**Industrial Relations** refers to the quality of the relationship that exists between the managers and the employees in an organisation.

Benefits of good industrial relations:

* Easier to recruit and maintain high-quality staff.
* Low levels of absenteeism and labour turnover.
* Happy employees are more productive.
* Fewer industrial disputes or strikes.

**Causes of Conflict in the Workplace.**

**Industrial Dispute -** a legal term referring to any conflict between employees and employers.

Can be caused by:

* Pay (see below)
* Working conditions
* Redundancies or dismissals
* Discrimination

**Pay Claims**

|  |  |
| --- | --- |
| Comparability Claim | Other employees doing similar work. For example; Tesco workers get a pay rise, Supervalu can also look for a pay rise. |
| Relativity Claim | One group of workers want to maintain higher pay than another group e.g. if waiters in a hotel get a pay increase then the chefs may seek an increase. |
| Cost of Living Claim | Prices of goods in the shops have risen, so workers are finding it harder to live. Workers want their wages to keep up with inflation. |
| Productivity Claim | Workers may ask for a pay increase if they are operating more complex machinery or working harder. |

**How can good industrial relations be promoted:**

* Good wages and conditions/Fair treatment
* Open communication
* Keeping promises = trust and respect
* Having a clear *grievance procedure* – refers to the rules agreed between employers and employees when raising a workplace issue.
* Ensuring dismissals are fair.

**Non Legislative Methods of Solving Disputes**

**What are trade unions?**

They are organisations that represent the views and interests of employees in matters concerning pay and conditions of employment. (A shop steward is a spokesperson elected by employees in a workplace to act as their union rep.)

Benefits of union membership to employees/reasons to join a trade union

* Seek to protect employees rights
* Look for better pay and conditions
* Negotiate on behalf of employees
* Provide advice to members about industrial relations and employment issues
* Provide a national voice for workers (ICTU)

Benefits of union membership to employers:

* Simplifies communication between management and employees.

**\*ICTU\* The Irish Congress of Trade Unions** is the body that speaks and acts for ALL unions in the ROI. It:

* Acts as a negotiator
* Promotes the benefits of TU membership to the public.
* Resolves disputes and disagreements between TUs.
* Provides training, education and research services for unions and their members.

**Local Pay Bargaining/Negotiation.**

1. Individual bargaining employer negotiates individually with one employee.
2. Collective bargaining employer negotiates collectively with a group of employees, usually through a TU rep.

**National Wage Agreements** - national agreements between the social partners (comprises of representatives of the government, employers IBEC, and employees ICTU).

**Social Partnership** refers to the process whereby the government, employers and employees agree to pay and conditions nationally.

**Conciliation**

Two parties in a dispute ask an independent third party to help solve their problems. They are encouraged to discuss their issues, listen to each other and the conciliator helps them come to an agreement. This is not legally binding, but the aim is to solve the dispute without strike action.

**Ev: the third party is unbiased and will recommend a fair solution.**

**Arbitration**

Two parties in a dispute ask an independent third party to help solve their problems. They agree in advance whether or not to accept the arbitrator’s ruling. The arbitrator listens to both sides and issues a recommendation. This is legally binding.

**Ev: the recommendation cannot be broken and it must be upheld.**

**Negotiation**

Two parties come together to solve their dispute. They compromise and reach a mutually acceptable agreement and this is implemented.

**Ev: solves the dispute with no legal action.**

**Legislative Methods**

**Industrial Relations Act 1990**

The act sets out the following**;**

1. **A Trade Dispute**

A dispute between employees and employers in connection with the employment or unemployment of employees and the terms and conditions of their contract. Legitimate trade disputes; pay and working conditions, dismissal of another employee, failure to recognise the union, discrimination and the duties required of employees.

1. **Balloting**

A secret ballot of members must be held before industrial action can take place. Employees must give their employers seven days notice of strike action.

1. **Primary Picketing**

This involves employees gathering outside their workplace and walking around with placards. Striking workers form a picket line, where they try to discourage customers from entering the building. The protest must be peaceful, with no intimidation or obstruction.

