



## *Chp. 1: Introduction*

### ✦ Overview

- ✦ Why is employment relations (ER) an interesting & ever-changing topic?
- ✦ Concept/definition of ER
  - Encompassing, wide-ranging & multi-disciplinary: a difficult & growing field
- ✦ Language & concepts are important
- ✦ Media treatment of ER & academic detachment: both fall short of ideals

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Employment relations have been at the forefront of New Zealand political and academic discussions since the early the 1980s as major disagreements and subsequent public policy shifts have surfaced. There have also been significant shifts in public perceptions and attitudes to ER. These disagreements & changes have been highlighted and, sometimes, bolstered by media reports.

However, ER has a more enduring relevance since work (or the lack of it) is important for most individuals: job status, work conditions, rewards & work relationships have a significant impact on how people live their lives & how they feel about themselves. Work can be a joyful, frustrating or a totally negative experience. While this may in some instances be related to the particular individual, ER is very much about fairness & providing fair opportunities for employees & employers. Thus, issues such discrimination, employment rights, occupational safety & health, minimum employment conditions, individual & collective bargaining, training & development are all at the core of ER. They will be given detailed attention in the coming chapters.

Beyond the individual employment relationships, ER is connected to wider social aspects & issues: economic prosperity & relative living standards, social welfare, employment & unemployment levels, regional development & local job opportunities. The shifts in academic debates, in language & concepts are associated with these wider societal aspects as well as the adjustments in underlying norms & aspirations.



## *Introduction to ER*

- ✦ Employment relations is a 'hot' topic
  - ✦ Many changes recently & last 2 decades
  - ✦ Diverse position of the key actors
  - ✦ Unstable environment & public policy
- ✦ .....But there are no clear answers
  - ✦ 'there are few certainties in employment relations, no easy answers, and many ambiguities and unresolved issues (D&R 2001: 5)

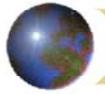
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While ER has been newsworthy in other OECD countries, it has been a hallmark of NZ ER that it has been a key philosophical & political battleground and it has had a fair amount of publicity.

There have been marked shifts in public policy, bargaining processes & outcomes, and in the strategies & behaviours of the various 'actors'. There are many journal articles and some books about changes in the 1990s (under the Employment Contracts Act 1991) and in the new millennium (under the Employment Relations Act 2000)

These shifts & the lack of consensus concerning ER have produced an unstable environment that are prone to radical changes in public policy.

While ER is frontpage news, it is also a difficult area to discuss and study. It often involves different opinions & attitudes, it has a lot of different angles, and it can involve a lot of different academic disciplines.



## *Employment relations is.... ?*

- ✦ The concept/term E.R. is contested
  - ❖ Shift from industrial or labour relations to employment relations in the last 15 years
  - ❖ Why has there been this shift?
    - New research & theory fields
    - There were always 'boundary' problems
      - Relatively new 'discipline'
      - Multi-disciplinary foundation which has subsequently been enlarged
    - Fashion changes & academic 'turf war'

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ER is a relatively young field of study which started in earnest after the Second World War & became a mainstream academic discipline in Anglo-American countries in the 1950s & 1960s. Outside Anglo-American countries there has been a different academic approach and industrial or employment relations has often not appeared as a specific academic discipline.

While the historical development of ER is fairly clear there are often a number of underlying issues when academic fields change their name. This shift in name is partly fashion and popularity of, for example, the concepts of industrial relations or labour relations has coincided with the changing names of legislation in New Zealand. For example, the Industrial Relations Act 1973 or the Labour Relations Act 1987, the Employment Relations Act 2000.

Is there any difference between industrial/labour/employment relations? Yes, there is, just as there are significant differences between the IR Act 1973, the LR Act 1987 & the ER Act 2000. One of the key academic differences are the extension of the field as discussed in this and the next chapter. This can also be seen through the subject areas mentioned on p. 4.



## *Employment relations could be?*

- ✦ See definition: power & interests, strategies, rules & processes, contexts (p. 6)
  - ❖ See also the various ER study areas (p. 4)
- ✦ Encompassing: diverse disciplines
  - ❖ Disciplines ask different questions and are interested in different issues (see p. 5 & chp. 2)
  - ❖ Different angles lead to new ideas: contest between disciplines; creation of new sub-disciplines (eg. psychological contracts)
  - ❖ Biases, information search & analytical methods

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The diverse academic foundation of ER makes a definition important as it provides a focus on the core of study. Our definition is clearly influenced by a systems approach to ER (see pp 21-27) though it also emphasises the impact of the multi-disciplinary influences. “The above definition emphasises the employment relationship, its general context, and the factors and processes that determine changes in the relationship.” (p. 6).

