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Ideology and Industrial Relations in New Zealand

*JOHN DEEKS

INTRODUCTION:

It is a truism that there is in New Zealand culture a widespread if inarticulate suspicion of ideas, of theory, of ideology and a general preference for the practically useful, for the matter-of-fact treatment of things, for the pragmatic. While the polarisation of theory and practice is not a logically sustainable one — pragmatism after all is based on some theory, some system or principle purporting to explain or predict relationships between events — nevertheless it has in New Zealand a strong emotive appeal that can be used to stigmatise those who profess a particular ideology or who dabble in the 'unreal' world of ideas.

The analysis of industrial relations in New Zealand has traditionally reflected this dichotomous approach with discussion of theoretical questions played down in favour of predominantly historical and descriptive studies. Indicative of this general lack of interest in theoretical issues is the pretence that ideology plays no part in industrial relations in New Zealand, what I will call the 'ideology of no ideology.' In contrast the main thesis of this article is that ideological questions are central to the **practice** of New Zealand industrial relations and that we cannot adequately understand industrial relations behaviour if we persist with the view that it is not influenced by beliefs, value systems, ideas, theories.

THE NATURE AND FUNCTION OF IDEOLOGY

What, however, is the nature and function of ideology? If we define ideology as "any system of beliefs publicly expressed with the manifest purpose of influencing the sentiments and actions of others,"[1] then a number of points arise.

First, the public expression of belief is not aimed solely, or even predominantly, at influencing those who do not share the beliefs being espoused; it also has the function of reinforcing the attitudes and opinions of those who already accept the ideology. In election campaigns, for example, the public expression of political beliefs may be designed as much to activate a party's own supporters as it is to persuade opponents to change their votes. Similarly we may look on union and management ideologies as being focused on union members and on managers respectively rather than on each other. Ideologies are seen as reinforcements for established positions rather than as bases for dialogue with other parties.

Second, and stemming both from the influencing function of ideology and from its reinforcement function, the public language of ideology is emotive and rhetorical. Symbols and images are used which engage the likes, dislikes and moral feelings of the audience. Industrial relations in New Zealand is replete with such language — "stirrers," "troublemakers," "militants," being the most publicly visible examples. Less visible are union images of fraternity, solidarity, the sovereignty of the rank and file, equity and fairness,[2] and management images of loyalty, team spirit, leadership, responsibility and control.

Third, the public presentation of ideology is highly selective in its subject matter, and in its use of empirical evidence and logical argument. Thus issues of some complexity are presented in an over-simplified black-and-white form. Statistical information is used partially — not necessarily with any deliberate deception in mind — and contrary viewpoints are conveniently overlooked. Trade union publications ignore intimidation stories, management publications play down the JBL affair, government assures us that Lockheed business methods could not happen here. Such selectivity stems in part from the need to make ideologies publicly acceptable. If, for example, there is assumed to be in the general public consciousness some notion that "free enterprise" is a good thing and "state control" is a bad thing, then union ideologies will not overtly attack the free enterprise system even though union practices may be designed to curtail the effects of that system. In New Zealand, I suggest, we have the additional complication that the expression of ideology itself is not publicly acceptable in industrial relations matters.

MANAGEMENT IDEOLOGIES

It is clear from the definition of ideology adopted and from the functions that ideology serves that our theory is one that sees ideologies as the expressions and rationalisations of self-interest, particularly of economic self-interest. Within this framework management ideologies can be viewed as "attempts by leaders of enterprises to justify the privileges of voluntary action and association for themselves, while imposing on all subordinates the duty of obedience and the obligation to serve their employers to the best of their ability."[3] The justifications made for management authority and employee obedience change in response to shifts in the structure and technology of industry and to changes in the economic conditions and social values of the wider society. Thus, historically, the Social Darwinist justification of management authority — that only the fittest survive to hold power and therefore those who hold power must be the fittest — gave way to the Scientific Management justification that management's authority was based on its superior rationality, and then to the Human Relations justification which viewed management as impartial ringmaster striving to obtain co-operation among different groups in an enterprise. Whilst changes in management ideologies respond to shifting social norms and to shifts in society's expectations as to what constitutes acceptable business practice and ethics, they generally do so with some time-lag. Current ideologies, therefore, may not reflect current realities. This is particularly so in New Zealand where 'unitary' management ideologies persist in the face of the demonstrably 'pluralist' practice of industrial relations.