1. **Secondary Picketing**

This means the employees picket outside another business that is supporting/helping their employer. Example; Supervalu cashiers are on strike and Tesco cashiers are employed to work in Supervalu. The Supervalu cashiers picket outside Tesco.

1. **Immunity**

Employees cannot be sued for loss of earnings to the business during industrial action. They cannot be arrested and a judge cannot stop them from protesting, as long as the protest is peaceful.

**Evaluation of the Industrial Relations Act 1990**

Protect employees by ensuring;

1. They have a legal right to protest legitimately.
2. No one is forced to strike. The secret ballot means employees can vote whichever way they want without any pressure or intimidation.
3. Employees are protected from being arrested or sued. They can legitimately protest without fear of retribution.

**Different types of Strike Action**

**Official Strike**

This is a complete withdrawal of labour. Workers are entitled to strike pay. Unions must hold a secret ballot, and give the employers seven days notice.

**Work to Rule**

Employees work as per contract. They only follow the rules of their employment contract, as the ‘letter to the law’. They are inflexible.

**Go Slow**

Workers stay in their jobs but slow down operations. Sometimes the business cannot operate, but the employees are still at work and can still get paid.

**Unofficial Strike**

Workers walk out on the job. There is no secret ballot, no seven day notice and no approval from the trade union or ICTU (Irish Congress of Trade Unions). The employees have no legal protection against being sued for loss of earnings.

**Consequences of Strikes for Stakeholders:**

Business: sales are lost and profits fall. Competitors can use this as an opportunity to undermine reliability and reputation of business. Harder to recruit and keep high quality staff. Management time and energy is wasted.

Employees: lose wages and use up savings. Job security may be undermined. If unsuccessful, loss of confidence in union.

Customers: inconvenienced, can undermine the abilities of others to make a living.

Suppliers: loss of sales, undermines profitability.

Investors: reduction in dividends, undermines a firm's’ ability to pay back interest on loans.

Economy: loss of wages spent, substitute products may have to be imported.

Government: loss of tax revenue (VAT, income tax, USC etc), can undermine Ireland’s international reputation

**Workplace Relations Commission (WRC)**

This was set up in 2015 under the Industrial Relations Act 1990 to maintain and improve good workplace relations and to help solve industrial disputes.

1. **Conciliation service**

The WRC provides an Industrial Relations Officer (IRO). They encourage both sides to talk through their problems and offer advice and guidance towards a solution. This is not legally binding.

1. **Codes of practice**

These are rules and practices to be followed when dealing with conflict. The WRC offers guidance to firms drawing up their code of practice.

1. **The Industrial Relations Advisory Service**

The WRC offers advice to employers and unions on industrial relations matters.

It also helps firms to understand the root of the problems that cause conflict. It

advises employees and employers how to behave in order to have good

relations.

1. **Adjudication Service**

The adjudication officer looks into disputes involving individual workers or small groups of workers concerning unfair dismissals, maternity leave and discrimination. Employees and employers have their cases heard and try to reach an agreement. Any recommendations can be appealed in the Labour Court.

1. **Mediation Service**

This service aims to help solve internal workplace disputes between employees. These include interpersonal differences/personality clashes. Everyone gives their side of the story and the mediation officer tries to reach a mutually agreeable solution.

**Evaluation:**

1. The cases are heard in private. This is a free service, so neither party has anything to lose.
2. Over 80% of cases referred are settled through conciliation.

**The Labour Court**

It is a court of last resort in industrial disputes. It is not a court of law. It hears both sides of the case and then issues a recommendation. It is not legally binding, except for cases in breach of the Employment Equality Act 1998.

It is made up of representatives from employers (IBEC), trade union and an independent chairperson.

Functions of the Labour Court

1. **Resolve disputes that the WRC cannot**

The Labour Court’s recommendation is not legally binding. Neither party has anything to lose because it is a free service, where they get expert advice.

1. **Hears appeals**

The Labour Court hears appeals against the recommendation made by an Equality Officer under the Employment Equality Act 1998. The Labour Court makes a legally binding judgment on this case and resolves discrimination cases with a legally binding agreement.

1. **Investigates breaches of codes of practice**

The Labour Court interprets the codes of practices to give its opinion, and also investigates any breaches of them. Industrial relations in Ireland meets world standards.

