employment and Productivity, with the remit of swinging the renamed Ministry of Labour behind the Plan. In the following years, incomes policy was central to both Labour and Tory attempts to manage the economy, and the TUC was heavily involved in the process, until it was eventually and firmly abandoned by Mrs Thatcher. Wage-push inflation now feels historic: the major challenge for employee relations in 2015 is how to increase labour productivity.

This challenge is not new however. The National Economic Development Council was set up in 1962 to bring together management, trades unions and government in an attempt to address Britain's economic decline. It was supported by the National Economic Development Office and parallel sector-based organisations dealing with individual industries or sectors. Despite bringing together senior businessmen and trade union leaders with Cabinet ministers, its influence was never great and it was

wound up in the early 1990s. Nevertheless its existence symbolised the belief of governments through the 1960s and 1970s that it was worthwhile seeking consensus on how to build economic growth, and that trade unions needed to be a key part of that consensus.

From 1968-1970 the Manpower and Productivity Service (MPS) was set up within the Department of Employment and Productivity to address general manpower policy matters, including personnel management, and negotiations in the areas of railways, docks, shipping and shipbuilding and printing industries. It also supported the work of inquiries into labour-only subcontracting in the construction industry, and supplied information and advice on manpower aspects of employment. The significance of the MPS was in its consultancy activities, working directly with specific sectors and organisations to improve working practices. Such activity was necessarily resource-intensive and did not long survive in its original form but some of the MPS's functions passed to the newly created Advisory, Conciliation and Arbitration Service (Acas) in 1974.

Despite the failure of intended industrial relations reforms, many of the institutional reforms of the 1970s have proved durable and effective. The major delivery functions of the Employment Department were distributed among a number of independent bodies, including Acas and the Health and Safety Executive, on which both employers and trade unions are represented. In 1976 Acas was established as an independent statutory body with a remit including the duty to promote collective bargaining. Though this duty was removed in 1993, successive economic analyses have reaffirmed Acas's value to the taxpayer. Acas chairmen have brought to bear a wide range of backgrounds and experience at the summit of the employee relations system: they have included Jim Mortimer, a trade unionist who went on to become general secretary of the Labour Party; Pat Lowry, archetypal industrial relations director remembered in the eponymous lecture series; and Douglas Smith, formerly a senior civil servant at the Employment Department who advised successive governments on handling most of the major disputes between 1965 and 1985.

#### *Recent developments in industrial relations*

The strike weapon remains trade unions' ultimate sanction against employers who they believe are misbehaving. But industrial action is also taking new forms as union members perceive there is less benefit to be gained from traditional industrial action and are unwilling to engage in long-term action involving significant loss of pay. In many instances, a strike ballot can be an effective negotiating tool without the need to back it up with further action. But a main source of strength on which unions are increasingly choosing to rely is public opinion, backed up by an appeal to ethical standards. This places the emphasis on communication, protests and demonstrations rather than strike action, targeting publicity and seeking to damage employers' reputation. Such tactics may not infrequently involve co-operation between unions and other community groups.

These developments were highlighted by the review of industrial relations law conducted by Bruce Carr (HMSO, 2014), which was prompted by Unite "leverage" activity. In its evidence to the review, CIPD argued that the emphasis by Unite on encouraging stakeholders to make "moral and ethical decisions about their future relations with an employer who we believe is acting immorally" reflected the wider acceptance in recent years of the need for organisations to display corporate responsibility. However we also pointed out that the concept of leverage needs to be distinguished from the context and methods used to implement it. Other unions have

adopted tactics, including public demonstrations, intended to influence shareholders and others. It is highly unusual however for a trade union to take action targeting individual senior managers and their families in their homes. Such tactics raise ethical issues of their own and have not been widely followed by other unions.

At global level, companies have concluded agreements with international union federations that commit them to ongoing dialogue about a range of issues affecting the management of their business, including employment standards and working conditions. International framework agreements often incorporate core ILO Conventions, including No. 87 on Freedom of Association and the Right to Organise and No. 98 on the Right to Organise and Collective bargaining, which have been in place for more than 50 years with only a limited impact. Companies generally conclude such framework agreements in the belief they will lead to better working relationships with trade unions but a major influence in many cases is the wish to protect their reputation.

