

The Management of Employee Relations: The illusion of Neo-Pluralism

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Introduction

The management of employee relations is, typically, informed by theory – explicitly or implicitly. And of the many theories, or perspectives, available to inform practice, Neo-Pluralism has, traditionally, been the most commonly adopted one. This does not, however, make it the best one, merely the dominant one. The objective of this short article, then, is to introduce Neo-Pluralism, consider its weaknesses, and develop an alternative, all of which should serve to stimulate debate about the strengths and weaknesses of Neo-Pluralism.

The first part will consider the concept of Neo-Pluralism, both as a normative and prescriptive framework for examining the management of the employment relationship within organisations and the wider society, and as an explanation of practice. This part draws heavily on the work of Ackers, who has been one of the leading exponents of the concept (Ackers 2002, 2004). The second part provides a critique of the Neo-Pluralist perspective, and its weakness not only as a theoretical construct, but in its failure to properly address the issues of power and intent not only within organisations, but also within the wider society.

Ackers (2002) sees *Neo-Pluralism* as rejuvenating the Oxford Pluralist School, going beyond its emphasis on the institutions of job regulation and rule making, to incorporate its original sense of, 'ethical and social purpose'.

The problem of order in the workplace has migrated to one where there is a need to consider the relationship between employment and society, and the requirement for greater social cohesion. He argues that both pluralist and Marxist frameworks have focussed too narrowly on internal workplace relations, and that a myopic research agenda has excluded employment relations from debates about social breakdown, and the public policy debate. In addition it has specifically excluded ethical considerations from its analysis.

The features of Neo-Pluralism

Neo-Pluralism is distinguished from 1970s pluralism because it considers wider society, and emphasises values as well as interests. It considers *social* breakdown and *social* cohesion rather than simply workplace conflict and economic order. Neo-Pluralism is concerned with moral communities and social institutions rather than just trade unions and collective bargaining. Whilst 1970's pluralism's concern is with the forward march of labour, the Neo version looks to Civil Society and democratic rights. In addition the new version looks to the relationship between capitalism and stake holding, rather than merely the frontier of control. Finally it is concerned with ethical employment regulation rather than simply joint regulation. Ackers reiterates Durkheim, and the need for moral regulation that goes beyond order in the workplace to embrace the wider society and the sustaining of moral communities.

Reasons for the new moral order

Ackers cites writers such as Hobsbawm, Himmelfarb, and Sennett, in identifying a range of problems stemming not simply from capitalism, but with capitalism's recent form, which is referred to, variously, as 'enterprise capitalism', 'shareholder capitalism' or 'Neo-Liberalism'. These problems are, of course, problems that primarily effect workers and employees, but their employers are not immune from at least some of them. These problems include:

- The dissolving of all human bonds and social institutions that do not contribute directly to business profit;
- The destruction of motivation such as family duty and trust;
- Flexible employment patterns that undermine any sense of meaning;
- The problems of insecure employment, and absence of career that undermine parental role modelling;
- The lack of stable income and time with one's family that undermine 'the entire self image of the contemporary worker';
- The impact of facile business language on the human soul;
- The unlikely prospect of mass labours movement rising again, even though Corporations most fear resurgent trade unionism.

Although Ackers does not appear to endorse any likely resurgence in unions, he does see a positive role for them as *one* of the social institutions that can contribute to the creation of improved moral communities and provide a palliative to the, 'cold season of excessive individualism' (p.9).

Neo-Pluralism, civil society, and the new order

What might these improved moral communities look like, and what kind of organisations might be used to bring it about and what role might a Neo-Pluralist perspective play? Ackers uses Eztioni's Durkheimian notion of social integration and the importance of:

- Balancing individual rights with social responsibility;
- The role of the family, schools, and 'looser social webs' in creating 'good' character;
- The importance of voluntary community action as the basis for moral reconstruction;
- The importance of regenerating existing social institutions.

Trade unions and professional associations are seen as sources of moral and social cohesion. There is recognition of the loyalty shown by British IR pluralists to the labour movement, and its history, and regrets that the decline of organised labour has not only created a 'representation gap' at work, but also weakened the fabric of democratic society. Ackers believes that in employment terms institutions such as a union workgroup, a staff association, a European works councils, or a joint consultation committee could be institutions of social regeneration.

The above, and other arguments cited by Ackers about the importance of civil society underpins the argument that this, 'returns to traditional IR pluralism' a springboard for democratic resurgence.

What is to be done?