1. **Registering Employment Agreements**

Agreements negotiated between employers and employees can be registered with the Labour Court. These agreements once registered become legally binding.

Evaluation: this gives employees and employers confidence that the agreement they have made cannot be broken.

**5. Establishes Joint Labour Committees (JLCs)**

A forum for negotiating minimum pay and conditions in industries where many workers do not have union protection (e.g. fast food, part-time, hotels).

**The Unfair Dismissals Act 1977- 2007**

To protect all employees, full time or part time, from being unfairly dismissed from their employment. Every dismissal is unfair unless proven otherwise.

You must have one year’s continuous service, unless the dismissal arises from pregnancy, maternity/adoptive/parental/carer leave or trade union activities.

**Considered fair if:**

1. The employee is incapable: physically cannot do the work expected of them.
2. The employee is incompetent: consistently fails to meet expected work standards.
3. Employee is not qualified: lied about or does not have the required qualifications required for the job.
4. The job has become redundant: no longer any work for them to do.

* *Voluntary* = offered to those who wish to apply for it (financial incentives)
* *Compulsory* = not given a choice, must leave

The employer followed the proper procedure and gave adequate warning and has proof of fair dismissal.Counselling, Formal Verbal Warning, Written Warning, Employee's Right to Appeal

**Considered unfair if:**

1. Employer cannot prove any of the above.
2. Employers engage in constructive dismissal - Employee resigns from their job because of their employer’s conduct towards them. They make the employee’s life so miserable that they have no choice but to leave their job. They are treated so badly. This is illegal.
3. Due to maternity leave, trade union/strike, age (except if under 18 or over retirement age), religious/political views, race/colour, gender, sexual orientation, suing boss or membership of the travelling community.

**Remedies to unfair dismissals.**

* **Reinstatement** 🡪 the employee is given their same job back with exactly the same pay and conditions, they are entitled to full back pay from the date they were dismissed, they are entitled to any improvements in pay and conditions (e.g. pay rises) that occurred since they were unfairly dismissed.
* **Re-engagement** 🡪 the employee is given their old job or a different but reasonably suitable job back, not entitled to any back pay, this remedy is usually used where the employee contributed to their dismissal even though it is still unfair.
* **Compensation** 🡪 the employee is paid an amount of money by their former employer as compensation for the financial loss incurred due to the unfair dismissal, no compensation for stress/hurt, maximum compensation is two years pay.

**Before being dismissed the employee has the right to:**

* Know the reason for their dismissal
* Right of reply
* Have a fair hearing and be accompanied by a representative.

**Employment Appeals Tribunal** 🡪 state body responsible for ensuring that firms obey the Unfair Dismissals Act 1977- 2007. Its decisions are legally binding.

1. **The Employment Equality Act 1998-2015** is the law that states it is illegal to discriminate against anyone at work on the basis of:
2. Gender
3. Civil status
4. Family status
5. Age
6. Disability
7. Race
8. Sexual orientation
9. Religious belief (or lack of)
10. Being a member of the travelling community

**Discrimination** means treating one person less favourably than others, when hiring, training, and promoting or in the conditions of their employment.

2. The **Equality Authority** is the state agency responsible for ensuring that businesses do not break equality laws. It:

* Monitors all equality legislation.
* Advises employers and employees of their legal rights and responsibilities.
* Assists people with equality complaints (if valid, may refer people to the Director of Equality Investigations).

3. Employees must be **treated equally**, with regards to pay and working conditions if they are doing similar work or work of equal value.

4. The adjudication officer at the WRC will **investigate cases of discrimination** within six months of the discrimination. They hear both cases and make a decision. This decision can be appealed to the Labour Court, where it can be made legally binding.

**Remedies for Discrimination**

1. Equal pay for up to three years previous.
2. In other claims, up to two years pay can be awarded. If they are not an employee, they can receive about €13,000.

**Evaluation of the Employment Equality Act 1998**

* Protects employees from being treated badly/discriminated against due to...
* This creates confidence as the Labour Court’s decision can be legally binding.
* Government backed official who fights for the workers. Again creating confidence.
* Prevents discrimination during recruitment.