In 2011 the United Nations Human Rights Council endorsed the Guiding Principles on Business and Human Rights proposed by John Ruggie. In essence the Ruggie principles provide guidance for implementing the UN “Protect, Respect, Remedy Framework”, and are a form of “soft law” aimed at guiding employers’ behaviour on human rights and, through them, that of their supply chain. As such, the principles have been criticised as lacking effectiveness; nevertheless they have attracted quite wide support from global corporates and have shifted the focus of their employee relations strategies. For example, a large number of international brands and retailers signed the “Bangladesh” accord in 2013, aimed at protecting the health and safety of garment workers in that country.

#### *What is the future for employee relations?*

Employee relations does not stand still but has to adapt to accommodate changed circumstances and fresh challenges. In his article for the BJIR in March 2014 on the history of the British industrial relations field, Bruce Kaufman presents an analysis or family tree of British industrial relations which I find helpful in a number of ways:

- First, he gives a respected place to the writings of Marx and Engels, who noted that the capitalist system of employment generated numerous social problem and conflicts.
- Second, he recognises Beatrice and Sidney Webb as the founding fathers of IR, with their book on Industrial Democracy (1897) which discusses inter alia arbitration and conciliation. It’s fascinating to note that the Webbs also emphasised the role of “expert administration” in the new Socialist state they wanted to create: a nod perhaps in the direction of the modern debate about high-performance working and enlightened HR.
- Third, he draws attention to the Oxford School, including Alan Flanders and Hugh Clegg, which in the 1960s identified plant-level bargaining and “productivity agreements” as a new basis for the relationship between employers and unions.
- Finally, Kaufman refers to the Tavistock Institute and socio-technical analysis, which are often neglected in the study of employee relations.

This highlights the fact that industrial relations as an object of study is something of a patchwork quilt, with important linkages into politics, economics, sociology and psychology.

From a managerial perspective, the relationship between employers and trade unions is routinely called industrial relations. Into the 1980s, the debate was framed in terms of industrial relations and focused on the activities of trade unions. With the decline in union membership and influence, the term morphed into employee relations or the management of the employment relationship. But what precisely is the focus of “employee relations” is less clear. At its most inclusive, the term can be a synonym for people management, which is the province of the HR community. Given the ambiguity of the term employee relations, we need to ask what are the specific challenges facing employee relations practitioners today.

For many employers, employee engagement has become the main focus of their efforts to manage the employment relationship. Despite doubts about its conceptual integrity, employee engagement offers managers a framework for monitoring a range of indicators – including employee attitudes and behaviours – of the state of the employment relationship. Beyond that, it represents an aspiration that employees should understand, identify with and commit themselves to the objectives of the organisation they work for. Such an aspiration would have achieved little traction 50 years ago, and underlines the shift of management attention from the collective to the individual. It also reflects a shift from the defensive management attitudes that characterised the earlier part of the period to a more positive one: employee engagement draws heavily on positive psychology. And it suggests that the main academic discipline underpinning employee relations has switched from sociology to psychology.

Employee relations managers today are undertaking a range of jobs, many of which were unheard of 50 years ago. When they were asked what they thought they were doing (Managing employee relations in difficult times; CIPD, 2012), senior managers with responsibility for employee relations said variously that their main focus was on managing trade union relationships, cost pressures, communications, corporate social responsibility, employee engagement, compliance with employment regulations, employee expectations and diversity and – last but not least – organisational culture. In many cases, these activities had no direct reference to trade unions. There is however a detectable continuity in the mindset and skills of employee relations practitioners over the period, including paying attention to the big picture and having the confidence to take tough actions when required, for example, when big institutions need to change direction.

### *Employee voice*

If employee relations in the UK is to make a positive contribution in the future to increasing output and jobs, more focus will be needed on the promotion of effective employee voice. There are encouraging signs that many employers are getting the message. Voice can be seen as the Holy Grail of employee relations: it is the promise of an effective employment relationship built on trust, fairness and respect. Although it is the least well understood of the four engagement drivers identified by MacLeod and Clarke (2009), employee voice can be seen as the ingredient building on and reinforcing the other three drivers – leadership, integrity and line management. In other words, it is the product of a workplace culture where people feel able to speak out with confidence that they will be heard and not penalised for doing so.

