CONTEMPORARY BRITISH INDUSTRIAL RELATIONS

Also by Sid Kessler

CONFLICT AT WORK (with B. Weekes)

Also by Fred Bayliss

BRITISH WAGES COUNCILS

CONTEMPORARY BRITISH INDUSTRIAL RELATIONS

Third Edition

Sid Kessler

and

Fred Bayliss

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List of abbreviations

ACAS	Advisory, Conciliation and Arbitration Service
AEU	Amalgamated Engineering Union (previously AUEW)
AEEU	Amalgamated Engineering and Electrical Union formed by merger of AEU and EETPU
AMMA	Assistant Masters' and Mistresses' Association
APEX	Association of Professional, Executive, Clerical and Computer Staff
APT&C	Administrative, Professional, Technical and Clerical grades in local government
ASLEF	Association of Locomotive Engineers and Firemen
ASTMS	Association of Scientific, Technical and Managerial Staff
ATL	Association of Teachers and Lecturers (formerly AMMA)
AUEW	Amalgamated Union of Engineering Workers
BEC	Building Employers Confederation
BIFU	Banking, Insurance and Finance Union
BMA	British Medical Association
BPIF	British Printing Industries Federation
BT	British Telecom
CAB	Citizens Advice Bureau
CAC	Central Arbitration Committee
CBI	Confederation of British Industry
CIR	Commission on Industrial Relations
COHSE	Confederation of Health Service Employees
CPSA	Civil and Public Services Association
CWU	Communication Workers Union
DATA	Draughtsmen's and Allied Technicians' Association
DE	Department of Employment
DTI	Department of Trade and Industry
EC	European Community
EAT	Employment Appeal Tribunal
ECJ	European Court of Justice
EECS	European Coal and Steel Community
EEF	Engineering Employers' Federation
EETPU	Electrical, Electronic, Telecommunication and Plumbing Union

EMU	European Monetary Union
EOC	Equal Opportunities Commission
EPA	Employment Protection Act 1975
ERM	Exchange Rate Mechanism
ETUC	European Trade Union Confederation
EU	European Union
EWC	European Works Council
FWR	Fair Wages Resolution
FIET	International Federation of Commercial, Clerical, Professional and Technical Employees
GCHQ	Government Communications Headquarters
GDP	Gross Domestic Product
GMB	General, Municipal and Boilermakers' Union
GNP	Gross National Product
GPMU	Graphical Paper and Media Union
HRM	Human Resource Management
ICFTU	International Confederation of Free Trade Unions
ILO	International Labour Organisation
IMF	International Monetary Fund
IMS	Institute of Manpower Studies
IPCS	Institution of Professional Civil Servants
IPMS	Institute of Professionals, Managers and Specialists (formerly IPCS)
IRSF	Inland Revenue Staff Federation
ITB	Industrial Training Board
ITWF	International Transport Workers' Federation
JIC	Joint Industrial Council
JRC	Joint Representation Committee
LA's	Local Authorities
LFS	Labour Force Survey
MLC	Meat and Livestock Commission
MSC	Manpower Services Commission
MSF	Management Science and Finance Union (formerly ASTMS and TASS)
MTFS	Medium Term Financial Strategy
NALGO	National and Local Government Officers' Association (now part of UNISON)
NAS/UWT	National Association of Schoolmasters/Union of Women Teachers
NATFHE	National Association of Teachers in Further and Higher Education
NBPI	National Board for Prices and Incomes
NCB	National Coal Board
NCU	National Communications Union (formerly POEU)
NEDC	National Economic Development Council
NEDO	National Economic Development Office
NES	New Earnings Survey
NGA	National Graphical Association (now part of GPMU)
NHS	National Health Service
NIC	National Incomes Commission
NIRC	National Industrial Relations Court

NJAC	National Joint Advisory Council to the Ministry of Labour
NMW	National Minimum Wage
NUBE	National Union of Bank Employees (now BIFU)
NUCPS	National Union of Civil and Public Services
NUGMW	National Union of General and Municipal Workers (now GMB)
NUJ	National Union of Journalists
NUM	National Union of Mineworkers
NUPE	National Union of Public Employees (now part of UNISON)
NUR	National Union of Railwaymen (now part of RMT)
NUS	National Union of Seamen (now part of RMT)
NUT	National Union of Teachers
OECD	Organisation for Economic Cooperation and Development
OFTEL	Office of Telecommunications
OPEC	Organisation of Petroleum Exporting Countries
POA	Prison Officers' Association
POEU	Post Office Engineering Union (now NCU)
PSBR	Public Sector Borrowing Requirement
PSTCH	Public Services Tax and Commerce Union (previously IRS and NUCPS).
PRP	Performance-Related Pay
RCN	Royal College of Nursing
RMT	National Union of Rail, Maritime and Transport Workers
RPI	Retail Prices Index
SCPS	Society of Civil and Public Servants (now part of NUCPS)
SOGAT	Society of Graphical and Allied Trades 82
STE	Society of Telecom Executives
TASS	Technical, Administrative and Supervisory Staffs of AUEW (previously DATA)
TBF	T. Bailey Forman
TECs	Training and Enterprise Councils
TGWU	Transport and General Workers Union
TINALEA	'This is not a legally enforceable agreement'
TUC	Trades Union Congress
TULRA	Trade Union and Labour Relations Acts 1974 and 1976
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
UCW	Union of Communication Workers
UDM	Union of Democratic Workers
UMA	Union Membership Agreement
USDAW	Union of Shop, Distributive and Allied Workers
WIRS	Workplace Industrial Relations Survey

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FRED BAYLISS

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Introduction to the third edition

Since 1979 British industrial relations have been affected by powerful forces of a kind previously unknown in the post-war period. Compared with the previous decades, the 1980s and 1990s were years of new departures. These were the result of three major influences.