As the foundation of the field has always been multidisciplinary it is probably not a surprise that there has been ‘tension’ between different disciplines & angles on ER. This should be viewed as something positive as it allows for different questions & new research areas (see table 1.1 on p. 5 & table 2.2 on p. 34).

The richness of ER is seen through the incorporation of new fields of study. While the impact of HRM is well-documented there are several new study areas such as equal employment opportunities, flexibility, international labour standards, career theory, the psychological contract. These areas have provided much new research & they have made research insights part of current public debate.

Research biases are well-known & it is part-and-parcel of our analysis of the media treatment of ER issues as well as our ‘selection’ of news sources.



## *Employment relations could be (II)?*

- ✦ **Encompassing: macro & micro levels**
  - ▣ **NZ: balance between efficiency & equity?**
    - A way to understand the difference between ECA & ERA in terms of philosophy
    - Public policy dilemma: macro outcomes & fair processes v/s flexibility for both parties
- ✦ **Complexity & 'knowledge explosion'**
  - ▣ **Growth in all disciplines & sub-disciplines**

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The 5 different levels mentioned on pp 9-10 show how different issues & questions tend to become salient at different levels of ER. While we present 5 levels – workplace, corporate, industry, national, international – one should also mention the individual level. Individuals & their employment rights have become increasingly important in current ER; a point also dealt with theoretically in Social Action Theory (see p. 32). “At each level, then, decisions are being made that influence and, in some cases, determine the nature of the rules that regulate employment relationships.” (p. 10).

While the individual & workplace level has become more important through direct employer-employee relationships so has the national & international levels. ‘Globalisation’ has become a much used & abused term, with NZ becoming more internationalised over the last 20 years. This may have given rise to ideas about ‘withering of the national state’ (see chp. 10) but the state has - through a massive legislative programme & extensive public sector restructuring – had an enormous influence on changes to ER in NZ.

A particular macro issues has been the shifts in public policy in NZ which, amongst other things, have influenced the traditional understanding of how efficiency & equity should be balanced in ER. Additionally, there have been several unanticipated outcomes of public policy as discussed in several chapters (see chps. 3, 4, 6, 7, 8 & 9).



## *Multi-disciplinary problems*

- ✦ Tendency to become specialised
  - ❖ Eg. lawyers, labour market analysts
  - ❖ Transmission of ideas becomes both easier & more difficult (eg. internet/on-line stats but also information 'overload')
  - ❖ Impact of context is often overlooked
- ✦ Topic is becoming more 'global'
  - ❖ Warning: concepts are culturally biased

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The growth in knowledge & complexity is associated with a growth in the multi-disciplinary foundation of ER as well as in new specialised research areas. This growth makes it very difficult to keep up with new all the developments – there tends to an information 'overload' across the subject areas of ER - and as a result there is tendency to become more specialised.

On the other hand, it also provides a rich field for new research & information. It has also become easier to obtain information as many public & private providers – eg. Dept. of Labour, Statistics NZ, law & consultancy firms – have comprehensive information available on line (see references to web sites).

The transmission of ideas has become easier & faster. This is the underlying pattern driving, for example, management 'fads'. It has also been influenced by the internationalisation of ER through multinational companies, regional integration (eg. EU, APEC), and government interest in successful national 'models'. Most theories have overseas 'roots', though NZ has provided its own 'experiment' in the 1980s & 1990s. Additionally, "employment relations in New Zealand has its own unique historical context which has been important in shaping the current system and the values that underpin it." (p. 8).

Finally, the cultural and national differences must be kept in mind when discussing ER subjects & theories.



## *Concepts & language*

- ✦ Language is important – creates images
  - ▣ Images => influence on actual behaviour
    - Eg. state intervention in NZ prior & after 1984
- ✦ Contest of ideas through images
- ✦ Ideal of academic attachment
  - ▣ Wide perspective
  - ▣ Establishing theories & principles
  - ▣ Analysing long-term issues & trends

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Language is important in several ways. Many of the standard ER concepts do not mean quite the same across different languages. Language & concepts are also shaped by the context and, vica versa, creates different images for different people & groups. These images are important since they support particular views of ER & influences behaviour.

Certain concepts gain popularity as certain times. For example, the flexibility concept has been popular since the early 1980s & has 'natural tendency' to view as something positive. Changes to ER arrangements can be justified as providing further flexibility, though it is often unclear whether particular flexibilities are necessary – ie. will improve efficiency – or beneficial (see chps. 4, 6 & 15).