We need to look at employee voice through a number of different lenses. Academic interest in the idea focused initially on trade union activity representing employees’ interests and concerns. Unsurprisingly the assumption was that voice was essentially a vehicle for expressing dissatisfaction and challenging managerial prerogative. In many organisations today, voice is not seen as trade union activity to which employers need

to respond, but as a tool for management to use in seeking to change the organisation culture. Nevertheless the collective dimension remains important and partnership between employers and unions can be an important vehicle for effecting culture change. Effective collective consultation, whether with trade unions or with non-union representatives, can help to reinforce employees' trust in management but needs to be supported by appropriate information and training. Upward feedback of employees' views is critical to employee engagement.

The treatment of whistleblowers offers an instructive test for the presence of employee voice. Do employees feel comfortable raising concerns about misbehaviour and wrongdoing in the workplace? Recent debate about whistleblowing has focused largely on seeking to strengthen the legal framework for protecting, or at least offering legal remedies to, whistleblowers. But much evidence suggests that such remedies are unlikely to be effective in those many cases where the whistleblower's action threatens the reputation of the organisation, or the jobs of colleagues. Whistleblowers may be reluctant to come forward unless they feel that senior management really wants to hear – and take action on – their message. Low levels of trust, which are typical of the public sector, make it hard for employers to implement effective whistleblowing policies.

Is employee voice today's "pluralism"? Discussion about the unequal distribution of power between management and workers seems to lead nowhere at a time when both sides are heavily constrained by the need to operate in a global marketplace. Employee voice does not imply a fundamental conflict of interest between management and employees. It does however recognise the need for dialogue in order to reach decisions that reflect a range of opinions and can be effectively implemented. Employers are clearly in charge, but the concept of employee voice undermines traditional assumptions about managerial sovereignty and hierarchy and challenges managers to find better ways of delivering high performance. This applies to both the management of individual tasks and the direction of the organisation. For the Webbs (see above), industrial democracy was one of the foundation stones of industrial relations, and employee voice reminds us that it still is.

#### *Towards strategic conflict management*

Following earlier failed attempts to reform the system of workplace dispute resolution, including individual arbitration and the statutory "3-step" disputes procedure, the Gibbons review in 2007 sounded the death-knell for employment tribunals as the preferred route to resolving disputes. Gibbons found them "complex, legalistic and adversarial" and noted that a third of claimants suffered damage to their future career prospects, stress and depression. He recommended the wider use of alternative dispute resolution (ADR) methods, such as mediation, and better resourced advice lines to promote such practices. The Gibbons recommendations were widely supported and were subsequently reflected in Government policies promoting the wider use of conciliation and mediation.

An analysis of discipline and grievance procedures and workplace mediation by Professor Stephen Wood and others using WERS 2011 (2014) found no evidence of any reduction in formality in the wake of the Gibbons report and consequent changes in the regulatory framework. They also concluded that, although mediation has become a significant part of workplace dispute resolution, there was little to suggest it was being used at an early stage to prevent issues entering formal procedures or leading to litigation.

However CIPD research on conflict management (Conflict management: a shift in direction? 2015) suggests that this is not the whole story. Employers are increasingly looking at ADR as a mind-set for use in a wide range of contexts, not just a formal



mechanism to be rolled out to resolve disputes that have become critical. Mediation skills are being acquired and deployed for use in-house, rather than relying on outside mediators. More employers are wanting to resolve disputes at the earliest possible stage, and are investing resources in conflict prevention. Some are looking at wider options such as “early case assessment” or “peer review”. All see a major continuing role for front-line managers, with appropriate support from HR. More organisations understand the inter-relationship between conflict management and employee engagement, and the importance of “perceived organisation support”. The significance of trust, and the links with collective consultation, are widely recognised.