The **Unitary Ideology**[4] asserts that all members of an organisation should support management in pursuit of its goals and that any employee activities that upset or block the achievement of management's policies and objectives are irrational. Since management's goals are presumed to be rational there is no need to expand energy in winning employee consent, and sanctions and coercive power can justifiably be used against those few malcontents who contest the legitimacy of management's authority. The dominant images of the unitary management ideology are of the firm as a football team or as a family in which all must pull together if their collective interests are to be served. Such an ideology creates a number of management viewpoints on trade union and industrial relations activities: ◆ since management takes the total view and represents all interests in the enterprise whereas the trade union only takes a sectional view, the union is viewed as merely a mechanism for the expression of employee greed, an anachronism that has survived from the days when employers were less enlightened; ◆ industrial relations are just human relations and, since all managers know that good human relations equals good business, can safely be left in management's hands; ◆ trade unions can be useful to management in communicating with employees, in regulating procedural systems and in disciplinary matters, but a staff association would be better and trade union membership should

* **JOHN DEEKS is a Senior Lecturer, Department of Management Studies, Auckland University.**

1—Sutton, F.X., et al., **The American Business Creed,** Cambridge, Massachusetts: Havard University Press, 1956.

2—For description of the historical use and development of such images by labour leaders in the U.S.A. see Van Tine, Warren R., **The Making of the Labor Bureaucrat: Union Leadership in the United States, 1870-1920,** Amherst: The University of Massachusetts Press, 1973, especially chapter 2, 'Four Images of Unions.'

3—Bendix, R., **Work and Authority in Industry,** New York: Wiley, 1956.

4—Here I am summarising some of the work of Alan Fox who has focused on this question in a variety of publications, initially in 1966 in **Industrial Sociology and Industrial Relations,** Research Paper 3, Royal Commission on Trade Unions and Employers' Associations, London: H.M.S.O. Controversy on the matter continues: see for example, Clegg, H. A., 'Pluralism in Industrial Relations, **British Journal of Industrial Relations,** 13 (3), November 1975, pp. 309-316.

certainly not be compulsory; ◆ trade unions are power vehicles for troublemakers, for those who want to subvert the existing social order — if they cannot be suppressed then they must be controlled. Such a unitary ideology can be useful to management in a number of situations — in small family firms, in paternalistic companies with many long-serving employees, in military and quasi-military organisations that are dependent on member loyalty and discipline for their effective functioning, in firms operating in isolated areas where there are no alternatve job opportunities for their employees. It is not surprising, therefore, that such an ideology should be strong in New Zealand where the scale of business enterprise is relatively small, where teamwork and loyalty to the group are valued above individual achievement and where the traditions of close-knit agricultural communities live on. The growth of the manufacturing sector of the economy, the increasing size and complexity of work organisations, the weakening of traditional attitudes towards authority, all serve, however, to make the unitary ideology less appropriate and useful as a basis for the development of industrial relations policy and practice.

