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Conceptualising Industrial Relations in the ‘Risk Society’

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Abstract
This paper contrasts the characteristics of different types of modernities, noting the present transition occurring between its simple and reflective manifestations. It then demonstrates how mainstream industrial relations theories have long been framed by a collectivist ‘risk insurance principle’. In combining these two observations the argument is made that theories built around institutional dependencies that rely on the evidence or assumption of operable risk insurance principles and collective guardianships of workplace well being make less sense in a world of emerging personal narratives of choice and dependency that centre around individuals taking personal responsibility for avoiding or diminishing the risks of their engagement with uncertain labour markets. The discussion concludes by setting out the social and epistemological conditions under which future industrial relations theorising might be framed so as to accommodate these emerging conditions in a manner that is both realistic and relevant.

Introduction
Theories of industrial relations are as diverse as the countries they seek to cover and the situations they seek to explain (Kochan 1998). However most Anglo-American scholarship could be said to centre around two interrelated questions: (1) how is order and control maintained in the conduct of day-to-day relations between workers and employers; and (2) what causes this order and control to periodically break down? Answering these questions has typically involved identifying or elaborating, in one form of another, the causal relations that exist between prevailing workplace practices, the formal and informal institutions and regulative mechanisms which govern and administer such practices, the behavioural and perceptual attributes of the participants involved, and the wider historical, economic, political, social and/or ideological contexts in which these elements manifest. One characteristic which has featured consistently in industrial relations models formulated on both sides of the Atlantic is the issue of security. Although not always acknowledged, it is at the root of most accounts which assume employees organise and bargain collectively as a means of securing their workplace interests and employment prospects; and that employers are moved to engage organised labour as a
means of securing industrial peace and a measure of predictability by which to make investment and production decisions. Any breakdown in the real or perceived security in either instance merely refocuses theoretical concerns to the counter-issue of insecurity, and to the forces and influences set in motion which compel participants to seek a resolution to their differences through recourse to the various institutions and mechanisms set up for this purpose.

The following discussion draws on this orthodoxy to raise a number of questions about the very possibility for security under contemporary conditions of ‘reflexive modernisation’ (Beck, Giddens & Lash 1994). Such conditions, it is argued, are characterised by three emerging phenomena: (1) developing processes of market globalisation which intrude into and colonise all aspects of individuals’ ‘lifeworlds’ (Schutz & Luckmann 1974); (2) developing processes of intellectual knowledge production that promise more control of the social and the natural, but which instead produce ever-widening perceptions of ‘manufactured uncertainty’ (Giddens 1994); and (3) developing processes of individualisation that ‘free’ people from traditional communitarian connections and compel them to produce and be responsible for the outcomes of reflexive ‘Do-it-Yourself (DIY) Projects of the Self’ (Beck 1992). Before elaborating on these processes and their import for industrial relations theorising, some comment on what is being attempted here is necessary. It is not our intention to offer detailed empirical support for the type of arguments being raised. This is impossible within the confines of a single paper. Instead, our aim is to present a set of open-ended ideas for the purpose of pointing the way to potentially fruitful areas of future industrial relations research. The subject matter and linkages identified are thus prone to some indulgence on our part, but are consciously engaged in for the purpose of highlighting in the briefest possible manner the key points of the reinterpretation being argued.

To this end the paper is organised in the following way. The first section contrasts the characteristics of different types of modernities, noting the present transition occurring between its simple and reflexive manifestations. The second sets out a range of theories that span the unitarist, pluralist and Marxist frames of reference identified by Fox (1966; 1974), the aim being to highlight the way industrial relations theories built on the assumptions of each perspective are framed by a collectivist insurance maxim. The argument made here is that while these theories have been variously appropriate for making sense of industrial relations under long-prevailing conditions of simple modernity, it is less probable that they will be so with any degree of certainty under the emerging conditions of a more reflexive modernity. The discussion concludes by outlining the social and epistemological conditions under which future industrial relations theorising might be framed so that it might accommodate these emerging conditions in a manner that is both realistic and relevant.

Modernities and modernisation (simple and reflexive)

We begin by drawing on recent sociological literature that attempts to think about the nature of modernity and the consequences of those processes which energise and facilitate
a range of institutional and individual processes characteristic of modernity. For present
purposes a brief elaboration of this sociological terrain can be gained from the works
modernisation, as it is commonly known by these authors, is a theoretical interpretation
based on a three-stage periodisation of social formation and change: 'pre-modernity',
which characterises social formations found in feudal societies; 'simple modernity', which
characterises social formations found in industrial societies; and 'reflexive modernity',
which characterises social formations found in so-called 'risk' societies.