Increasingly dominated by lawyers and legal process, employment tribunals are under pressure to demonstrate that they are the best way of resolving individual workplace disputes. Recent changes in legislation on dispute resolution have put the ball back in employers’ court. In many organisations, ER still means managing discipline and grievances but more organisations in both public and private sectors are looking at more flexible and informal mechanisms for resolving conflict. The recent Royal Mail/CWU agreement, for example, provides for voluntary mediation to be used at any stage and many other organisations are exploring the wider use of mediation skills. Academics despair of finding strategic conflict management in the UK. I am not so gloomy: change is evolutionary but it is happening.

#### *The role of CIPD*

As Marchington (2015) has pointed out (The role of institutional and intermediary forces in shaping patterns of employee involvement and participation (EIP) in Anglo-American countries), the Chartered Institute of Personnel and Development (CIPD) has had a strong interest in EIP for many years. It has, for example, funded research, organised an annual UK conference on employee voice, advised members about the potential impact of EU legislation and contributed to the employee engagement task force. In 2013 the CIPD celebrated its one hundredth anniversary, and its history illustrates the duality of welfare and discipline underpinning both the employment relationship and the role of the HR professional.

CIPD started life in 1913 as the Welfare Workers’ Association with a membership of just 34 people, of whom 29 were women. The First World War accelerated change in the development of personnel management, with women being recruited in large numbers to fill the gaps left by men going to fight. At the same time there was an increase in the appointment of “Labour Officers”, mostly men, to assist in the management of recruitment, discipline, dismissal and industrial relations at plant level amongst unionised male workers. An important role of these newly emergent Labour Officers was to interpret the complex legal framework governing the employment of civilians in wartime production.

As an independent and not for profit organisation, CIPD today is committed to championing better work and working lives. Much of our activity goes into supporting members’ efforts to build good practice in people management, offering them practical help and drawing on excellent research. It seems clear that the future role of HR must involve moving away from a defensive, process-driven role towards a more proactive and flexible one that will deliver better outcomes for both employees and the organisation. A background in employee relations offers experience and skills that can make a big contribution to developing this more proactive and flexible HR role (Is there a problem finding industrial relations specialists? CIPD, 2011).

The Institute also continues to develop independent, evidence-based public policy positions on employee relations and other workplace issues. Public policy at national level will benefit from paying more attention to HR perspectives, not least in order to increase the level of productivity as a basis for raising growth and living standards.

*A national forum on workplace issues*

There is a gap in Government thinking around productivity and innovation, and this is a failure to recognise the workplace as a major focus of policy and action. Particularly in the context of ongoing debate about an industrial strategy, it seems unrealistic to think that workplace issues can be indefinitely ignored. Government policy needs to shift from a narrow focus on skills acquisition, and pay more attention to the way in which skills are managed and deployed in the workplace. This embraces issues including leadership, culture, line management and employee voice, which are at the heart of the engagement agenda.

A number of bodies, including Acas and the UK Commission on Employment and Skills, have specific responsibilities for improving management performance and employment practice. However none has an overarching remit to address the wide range of issues that can influence workplace effectiveness. UK governments have always preferred to see workplace issues as being essentially about skills, but what this analysis largely neglects is the whole area of managing the employment relationship.

This is the more surprising given the increased recognition of the contribution people management needs to make to increasing productivity. Learning and development processes make an essential contribution to raising the country's human capital. However the training agenda of successive governments over much of the last 50 years, focused mainly on improving qualifications and reducing unemployment (particularly for young people), has distracted attention from the issue of skills utilisation or how human capital is deployed. Beyond largely rhetorical support for employee engagement, governments have paid little attention to the need to raise standards of leadership and management across the economy.

Several different government departments, including BIS, DWP, Home Office and the Ministry of Justice, have responsibility for issues affecting the workplace. There is however little co-ordination of policy on workplace issues. There can be few other developed countries that lack a central government department with over-arching responsibility for employment: the Smith Institute has noted that the UK is now the only OECD country without a ministry of labour, and has argued for a new department focused on the world of work.

The experience of the Nordic countries suggests that social partnership and national dialogue between key stakeholders can be instrumental in increasing productivity. In a recent research paper for Acas, Sisson (2014) has proposed a dialogue between employers and employee representatives to develop solutions to problems and strategies for innovation. He argues for an industrial strategy building on the response to Michael Heseltine's report in 2013, involving employers' organisations and drawing on the experience of senior Acas advisers.

