

INDUSTRIAL ACTIONS; A COMPARATIVE ANALYSIS

ARSHAD AHMAD

RESEARCHER/LECTURER

**MANAGEMENT DEPARTMENT, COLLEGE OF BUSINESS ADMINISTRATION
KING SAUD UNIVERSITY, RIYADH, KSA**

DR. NADEEM AHMAD BASHEER

**MANAGEMENT DEPARTMENT, COLLEGE OF BUSINESS ADMINISTRATION
KING SAUD UNIVERSITY, RIYADH, KSA**

Abstract

The purpose of this paper is to analyze and compare the industrial actions taken place in USA and Japan thus will advance the industrial relations literature. Both countries are said to be having the largest economies in the world and thus having the most advanced technologies as well as have all kinds of businesses with a large number of industries and employees. Several researchers have showed that employees in these two countries are more satisfied and motivated as compared to other countries. There is a gap in literature that have mentioned like this study that employers have also seen and confronting with employees grievances in these countries, thus to fill the gap a literature review to be conducted that analyze, compare and contrast the industrial actions that take place in these two countries in the context of industrial and employee relations context.

Keywords: Industrial actions, employee relations, industrial relations, literature review, USA, Japan

Introduction

Industrial action (strike) is caused by a clash between employees and employers mainly on wage demands, working conditions,, management policies, political goals, and other social issues (Salamon,2000). In industrial relations, a dispute officially exists when workers withdraw from work or place bans on work (Edward, 2003). Lockouts, pickets and strikes are the overt forms of industrial actions, absenteeism, sabotage and turnover are the covert forms of industrial actions

(Salamon, 2000). Several approaches have been developed to account for differences in strikes activities across countries, some studies have focused on industrial relation systems of concerned countries, while others looked at the economic, social and technological achievements in which such systems are operating, attempted to explain the observed variations in level of strikes. Blyton and Turnbull (1998), have counted numbers of factors involved in different level of industrial actions in different geographical areas. Many researchers have attempted to determine the factors as noted by (Beardwell, 2002 and Bean, 1996) that gives rise to the secular and cyclical movement in strikes activities and manners in which those movements are related to various economic, political and social developments. The purpose of this study is to outline the factors which are involved in variation of industrial actions in Japan and USA, and at the end similarities and differences in these countries regarding different factors involved in industrial action are given in conclusion.

1. United States of America

The world largest economy , USA, all of the participant in the employment relations system retain some influence on US industrial actions (Bamber, Lansbury and Wailes, 2004).the most important ones are given below.

1.1 State and legal system

There is no labour party in USA and the legal framework creates more difficult condition for unions. Clawson & Clawson (1999), asserted that unions are part of legal regime which shape workers' activism through specification of legally permissible and impermissible modes of collective action through the laws' defined workplace representation. Role of state, (Adam, 2007) explained that in USA , when the Wegner Act passed, there was a clear understanding that its pur[p]ose was to encourage the practices of colletive bargaining. Taft-Hartley Act, which amended the Wagner Act, introduces balance in US labour policy. Taft-Hartley Act affirmed the right of employees to refrain from engaging in collective bargaining. NLRB certifies the union as the exclusive bargaining agent for the unit, and NLRB certification requires the employer to bargain in good faith with the union representatives (Bamber, Lansbury and Wailes, 2004).

Clawson & Clawson (2007), maintained that American l;abour law guarantees workers the right to "self organize" by formation of unions and at the same time the law protects the right of

employers to influence and intervene in the process. Fantasia as cited by Clawson & Clawson ,(2007) finds a similar division in regarding strikes like workers will not penalized for strikes activities , while the employers are given with the right to maintain production during strike and may hire permanent replacement workers. In short the USA legal system is uniquely unfavourable for organization and striking activities and thus has an impact on level of strikes. For example as (Arnowitz, 2005) explained that New York State' law is particularly provides sever penalties not only against unions and their leaders, but against individual workers as well. Trade union activists Still and Michael J. Quill, of teacher's and transport worker's unions supported their member's strike and were sent to jail for striking activity.

1.2 Union

AFL-CIO is a federation of national unions which includes a substantial share of union members, AFL-CIO represents and serves as a chief political and public relations voice for workforce disputes (Bamber, Lansbury and Wailes,2004). One of the institutional changes of the last 30 years has been the decline of the union movement, as noted by (Magnani and Prentice, 2003) , that in US private manufacturing union membership density has more than halved, and they produced two strands of union decline which are, (1st and the most important influence of personal characteristics such as age, educational level, gender, occupation and race on the probability that the individual joins a trade union, the 2nd strand change in demand and supply of union organization is also linked with union decline. Strikes are varied since the national labour relations authority (NLRA) which was enacted by Congress and became a law, since then unions have gradually surrendered the strike weapon as an organizing tool and relied, almost exclusively on the representative election for membership recruitment. Arnowitz (2005), noted that Taft-Hartley Act 1947 also deprived the unions right to conduct sympathetic strikes to engage in secondary boycotts and in some cases, the President can prohibit or delay a strike in the interest of national security.