The **Pluralist Ideology,** in contrast, views an organisation as a coalition of individuals and groups, each pursuing its own goals and objectives but dependent upon the others for mutual survival. The terms of collaboration between these different interest groups will be established through a process of bargaining, the outcome of which will be that each group, dependent on its bargaining power, will achieve some, though not necessarily all, of its objectives. The process of managing such an organisation becomes a balancing act of trying to satisfy the various parties-at-interest — the shareholders, the customers, the employees and the managerial interest itself. Management, therefore, must actively pursue consensus, must recognise that it rarely has the power to impose decisions or solutions unilaterally if those decisions or solutions impinge in any way on what other groups see as their interests, must accept that some degree of conflict and disputation is inevitable, perhaps even to be welcomed, and that bargaining must take place on the basis of a recognition of divergent interests. Such an ideology views trade unions as that part of the pressure-group system that expresses the legitimate challenge of employees to the authority of management, accepting that in some cases employee preferences will be imposed in ways which managers find arbitrary. In New Zealand most industrial relations managers, personnel managers, and trade union officials carry on the practice of industrial relations with an implicit acceptance of this pluralist perspective even if some of them do so out of a pragmatic sense of necessity rather than out of a shared system of beliefs. Many of these managers, however, will be operating in a system that may not be understood by their bosses or by their managerial colleagues. In so far as the prevalent managerial ethos is an unitary one, then those managers who operate within the pluralist framework are likely to find themselves in a situation of some cognitive dissonance. I would speculate that the 'ideology of no ideology,' the desire to play down the importance or relevance of ideology in industrial relations, is one method adopted by managers in their attempts to resolve this dissonance. To understand this process, however, it is necessary to look a little more closely at expressions of the managerial interest within the pluralist system.

Management Prerogatives

If you ask a manager on what grounds he believes that someone else should accept the decisions that he as a manager makes, you may well receive a cliched response in terms of "management's right to manage." Ask what that means and a number of apparent sources of managerial authority may emerge, including notions that management's rights stem from the property rights of the owners of the business, or that they stem from the special knowledge and expertise of the managers themselves, or that they stem from a functional need for co-ordination and order giving. Chamberlain[5] has suggested that legal justifications of management prerogatives have gradually given way to functional justifications and that collective bargaining and the activities of trade unions have been one mechanism prompting this change. The legal position of the manager as agent or trustee of the shareholders reinforces an unitary perspective of the enterprise for "management has all the rights, privileges, powers and immunities associated with ownership, except where excluded by statute, charter or by-law." In defending its legal ownership rights, therefore, management will resist employee or union demands for a share in decision-making on the grounds that employee interests do not coincide with those of shareholders and that, if shareholder interests are to be faithfully served, the fullest possible discretion must be preserved by the shareholders' agents, that is by management. The managerial interest, then, is closely allied to the interests of shareholders and management prerogatives rest on the legal rights of ownership.

The legal justification of management's authority has, however, to face the reality of collective bargaining, which is a process through which the union shares in decision-making about various directive and administrative aspects of management. Once this kind of de facto sharing of management powers is established it is difficult to set limits to it. We can develop a domino theory of the decline and fall of management prerogatives. As Chamberlain points out, if collective bargaining is admissible in certain aspects of management then it is difficult to justify, on the grounds of incursion on the legal rights of owners, its exclusion from **any** aspects of management. Thus management rightly senses that its prerogatives are continually being eroded :"Every bit of progress the unions have made, every achievement they have won, has been realised in the face of charges that they were invading the prerogatives of others,"[6] generally of owners and managers. Whereas in the past unions have had to struggle for formal management recognition of their rights to organise, represent and bargain on behalf of their members, now increasingly it is management that finds itself unable to establish that it has exclusive rights of its own, has any management functions not subject to review by other parties-at-interest inside or outside the organisation.

The appeal to legal rights as the source of management's authority has, therefore, been increasingly unacceptable to non-shareholding parties-at-interest and increasingly unrealistic as a reflection of the situation in which management finds itself, particularly when coming to terms with the pressures exerted by employees and their representatives. How, in this changing situation, is management authority to be justified? Predominantly, Chamberlain suggests, on functional and pragmatic grounds. In any organisation someone has to decide what to do, how it is to be done and ensure that it is done. The practical necessity of this management function remains no matter what the nature of the corporate legal framework, the extent of the divorce between ownership and control, the social, economic or political system within which the organisation exists. If sharing of responsibility with employees, co-operating with trade unions, entering into collective bargaining and collective agreements are necessary in order that the organisation can pursue its objectives, then sharing responsibility, co-operating with unions and bargaining become integral parts of the management function.