The ideal of academic attachment demands a critical approach to concept 'fads' & a thorough analysis of any ER concepts. This demands a wide perspective – allowing different approaches is one of the advantages of the multi-disciplinary nature of ER - & the use of different theoretical perspectives. While it is easy to be caught in the dramatic 'here-&-now' side of ER it is important to take a long-term perspective and analyse long-term trends. Issues that are considered important today and attract political and media attention may have less relevance in subsequent years.



## *Media treatment of ER*

- ✦ We are biased and so is the media
  - ▣ We seek 'information' to be confirmed
- ✦ Media focus: 'dramatic events'
- ✦ Media coverage has changed
  - ▣ Commercial & entertainment values
    - Shorter, sharper but less political
  - ▣ Monopolies dominate: narrow coverage
- ✦ Shift in the 1990s – after the ECA?

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“There have been a number of studies, for example, indicating bias in the selection and presentation of news.” (p. 12). The focus on dramatic events & the lack of in-depth reporting are standard complaints of research on media reporting.

Another important tendency is fitting the news to the 'news space' on TV & radio which has given rise to 'morselisation & depoliticisation'. This means most news items becomes reduced to short, 'easily digested' bits & longer, more in-depth analytical pieces becomes more seldom.

While new communication channels have opened for more information – eg. the ability to see & hear overseas news or seek out information on the internet – there is also a growing worry that particular news sources starts to dominate the news picture. For example, the impact of the large press information bureaus on reporting in daily newspapers, radio & TV.

A study by Scott (1996) provides an illustration of some of the problems associated with the media reporting of ER news. While this study focussed on the 1990/91 debate of the EC Bill & EC Act, it shows how the main actors try to influence media reporting & how media reporting tends to follow certain patterns & pick up certain types of issues.



## *Media treatment of ER - II*

### ✦ Media coverage post 1991

- ✦ Less focus re: collective bargaining & union activity – diffusion & less important
- ✦ Lack of ER consensus: ER was a key policy issue in the last many elections
  - Check overviews & comments about the 1993, 1996, 1999, 2002 & 2005 elections
  - However, the 2008 election had relatively little focus on ER – why was that?

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With the decline in collective bargaining & a decline in union density in the 1990s – see chp. 4 - there has been less media focus on collective bargaining & union activity. The decentralisation of collective bargaining has also made it more laborious to cover the main trends in collective bargaining. It can also be speculated that enterprise-based bargaining made employers more inclined to keep collective & individual arrangements out of the media & that a low inflation environment has facilitated lower & less dramatic pay rises.

However, ER was a major public policy issue in the 1990s – see pp. 99-101 – as the ECA was debated in the general elections. Overall, the issues of compliance costs, fairness of bargaining processes & outcomes, productivity implications, legal precedent became key notions in political debates.

This lack of consensus, which started in the early 1980s, continued throughout the 1990s & was a feature of the debate of ER Bill in 2000 (see chp. 5). This made ER an obvious target for media reports, though the philosophical, theoretical & legal complexity of the various disagreements – not to mention the unclear, unpredictable outcomes – made it less suitable for the ‘morselisation & depoliticisation’ approach of many media reports.



## *Media treatment of ER - III*

- ✦ Focus on long-term issues?
  - ❑ Less opportunity to focus on industrial conflict?
  - ❑ More interest in fundamental social change?
    - Appears driven by changes to ER concerns – workplace & individual concerns – as well as in media reporting
    - Does media reporting 'mirror' widespread concerns?
    - Issues can re-appear when the context change as has been the case with unemployment & job losses recently
- ✦ What were the ER topics in the media
  - ❑ In the last week; in the last 3 months; last year?

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The argument is that traditional (collective) industrial conflict has subsided because collective bargaining is less widespread and unions are less keen on using the strike weapon. Individuals have also become more focused on their careers with suggestions that more career changes are taken place and with work becoming more intrusive with longer working hours & with high participation rates amongst women. These are rather complex arguments & they are underpinned by a number of assumptions which could be questioned.

There is little doubt that the recent tight labour markets & widespread skill shortages provided a different environment – similar to, for example, the 1960s - which had a major influence on media reporting as well as the attitudes and behaviour of individual employers & employees.

However, the pre-2008 decade may provided a different context to both the 1990s & to the post-2008 period. The latter depends, of course, on the severity & fall-out from the 2008 economic crises. Still, the changes to work & employment patterns may be 'mirrored' in significant changes to media reporting (besides influences from new technology & media industry changes).

We often quickly forget 'yesterdays' news re: ER. It is necessary to know where one can get an overview of news trends. Where would you go?