1.3 Collective bargaining

Industrial action can be viewed primarily as part of the collective bargaining process within industrial relations (Edward, 2003). It means that collective bargaining is directly involved in industrial action because level of strikes changes due to bargaining nature and structure in

organization, if there is cooperation and coordination and also (centralized form) in collective bargaining process the level of strike will be very low, if there is contrast then the level will be high. Adam (2007), during the past few decades an increasing number of nonunion/ anti union employers in the USA disobeying deliberately the law in order to avoid the collective bargaining. Strike activists are fired illegally. Although USA laws require employers to bargain in Good faith with the unions certified by NLRB. The Wagner Act deals with employer unfair labour practices and explain the right of workers to engage in collective bargaining, while Taft-Hartley Act added union unfair practices and affirmed the right of employees to refrain from engaging in collective bargaining. Enterprise – centered bargaining structure, (Bean, 1996) in USA, is legally bind. Clawson & Clawson (2007), union is legally constituted collective bargaining agent and represents workers and delivering wages, benefit, and systematized defense of workers' every day workplace rights. But the structure of collective bargaining is changing in USA from public sector (centralized) to private sector (decentralized) and thus effected the level of strikes. In USA strikes like GM workers' strike, Broadway theater strike are all resulted in failure of negotiation in collective bargaining process.

1.4 Anti Union Employer

In 2005, over 31,000 workers were disciplined or fired for union activity in USA (Gall, 2008). The state body NLRB ordering the employers to rehire or compensate workers, those fired or disciplined during the strike. Wal-Mart and FedEx, (Gall, 2008) called them two big boy and girl of global capitalist, (Gall, 2008) found few political, legal, social and economic costs to be borne for employers by being anti unionism. In this seen one can easily understand that 58% or 60 million workers (Bamber and Lansbury and Wailes, 2004) are resisted to join union, which resulted the low density in union just 12%, in which only 7% in the private sector, and thus has a great impact on industrial action in USA.

1.5 Working environment

Terms and condition contract

Working enjoyment and terms and condition of contract are directly involve in strikes activities, especially in USA the anti-union employers are apparently involved. Broadway Theater in New York started because of negotiation broke down over a proposed new contract terms and conditions. The union for the first time gone for strike countered that the new contract amounted

to a sweeping rejection by management of working condition that had been painstakingly created over decades.

Health insurance and job security

Clarck (2007), reported that General Motors workers walkout for 2 days strike over healthcare insurance and job security. After months of negotiation between United Auto mobile Workers (UAW) and GM on a new long term agreement setting collective terms and conditions after deadline the 73, 000 workers getting started to lay down their tools.

1.6 Globalization and human resource management

US trade unions are challenged by globalization, global competition has intensified and that the consequences of the globalization is a need for more flexible, more individualized, and more market-based systems of handling pay and working condition. Edward (2003), The introduction of strategic human resource management provided flexibility, in working condition, performance based pay system, rewards, employee involvement and participation in decision making has largely reduce the strikes level. However globalization seems to be one of the 21 st century challenges for trade unions.

Trade unions are fundamentally connected to nation states, and although attempts have been made to internationalize the trade union movement, these attempts have never been successful.

2. Japan

Japan is the world second largest economy with the low level of strike and more than 70,000 trade unions, 68 million labour force and 73% of their participation rate in 2000 (Bamber, Lansbury and Wailes, 2004). The center of gravity of industrial relation is shifting from collective disputes settlement to individual disputes resolution, although collective bargaining is still the major route of industrial democracy (Koshiro, 2000).strikes in Japan will be called at the onset rather than the breakdown of bargaining to warn employers and show the unions' seriousness about its demands, these strikes are demonstrated through sickout, leaving taking, rallies, billboards, flyers, armbands headbands which displaying demands and slogans (Bean. 1996). number of factors are there in reducing the hostility in strikes and there is a visible decline in level of strikes in Japan.

Life time employment , seneiority based wges and enterprise trade unionism are the threee characteristics of japanesxe industrial relation system as (Bean ,1996) called it the three so called “pillars”, they have been influen ed by the bargaining structure in Japanese industrial relation and resulted the low lewvel of strikes in Japan. Another factirs which also has impact on both dstrikes and on all these threee characteristics are that below.