These arguments were initially generated from the late 1980s and early 1990s
debates about a modern/postmodern divide. The reflexive modernisation thesis
we reference here draws attention to the structuring and institutionalised processes — what
Beck and Beck-Gernsheim (2002) have called 'institutionalised individualism' — that
continue to shape individual, group, community, national and international relationships
and transactions. This, at a time when postmodern social theories and sociologies
emphasised the dissolution of institutional and cultural constraints on individual and
group lives, and a collapse of meaning under the cultural logic of late capitalism (see, for
example, Lyotard 1986; Jameson 1984). Since then, Beck and Giddens in particular have
developed these arguments, often in response to readings and critiques that have tended
to take two forms (see, for example, Beck 2000; Beck & Beck-Gernsheim 2002; Giddens
1999). The first are from governmentality theorists who draw on the work of Foucault
to argue against the totalising tendencies of the risk society/reflexive modernisation thesis
of a 'radical break' or 'rupture' between a simple and a more reflexive modernity; the
argument being that different and particular risk rationalities need to be situated within
the contexts and relationships that lend them certain forms and consequences (see, for
example, Dean 1999; Rose 1999). The second are from a perspective that tends to confuse
an analysis of 'institutionalised individualism' with an endorsement of individualism
as 'liberal ideology' — a position that questions the extent to which individualisation
processes do, indeed, dissolve class, ethnic, age or other structuring elements in the
shaping of life histories and trajectories (see, for example, Mythen 2005). The reflexive
modernisation/risk society emphasis on 'risk' as the dominant logic of late twentieth
century, early twenty-first century institutionalised lifeworlds, and of processes that
compel individuals to construct and be responsible for their own biographies, has also
been appropriated in fields such as youth studies, sociologies of work and health, education
and environmentalist studies (see, for example, Furlong & Cartmel 1997; Kelly 2001;
Lupton 1999; Reimer 1998). For the purposes of this paper we will return to the earlier
articulations of the reflexive modernisation thesis, and to Beck's work in particular, in
order to set out what we argue is a potentially productive frame for future work in the
field of industrial relations scholarship.

Beginning with the social formations of pre-modernity (or feudal societies), the
thesis argues that the risks they confronted were predominantly 'natural', in the sense
that they emanated mainly from events such as 'childbirth, famines, epidemics, crop-
destroying weather' and so on. In the reflexive thinking of individuals that made up
these types of societies the cause of such risks were 'externalised' in terms of 'the gods or fate', and 'rationalised' as being 'incalculable, unpredictable and uncompensatable'. The emergence of simple modernity (or industrial societies) epitomised by the Copernican revolution (Kepler 1609; Galileo 1610), the ascendency of Newtonian sciences (Newton 1687; Leibniz 1687), Enlightenment thinking (Kant 1781; Comte 1830) and technology-based industry (Polanyi 1944) constituted a radical discontinuity with these pre-modern forms. It did so most dramatically by heralding the beginning of a new era in which the processes of social formation became increasingly predicated upon claims to certainty in knowledge production and the belief that controlled intervention over nature and society would benefit the commonweal. Such processes, it is suggested, were conceived as providing the bedrock of social progress, acting rationally and perpetually to demystify religious worldviews and ameliorate through scientific method the impoverishment of pre-modernity. Processes of human knowledge production were grounded on the promise of increasing certainty in the merits of progress (material and discursive), the stability of social classes and political relations, and the predictability of markets, production and employment. Importantly, this view underpinned the emergence of 'social compacts' in the form of social and individual 'insurance agreements', in which scientific knowledge was turned to calculating and ameliorating the risks and insecurities of industrial modernisation by facilitating the collectivised endorsement of a 'normative system of rules for social accountability, compensation and precaution' (Beck 1992: 61–4, 330–4). Understood in this way, the suggestion is that the predominant risks confronting industrial societies were no longer construed as 'natural', as was the case in pre-modern times, but instead 'man-made', with their causation 'internalised' and thought capable of being overcome through the on-going advancement of science and the development of risk minimising social compacts.

But just as processes of industrial modernisation based on technological advancements and Enlightenment thinking dissolved the pre-modern social formations of feudal societies, so also do they continue to act upon industrial societies to produce new social formations (Beck 1994: 10). This has occurred because industrial societies, by their very nature, are disintegrative of social forms, including those characteristic of simple modernity. This pressure for change, it is argued, has long been reflected in the continual modernisation of industrial processes, in the deferral to scientific techniques as the basis of knowledge, the shaping and servicing of which has persistently demanded that social agents become progressively free from social structures if they are to remain effective and responsive to change. Reflexive processes of knowledge production and social detachment are thus the transformative mechanisms which energise and facilitate the processes and social formations of reflexive modernisation (or 'risk' societies). Under these conditions, the social groupings of industrial societies are continually disrupted by the need to reflexively restructure and reinterpret the manner of their existence, the more so in a 'runaway' modernity (Giddens 1999) that produces increasing technical complexity on, for the first time, a truly global scale. Moreover the same social groupings are increasingly dislocated by these processes, as aspects of their social life are penetrated
by the output and activities of ever-increasing numbers of competing experts engaged in the production of knowledge. The end result, it is argued, are social formations with diminishing confidence in the idea of certainty through knowledge production and, indeed, of progress itself. These last claims are consistent with the essence of many postmodern debates, where the emergence of 'radical doubt' is seen as either constituting a 'major rupture' in the processes of modernity (see, for example, Lyotard 1986) or simply the 'radicalisation' of its driving forces (see, for example, Giddens 1990).