Ackers uses the foregoing analysis to put forward some practical steps and policy initiatives which he believes will give life to the Neo-Pluralist ideal.

The first of these is the language of Stakeholder capitalism, which takes 'the ideals of IR pluralism beyond the workplace to embrace investors, suppliers, customers, employers and the wider community and society.' In citing Hutton he advocates a European model of capitalism, with a renewed emphasis on relationships as ethical rather than purely economic, and the adoption of wider societal considerations into business policy.

This act as a catalyst for an enunciation of what the Neo-Pluralist paradigm should look like. It should:

- Go beyond Clegg's ordinance that pluralism should be concerned with describing society as opposed to being an ethical code;
- Revive Durkheim's concern as to how moral communities and social institutions can 'bond work and society together';

- Range widely across all aspects of the employment relationship and its relationship with the wider society, and address contemporary concerns about rights and responsibilities;
- Go beyond the narrow engineering problem approach to the management of the workplace, as represented by the 1968 Donovan Commission;
- Capitalise on new public policy thinking, the Third Way, Stake holding, and Communitarianism, that have opened up the boundaries between the workplace and society;
- Place the health of society first, driven by a public policy agenda based on social concerns rather than a narrow business agenda;
- Develop a new vocabulary of social partnership, working time, family friendly policies;

A caveat or two or three

However the above prescription is preceded by recognition of the centrality of work. He notes, 'nothing is more central to the reconstitution of our community and civil society than rethinking work, which consumes so much of our daylight hours, confers income and status, and shapes life chances in so many ways.' The power of big business and the need to regulate global capital is marvellously encapsulated in the phrase that: 'corporations often behave like carnivores in a community of small placid herbivores.' Given this there is recognition of the need to utilise the power of the state through institutional mechanisms to support the institutions of civil society.

Marxist and Neo-Liberal alternatives

Notwithstanding the above caveats, Ackers believes that the Neo-Pluralist paradigm, represent the only realistic alternative to both Marxist and Neo-Liberalism models, as he presents them. Within the Neo-Pluralist

paradigm the Good Society is represented by Social market capitalism and liberal democracy rather than Socialism. The strategy for achieving Neo-Pluralist goals is Social Regulation and partnership contrasted with the Marxist one of workers mobilisation and capitalist crisis. The tactics for Neo-Pluralism are stakeholder consultation, employee involvement and integrative bargaining compared to the Marxist ones of economic militancy and strikes. Whereas the power source for Marxism is organised labour, those for Neo-Pluralism are more varied and include, the EU, UK state, unions, public opinion, enlightened employers and managers.

Ackers specifically rejects Kelly's analysis arguing that he has not allowed for change, either in sociology, or in the real world in the previous twenty years. In addition he has failed to address legal and employer regulation, areas of co-operation and consultation between the parties, whilst a theory of collective organisation does not form the basis for reconceptualising industrial relations. He rejects the emphasis on economic militancy, the emphasis on power, and assertions that are not anchored in an ethical framework.

Neo-Liberalism versus Neo-Pluralism

The only real alternative to Neo-Pluralism, he contends, is the Neo-Liberal agenda of the 'nightwatchman' state, as opposed to regulation within the Neo-Pluralist framework. Under Neo-Liberalism, civil society is based on markets; under Neo-Pluralism it is associational. Whilst the key feature of the Neo-Liberal workplace is Managerial Unitarism, in Neo-Pluralism it is Partnership. Neo-Pluralism 'carries forward the old pluralist emphasis on the social institution' but re-introduces ethics into the social sciences, and provides a normative framework, providing a 'moral economy' of employment' allowing ethical choices in favour of community and family to be made.

The superiority of Neo-Pluralism

Ackers concludes with a summary of the superiority of Neo-Pluralism

- It provides a normative framework, and provides an ethical image of what society might become, and how work and society should be organised;
- It is prescriptive, with a realisable programme for social and institutional reform taking matters forward in a piecemeal fashion;
- It recognises the employment relationship is normally an asymmetrical one, skewed towards the employer, but;
- Ethical hegemony will strengthen the position of employees against those employers who are socially irresponsible;
- Social cohesion awaits a strong measure of economic justice and democratic participation at work, and;
- It provides an ethical foundation for policies such as social partnership in the workplace.

In sum then, Ackers Neo-Liberal perspective has drawn our attention to the following features of contemporary capitalism.