2.1 State

Public sector in Japan is very small, (Darlington,2008).employing only 12 % of the labour force. However Japanese business are formalized with the governm,ent and the state. In Japan it is noticed that the level of strikes is changed because of government policy of decentralization for example, privatization of rail networks lead to strike and now there are six new companies running these rail network in Japan, as (Donaghey, 2005) mentioned the huge railies demanding the re-nationalization of Japanese railways and reinstatements of the sacked rail workers. On the other side government backed these emoployers to continue doing so. Here “No Fight , No Safety” was the slogan of the Darochiba (Japanese rail network union) in demonstration against this privatization grievances. While on the other side constitution of Japan as noticed by (Koshiro, 2000) give the right to the individuals of the private property, to resolve dissatisfaction regarding one’s work is either quitting job for the purpose of improvement of ind=ividual economic frowth, constitution allow employees to undertake negotiation (induvidaully or colledtivlely) with the employer to improve wages and other working condition.

2.2 Employer

Employers desire to remain as ununion as posible or deals with the most moderate unions because unions inherently interfere with mangement’s authporithy to the extent that they function. (Jeong and Aguilera, 2008). Decentralization favours the wmployers and thus resulted the collective bargaining fragmented. Centralized nature of the union enables union s to achieve centralized bargaining, which gives union more power not onmly in terms of membership but also makes it easy for unions to go strike. Decentralization in Japan brought the enterprise unionism , in result collective bargaining fragemented upto enterprise level, as (Bsamber, Lansbury and Wiales,2004) argue that most bargaining takes palce at the enterprise level, at

some at industry level for example private railways, bus services and textiles. Furthermore Nekkeren is the employer's association and has certain function in Japan industrial relation.

2.3 Union

Enterprise unionism is the dominant form of the labour union organization in Japan (Koshiro,2000). Enterprise union which is decentralize union is limited to the fulltime (regular) employees, and non regular employees are excluded from union membership, which is called by (Bamber, Lansbury and Wiales,2004) a serious barrier to unionization. There are more than 70,000 unions in Japan, however the density has been declining since 1970s and in Japan it had fallen upto 22.2% in 1999(Koshiro,2000). Most enterprise unions join an industrial federation which coordinates the union activities for improving wages and working environment. And further these federation makes a national level confederation which is known as "Ringo", Japan trade union confederation. CLRC, central labour relations commission was introduced for unfair labour practices, CLRC actively resolving such cases.(Koshiro,2000). Bamber, Lansbury and Wiales, (2004), noticed that grievances are often settled down by enterprise unions informally at enterprise level, department or divisional level, that is why strikes in Japan are very few in number.

2.4 Lifetime employment and seniority based wages

In Japanese industrial relation system the most important and influential factor on industrial actions is the life time employment and seniority based wages. Lifetime employment attributed Japanese success to handwork and institutional work practices, includes weak labour unions, enterprise union structure, as opposed to industry wages demands of such unions, employee management and team working and loyalty which facilitated the practiced of lifetime employment, enhanced worker productivity and morale (Hornsby, ND). For many years (Masami and Ihuri,1991) scholars assumed that low levels of absenteeism, turnover rate and strikes rate all of that are the characteristics of the Japanese workforce, developed by lifetime employment agreement and seniority based wages, are indicators of high levels of job satisfaction and motivation.

Conclusion

Overall, it seems that over the decades Japan had very much lower level of industrial action than the USA. In Japan, the number of collective labour disputes has fallen progressively since 1970s, while in USA industrial actions are also at low level focusing on largely on health insurances issues. Collective bargaining which is the major root of industrial democracy, in both country is changing to individual and enterprise level. Union Density, is however declining since 1970s in both countries.

The systems of unfair labour practices was introduced in Japan with the name CLRC and in USA it is known as NLRB both are playing an important role in resolving the same cases. In Japan the seniority based wages among blue workers and seniority rules as such as not respected as a principle of promotion as in the USA (Koshiro, 2000). The concept of labour practices by trade unions, which is defined in USA by NLRA, in Japan does not exist. US trade unions are not class-based (Bamber, Lansbury and Wiales, 2004) in the same way as the Japanese unionism, still very much based on a traditional industrial society (Bean, 1996). Structural changes explain most of the decline in the trade unions density. In short it can be concluded that the level of industrial actions are influenced by a number of factors including, unions and its density, collective bargaining and its nature and structure, working environment of the workforce and the most important one is the state and the government, all these factors are playing important role in various strikes activities across the countries.

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