The first was political. During the whole period up to 1997 there were 'radical' Conservative Governments which, by a series of legislative steps, and in other ways, sought to limit the scope of trade union action, set new rules for trade union operations and enhance the role of management.

The second was economic. Unemployment rose to levels previously thought politically intolerable, reaching over 3 million in 1987. There was a subsequent decline to 1.5 million in the short-lived boom of the late 1980s before the second great post-war recession which raised unemployment to nearly 3 million in 1992. The slow economic recovery which followed eventually reduced unemployment significantly to 1.5 million in the summer of 1997. In effect, for most of the last two decades there has been high unemployment compared to the full employment of the early post-war decades. The decline in manufacturing industry was a main reason for the high levels of unemployment but there were other significant changes taking place in the labour market. In particular, there was the continued growth of the private service sector and the increase in the proportion of the labour force which was female and part-time. In addition to labour market changes there were profound product market changes as a result of growing world competition, deregulation and the effects of new technology.

The third was change in management policies. As a result of product market competition and the swing in bargaining power, the initiative was firmly with management, who sought to achieve far greater cost effectiveness than they had in the past. There was also the growth of human resource management with its individualistic undertones as against collectivism. It is

against this background that the changes in industrial relations have to be considered.

Moreover, if the changes are to be fully understood, they must also be considered against the background of the traditional system of British industrial relations.

The first edition concentrated on the period from 1979 to 1990; the second edition came up to mid-1994; this edition comes up to mid-1997. There was no break in the continuity of developments between 1991 and 1997 so this edition takes the period 1979 to 1997 as being subject to the same influences throughout. There is one major exception to this continuity and that is the election of a Labour Government in May 1997. It is too early to say how far this political change will affect industrial relations. Nevertheless, we do discuss likely changes at some length. Is it the beginning of a new era or not?

We commence in Chapters 1 and 2 with a description of industrial relations in the early post-war decades. At least until the 1970s industrial relations were conducted against a background of full employment and steady economic growth, even if the latter was eventually seen as inadequate compared with that of our main industrial competitors. The post-war 'consensus' – shattered by Mrs Thatcher – included commitment by all political parties to the maintenance of full employment, the welfare state and a mixed economy: that is to say, an acceptance that the public sector as well as the private sector had a significant role to play. It was also accepted that trade unions had an important and legitimate role in industry and in society as a whole, even if there was a growing belief that the balance of power had swung too strongly in their favour.

In retrospect, industrial relations developments in the early post-war years appear to have been relatively unspectacular. But change was constantly taking place, and above all in the growth in certain industries of the power of the shop floor. However, the 1970s saw dramatic events including the re-emergence of major national strikes, the imposition of incomes policies and a determined, but unsuccessful, attempt to change the law. All this took place against an economic background of rapidly rising inflation and a marked slowing down in economic growth which was primarily the consequence of the quadrupling of oil prices by the Organisation of Petroleum Exporting Countries in 1973 and the economic reaction to that event by the leading industrial countries.

If industrial relations developments appeared dramatic in the 1970s, they paled almost into insignificance compared with developments since 1979. We commence our analysis of the period since 1979 with the changing environment. In Chapter 3 we consider the economic background, in Chapter 4 government values and policies, and in Chapter 5 changes in the law, including developments in the European Union. While we do not devote a separate chapter to technological change, we are conscious of its rapid

development and application; reference is made to its important effects in a number of places in the text.

We then move on to consider the parties themselves. Thus Chapter 6 examines management strategies in the private sector, Chapter 7 examines the role of government as an employer and quasi-employer, while Chapter 8 looks at the trade unions, which have basically been at the receiving end of change and have had to struggle to adapt in adverse circumstances.

Having considered the changing political, economic and legal environment and the changes in employers and unions, we move on to examine the effects of these changes and their implications for the conduct of industrial relations in the future. Thus in Chapter 9 we consider the institutions of industrial relations, in Chapter 10 pay and productivity and in Chapter 11 strikes. Finally, in Chapter 12 we make an assessment of the changes which have taken place and their causes, and we look forward to what are likely to be the developments in future. This is the chapter which differs most from the first two editions.

An important part of the preparation of the first two editions was the holding of semi-structured interviews on a confidential basis with over 40 key industrial relations practitioners; for this third edition we have again conducted a similar series of interviews. Our interviewees again consisted on the trade union side of general secretaries and senior officials of most of the major unions and the Trades Union Congress. On the employers' side they included personnel directors of leading companies in both the manufacturing and services sectors, the public sector, former public corporations, and major employers' associations, including the Confederation of British Industries. We would in no way claim that this was a scientific sample, but we do believe that we have interviewed most of the key participants.

Our interviews were based on three simple, but major questions. What has happened since 1979? Why did it happen? What are the implications for the future? The answers to these questions are woven into our assessment. The differences of judgement and emphasis in the responses are brought out as well as the areas of agreement. The book is a combination of academic description and analysis with the reporting of the opinions of those who have shaped the years since 1979 and will be in the driving seat for some years to come.

To the memory of Allen Flanders