It is important to recognise and acknowledge these insights that he provides:

- The failures and threats represented by big business and international capitalism;
- The failings and limitations of past institutional approaches to industrial relations, and the narrow focus on the workplace;
- The short comings, linked to the above, in various forms of past pluralist argument;

- The importance of much more systematically recognising the links between workplace issues and wider social issues, and their symbiotic relationship;
- The need for greater sophistication and inclusion in recognising the parties to the employment relationship, see for example his work on Sub-Saharan Africa;
- Recognition of the stakeholder principle, and the relatively poor consideration that has been given to workers as consumers;
- The lessons that can be gleaned from best practices within European models, and the need for social regulation.

A critique of Neo-Pluralism

Now that we have a grasp of the main characteristics of Neo-Pluralism, we can shift to consider some of its weaknesses. In particular, it is important to point out that the normative and prescriptive claims for the concept are illusory, and unlikely to be substantiated by what happens in practice.

Whilst it is clear that Ackers indicates the nuances within pluralist theory, including citing Hyman who distinguishes variations within Clegg's, Flanders, and Fox's interpretations, he uses shifting terminology to describe different stages or types of pluralist theory. However, more importantly he fails to address, or give emphasis to, the Early Pluralism of writers such as Laski, and G.D.H. Cole and fails to recognise the radicalism of the concept at that time, and in particular its questioning of the sovereignty of the State. And although he stresses the essentially limiting and narrow nature of the IR pluralism that gained currency after the Donovan Commission, he fails to allude to the parallels with the concept of pluralism within political science where many believe that it became transformed into an essentially conservative construct that was supportive of the status quo (Wenman 2003). Other writers have emphasised that pluralism in practice is alive and well and forms the basis for employee resistance to management fiat (figaro).

However, the main criticisms are anticipated by Ackers with regard to the failure of Neo-Pluralism to address issues of power, and put any meaningful arguments forward as to why business corporations and employers should accept the encroachments on management prerogative that the Neo-Pluralists must assume is a consequence of their reform agenda. Despite such anticipation it is a question that needs to be answered because there is no meaningful reference to sudden economic social, or political cataclysms, or a newly emergent pro employee State that might provide a catalyst for a power shift.

Somewhat candidly Ackers recognises New Labour's reluctance to tackle big business, but writing in 2002 or earlier he could not have appreciated the relative timidity of successive Labour administrations and their unwillingness to divest the State apparatus of Neo-Liberal clothing. In this context the type of State regulation that Neo-Pluralism requires is unlikely to be forthcoming. Moreover, the (limited and declining) progressive social initiatives from the EU are being counterbalanced by a growing enterprise ethos amongst the European elites, and the sheer legal complexities in achieving practical purchase from EU statutes.

There is, arguably, a naiveté in Ackers' hopes in the possibilities presented by enlightened employers and managers in achieving Neo-Pluralism. It is interesting that although Ackers preaches a more diverse type of pluralism, he does assert the centrality of work to the quality of life, whilst Symon (Ref) argues that although there may have been a shift in the focus of the political economy in the past two decades this should be qualified, 'by the observation that most work continues to happen in the context of the selling of labour to employers whose aim is to make a profit, or at least achieve the organisation's goals as inexpensively as possible.'

Where Ackers sees the potential for cooperation, Symon (and other left critics) sees inevitable conflict. Why is this? To answer this, we have to re-call the basic concepts of political economy. The employee relations is, *necessarily*, based upon the commodification of labour; the extraction of profit from the exploitation of labour; and alienation. These three phenomena (commodification, exploitation and alienation) make it impossible to align the interests of employee and employer because they make their respective interests impossible to reconcile. It is, of course, possible for some limited amelioration of the worst effects of these three phenomena, especially when the macroeconomy is experiencing a 'boom' period. But amelioration is not the same as elimination. Moreover, these three phenomena cannot simply be managed, or wished away: they are woven into the fabric of capitalism, Neo-Liberal or otherwise. As long as capitalism prevails, so too will commodification, exploitation and alienation. One of the major weaknesses of Neo-Pluralist theory then is its inability to theorise these phenomena. And this translates into a major weakness of pluralism in practice: the prescriptions are unable to deal with the persistence of these phenomena.

Moreover, Ackers underplays the ideological role that Neo-Pluralism can play in supporting the status quo. Over thirty five years ago Ralph Miliband warned of, 'the persistent effort of corporate enterprise to associate not only its products, but itself and free enterprise generally, with socially approved values and norms...' and that they would be, 'more vulnerable to the attacks of counter-ideologies, if business was not able to deploy so vast an effort in building a favourable image of itself' (Miliband 1972).

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