

Week 14

Labour Relations Management

Labour Relations

- A country's laws, culture, social structure, and economic conditions may impact labour relations. The text notes for example that the role of unions varies greatly among countries. In the U.S. membership in unions has been steadily decreasing, but over half the world's workforce outside the U.S. belong to unions.

Labour Relations

- Unions in the European countries tend to be aligned with political parties, but in Japan are created and run by the firms themselves. In fact, labour relations in Japan are so cordial that strikes are rare.

Labour Relations

- The premise of **industrial democracy**--the belief that workers should have a voice in how businesses are run--is an important influence in labour unions in Europe. In fact, in Germany an approach called **codetermination** provides for cooperation between management and labour in running a business.

Labour Relations

- The EU's implementation of its **social charter** (or **social policy**) whereby employment conditions and practices will be standardized throughout the community is addressing issues such as maternity leave, job training, and pension benefits.

Labour Relations

- Finally, labour unions have had their bargaining power reduced by globalization. However, there is very little coordination between unions in different countries to counter that reduction in bargaining power.

Union Structures

- Enterprise union: represents all people in one organization, regardless of occupation or location
- Craft union: represents people from one occupational group, such as plumbers
- Industrial union: represents all people in a particular industry, regardless of occupational type

Union Structures (cont.)

- Local union: represents one occupational group in one company
- Ideological union: represents all types of workers based on some particular ideology or religious orientation
- White collar or professional union: represents particular occupational group, similar to craft union

Implications for the Multinational: The Search for Harmony

- Must deal with local labour practices
- A factor in location choice

References

- Compulsory: Dowling, O., Welch, D & Schuler, R.(2000). International Human Resource Management. International Thomson Publishing.
- References: Hofstede, G.(1991). Culture And Organizational-Software of the Mind.Mc Graw Hill.
- Beardwell, I & Holden, L.(2000).Human Resource Management:A contemporary Approach.Prentice Hall.