THE IDEOLOGY OF NO IDEOLOGY

I am suggesting, then, that we can describe the practice of industrial relations in New Zealand as reflecting a pluralist perspective, that the predominant ideology implied by managerial attitudes is an unitary ideology, and that this implicit unitary position hides behind the more explicit and publicly acceptable ideology of no ideology. Such contradictions between practice and belief, between behaviour and ideology, between the explicit and the implicit, are not unusual. Indeed there are many contradictions, confusions and inconsistencies within both management and union ideologies. Thus management, for example, may recognise some tension between the advocacy of a free enterprise economic system and the desire to maintain tariff protections for New Zealand manufactures, or between the emphasis on individual competitive striving and the co-operative virtues of employee loyalty to the firm, the teamwork ethos. Similarly for the unions there is some underlying tension between advocacy of free collective bargaining, in which each occupational group presumably seeks to protect and exploit its economic advantages as best it can, if necessary at the expense of other groups, and the

5—This section is based on Chamberlain, N. W., **The Union Challenge to Management Control** (1948) reprinted, Archon Books, 1967.

6—Chamberlain, **op. cit.,** preface to 1967 edition.

traditional union values of solidarity and the brotherhood of man. What is perhaps unusual about New Zealand is the way in which these contradictions are masked or blurred by the rejection of ideological consciousness and the consequent reluctance to analyse industrial relations situations in terms of conflicts of interest and of ideology. Differences can thus be "kept at brush-fire level by the refusal of either side to resort to the ultimate deterrent of ideology. To New Zealanders of any age, adopting an ideological stance is akin to exposing oneself. People may espouse and even employ ideologies, but they should keep them covered in public."[7]

There is an interesting and perhaps analytically useful parallel to this notion of ideology without ideological consciousness in New Zealand attitudes to other potentially divisive issues, most notably issues of class and race. If class, for example, is used as a descriptive tool — that is, as a method of describing the structure of society in terms of the differential allocation of economic power and rewards — then New Zealand society could, of course, be described in class terms. To do so, however, is likely to call down the wrath of those who uphold the image of one New Zealand, the classless society. The conditions of a classless society do not exist in New Zealand. What we have are the conditions of a society without class consciousness, that is a society in which people do not identify themselves or others with particular class interests and then seek to pursue their own class interests by means of collective political action. If we make some distinction of this kind, between description of social structure and description of social perception, then we can argue that New Zealand is a class society that has little or no class consciousness. Similarly, then, industrial relations practice can be rooted in ideological conflicts without ideological consciousness on the part of practitioners.

What purpose does it serve, however, for a society's perceptions to be at odds with a society's practices? Is our ideology of no ideology functional in some way for the society as a whole or does it work to the advantage of particular interest groups and the detriment of others? In the area of industrial relations such an ideology has a number of operational advantages: fixed and uncompromising postures can be avoided; emotive and rhetorical appeals to sectional interests can be reduced in number; the escalation of issues into matters of principle, reinforced by the public expression of belief, is less likely; problems can be tackled on a pragmatic trouble-shooting basis and mutually exclusive ideologies that may put obstacles in the path of reaching compromises through direct negotiations can be ignored. In terms, therefore, of the day-to-day operation of an industrial relations system, the ideology of no ideology would seem to be an effective lubricant.

