

6.10 Industrial Relations

The field of **industrial relations** (also called **labour relations**, or **workplace relations**) looks at the relationship between management and workers, particularly groups of workers represented by a union.

Industrial relations can take place on many levels, such as the “shop-floor”, the regional level, and the national level. The distribution of power amongst these levels can greatly shape the way an economy functions.

“Industrial relations” broadly means the relations arising out of employment. In this broad sense it covers the area of personnel management or human resources management and labour-management relations or labour relations. In its narrower sense it refers only to the relations between management and the unions. And in its popular usage it refers only to labour-management relations.

Industrial relations in organisations is the sum total of the management's attitude to labour and of labour's attitude to management's policies and practices that affect the interests of the employees. Industrial relations are, basically, interactions between management and union(s). They involve continuous dialogue between the two sides on various issues of common interest; through such dialogues, the two sides shape each other's attitudes. The approach, methods, strategies and techniques, etc., of management in achieving the desired objectives vary from one organization to another. This is especially true in regard to productivity improvement through industrial relations. It is, therefore, primarily the responsibility of managements to develop industrial relations with workers and the unions so as to promote productivity on a continuing basis.

Governments set the framework for industrial relations through legislation and regulation – Please note recent changes in the industrial framework – Fair Work Bill, Award Modernation.

Developing positive industrial relations in the workplace

First of all, of the most important objectives of good industrial relations, the most frequently cited are:

- high or improved individual and group performance;
- cost effectiveness;
- productivity improvement;
- improvement in the quality of life and work satisfaction; and
- the development of human potential and its full realization.

To assess or judge the quality of industrial relations, some indices of good industrial relations are suggested below:

- harmonious industrial relations as a corporate objective and philosophy.
- tripartite relations and a problem-solving approach (the third part - the State - is represented through legislation).
- management's recognition of the right of workers to freedom of association and to form a strong, stable and democratic union.
- transparency, openness and honesty in management policies and practices, information sharing and effective communication.
- uniformity and consistency in organisational policies, procedures and behavioural norms.
- integrated systems and policies.
- positive and informal human resources management practices.

- consultation by management of workers and unions in decision-making on all issues of mutual concern and interest.

To achieve industrial relations of this quality, it is necessary for organisations, their management and their employees to have certain prerequisites. The most important of these are:

- professional management;
- an educated, self-disciplined and cooperative workforce;
- a responsible, responsive and representative but democratic union;
- acceptance by management of unions, union officials and workers;
- industrial relations goals that are shared by management and the union(s);
- developed and mature collective bargaining relationships and procedures;
- recognition by management and the union of the institutional roles of each other;
- management's genuine interest in the employees and their problems;
- system of joint consultation and decision-making in areas affecting productivity and relevant issues.

Follow the links below for more information and resources on this topic:

www.industrialrelations.nsw.gov.au

www.airc.gov.au

www.lawlink.nsw.gov.au

www.dewr.gov.au

www.workplaceauthority.gov.au

Tamworth Regional Development Corporation
File: FS 6.10_Industrial Relations
Version: 1:00

Disclaimer

This publication has been prepared by Tamworth Regional Development Corporation to provide general guidance and direction on aspects of human resources. The information contained herein is provided voluntarily as a service to our clients and is made available in good faith and is derived from sources believed to be reliable and accurate at the time of publishing. However, the information is provided solely on the basis that readers will be responsible for making their own assessment and that they should verify all relevant representations, statements and information. Neither the Corporation nor its officers take any responsibility for statements or representations, nor shall the Corporation or any of its officers be liable in respect of any such statement or representation, whether by reason of negligence, lack of care, or for any other reason whatsoever.