This suggests that employee relations thinking and skills may have an important contribution to make towards tackling some of our biggest economic and social problems. CIPD has argued that the Government should set up some form of national forum, possibly a Workplace Commission, that would bring together a wide range of stakeholders to advise Government on workplace issues, and help raise employer practice. A Workplace Commission would need to have close links with the Department

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for Business, Innovation and Skills in order to help design employment regulation that was both non-controversial and workable.

In outline the main aims of a national forum would be:

- to bring to bear the experience of key “social partners” in order to advise Government on workplace issues;
- to support the better co-ordination of policy across government departments;
- to “depoliticise” workplace policy at national level and develop a more coherent and strategic long-term approach to the labour market;
- to engage bodies with the expertise and leverage to improve employer practice; and
- to develop and drive a government supported, sector- based and workplace-focused campaign on productivity, performance and good work.

The idea of a national forum on these lines will no doubt attract criticism on the grounds that government should not get involved in workplace issues. It might also be suggested that, before trade unions can claim to speak for employees collectively, they need to address outstanding issues such as their historic “brand” and reluctance to work alongside other stakeholders. But setting up a national workplace forum would help to get away from much sterile debate about “burdens on business” and focus, not on more or less, but on better employment regulation. It would also mean that when awkward policy issues cropped up, such as zero-hours contracts or whistleblowing, there would be in existence a body from which the Government could seek credible advice.

## Conclusion

This brief review has underlined how dramatically employee relations in the UK have changed over the last 50 years. In the 1970s and 1980s, Government was a key player and had a hands-on role. Leap-frogging pay claims led to “wage push” as the primary source of inflation; union resistance to industrial restructuring posed recurrent threats to the UK’s economic well-being; inevitably governments were drawn into both ongoing dialogue and conflict with the trade unions. The economic background to today’s employee relations is utterly different: private sector employment and pay levels are driven largely by the market, while industrial action is measured in days or hours rather than months or even years.

Equally the relationship between employers and trade unions is no longer a central issue in most workplaces. Employers are no longer permanently on the defensive and it is mainly in the public services, where high trust is hard to achieve, that the events of the early part of the last 50 years still have some continuing resonance. In order to establish and maintain high-trust workplaces, the challenge for employers going forward is rather to develop a deeper understanding of employee engagement, conflict management and employee voice, and the values and mechanisms needed to support them. This is the level at which the battle for economic performance needs now to be waged and governments need to be engaged.

Employers, trade unions and governments need to reflect on what model of the employment relationship underpins their view of the UK’s economic future. If there is to be a serious attempt to raise levels of productivity to those of our major competitors, workplace issues need to be much higher up the public policy agenda. As is evident from the above, the track record of government intervention in this arena is not a distinguished

one and most of the heavy lifting will continue to rest on the shoulders of employers. However the workplace is not a closed environment and governments have an obvious responsibility for addressing issues such as low pay and job insecurity that can have a major influence on employee attitudes and behaviour. If all attempts to develop dialogue and a shared agenda in such areas are dismissed as “corporatism”, this will condemn the UK to an outdated model of industrial relations. It will also suggest that the last 50 years continue to throw a baleful shadow over the public policy debates of today.

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#### About the author

Mike Emmott, Adviser Employee Relations, Chartered Institute of Personnel and Development (CIPD). Mike's specialist interests are employee relations and employment law. Recent projects have included research into employers' approaches to managing conflict. Central to Mike's work is his interest in the way in which industrial and economic changes are affecting employee attitudes and working practices. This has been reflected in research into the psychological contract, and exploring employers' experience of managing employee engagement. Mike has been responsible for inputs to government consultations on a range of employment policy issues. He Chaired an HR Advisory Group on Work and Families for the former Department of Trade and Industry and was a Member of the advisory group that supported Michael Gibbons' review of dispute resolution. Before joining the Institute Mike had many years' experience in the Employment Department. He was a Member of the Employment Service Board and subsequently Deputy Director of the Office of Manpower Economics. Mike Emmott can be contacted at: [m.emmott@cipd.co.uk](mailto:m.emmott@cipd.co.uk)

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