The disadvantages of such an ideology would appear to lie in the longer term. It not only fails to recognise that, given the way in which management-employee relationships are structured at present, conflicts of interest are inevitable, but also that conflict can have some beneficial effects. If we accept the notion that social change is generated and perpetuated by contradictions, then we can accept some degree of conflict as being necessary to shift our industrial relations system to the threshold of change and adaptation. The ideology of no ideology is, I would suggest, one of a number of constraints inhibiting the longer term adjustment of the New Zealand system of industrial relations to a changing social, economic and technological environment. It inhibits, in particular, the planning or introduction of significant changes in labour-management relations. If we look, for example, at the development of co-determination in West Germany we find that many of the traditional ideological positions of both unions and management had to be progressively abandoned and a new ideology, one favourable to the principles of co-determination and supportive of its practice, had to be created. Even though ideologies, therefore, may be constraints upon change they are also, paradoxically, the sources of longer-term perspectives on the desirable development of an industrial relations system. The dominance in New Zealand, however, of an ideology that emphasises the pragmatic, the day-to-day, the piecemeal and partial adjustment of the system on the basis of expediency, means that longer-term perspectives are rarely considered. The very notions of an industrial relations 'policy' or the 'development' of industrial relations would seem to require some underpinning political or industrial relations philosophy or ideology that spelt out the long-term goals being pursued, that explicitly faced up to the question of the relative 'rights' of employees and 'prerogatives' of management or, at very least, accepted the distinction and the underlying conflict of interest it implies. Essentially, therefore, the ideology of no ideology must be seen as a defence of the status quo and as such it is likely to serve those, whether in the unions or in management or in government, who see the present distribution of power and economic rewards in New Zealand society as something to be justified and preserved.

In the wider social context the ideology of no ideology strives to curtail the growing consciousness that New Zealand is a multi-cultural multi-ideological pluralist society, and the growing awareness that difference and the acceptance of difference need not inevitably lead to class or race or industrial conflict. Indeed such conflicts are more likely to arise if the legitimacy of the claims of various interest groups, and their rights to be heard, consulted with, bargained with, are persistently denied. In this respect the conservative ideology of no ideology may become counter-productive for New Zealand society—what is operationally functional in the short-term becomes dysfunctional long-term for the development of the system as a whole. Thus the constant qualification of the rights of minority groups of various kinds to express their points of view without fear of the consequences, is likely to create exactly the brand of militancy that the present government so frequently abhors. The aggressive rejection of alternative perspectives and viewpoints, whatever their ideological base, as the crack-pot notion of a few "stirrers" or "intellectuals," inhibits the development not only of an equitable system of industrial relations in New Zealand but also of a mature society that can tolerate its own diversity. ⊙

7—Grant, A. K., and Gabara, K. P., **Land Uprooted High,** Wellington: A. H. and A. W. Reed, 1971, p 125. My thanks to Margaret Ingram for drawing this passage to my attention.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Industrial Relations Society was held at Auckland on Wednesday, 11 August, 1976. The meeting was attended by 30 members of the Society. The activities of the Society were reviewed in the President's Report delivered by Dr Jim Farmer. He noted that the Society had held throughout the year several successful seminars, which included an address to the Society by the Minister of Labour, Mr Gordon, on the issue of redundancy, and a panel discussion on the question of voluntary unionism. Dr Farmer also commented that the publication of the Industrial Relations Journal had provoked a great deal of interest in membership to the Society.

After the formal part of the meeting, there was an informal discussion by members with Professor John Young, Director of the Industrial Relations Centre, Mr Noel Woods, and Mr Don Turkington, also of the Centre. Professor Young explained the purpose and activities of the Industrial Relations Centre. Of particular interest to members was the recent introduction of a Certificate course in Industrial Relations that is conducted by the Centre. It was the general feeling of the meeting that the Industrial Relations Centre fulfils a vital role through its teaching and research activities in the field of industrial relations.

The officers of the Society for the coming year elected at the meeting are as follows:

President: Mr H. Roth.
Vice-Presidents: Ms. M. Robinson, Mr K. Tuxford.
Secretary: Mr A. McNally.
Treasurer: Ms. J. May.
Committee: Dr J. Farmer, Mr L. Baldock, Mr S. Marshall, Mr A. Webster.
Editor: Ms. M. Wilson.