These processes reflect a further radicalisation, this time in the traditional social formations of simple modernity. In contemporary western settings, it is a movement which is said to characterise the latter stage of a trajectory in which present-day social formations are progressively freeing themselves 'from the contours of classical industrial society' to forge new formations based on an (industrial) 'risk society' (Beck 1992: 9). This more recent transformation is conceptualised in terms of processes which are claimed to be 'demystifying' traditional views about the value of science, work, leisure, family, class, sexuality and politics, whereby increasing levels of 'uncertainty and doubt' (Beck 1992: 10). Such processes, it is argued, are a direct result of the intensification and globalisation of knowledge production. Their uncertain, and often unforeseen, consequences are made concrete in nuclear, bio-chemical and biogenetic technologies; in the emergence of computer generated simulations, virtual models and environments; and in the expansion of digitally based virtual markets on a global scale. The associated risks of nuclear fallout, acid rain, genetically modified 'frankenfood', financial disinvestment, exchange rate fluctuations, and similar, often transcend the capacity of individuals, societies and States to calculate, compensate and/or regulate for their uncertain or unforeseen consequences.

It is through the interplay of these developments that writers like Beck (1992; 2000), Giddens (1994; 1999) and Lash (1994) see the 'insurance principle' and 'social compacts' of previous generations being eroded, and the development of a new 'dissensus' in the reflexive thinking of individuals towards the value and merits of science and progress. Exposed to new and uncontrollable risks, individuals are being increasingly forced to engage in what Beck (1992) and Giddens (1994) have characterised as 'a life-long reflexive DIY (Do-It-Yourself) Project of Self'. By this it is meant that older personal narratives based on 'community', 'certainty', 'class', 'gender' and 'faith' in science are being increasingly replaced by newer narratives based on 'individuality', 'uncertainty', 'unpredictability', and 'distrust' of progress. It is this 'paradox of human knowledge' that is central to understanding the processes of reflexive modernisation and the challenge it currently presents to the social formations and traditional understandings of class, family, sexuality, work, community, nation, and so on, which framed the industrial societies of a simpler modernity. For many in this more reflexive modernity, claims to certainty in knowledge production no longer seem to hold. The Enlightenment prescription of more and better knowledge equalling more 'control', more 'stability' and more 'progress' no longer appears as remedies in a world of increasing 'dislocation' and 'risk' (Ralston Saul 1993). Indeed, many aspects of this prescription themselves seem 'uncertain', aimed more often at 'damage control' and 'repair' than at advancing humankind's scientific mastery.
over the social and the natural (Giddens 1994). Similar themes about the changing, emerging and developing contours of more interconnected, globalised, individualised, uncertain and risky environments of interaction and relationships have structured other recent sociological work (see, for example, Sennett 1998; Rifkin 1995; Bauman 2001; 2004; 2005).

It is upon the ‘risk-insurance’ calculus of social formations under the different modernities noted in the above that the remainder of this discussion draws: first, by examining how ‘security’ discourses have functioned as powerful ‘truths’ in traditional industrial relations theories; and second, by looking at why such discourses may now be redundant when applied under the emerging conditions of a more reflexive modernity. The next section tackles the first of these questions by noting how the ‘risk-insurance principle’ of simple modernity manifest itself in orthodox theories of industrial relations, and by accounting for why the application of this principle resonates so powerfully with the contingencies of industrial relations which emerge under these conditions.

**Industrial relations in era of simple modernity**

The story of simple modernity is well known in the twentieth century literature on industrial relations. It is recognisable in the near universal portrayal of political conditions marked by the public provision of social welfare and consensus over the distribution of material ‘goods’; of social formations marked by established class relations and stable nuclear families; of business environments marked by concentrated modes of industrial organisation and mass forms of productive output; of economic circumstances marked by publicly protected monopolies and predictable national markets; and of working life marked by fixed tasks, life-long employment, standardised labour contracts and collectively negotiated working conditions (see, for example, Baran & Sweezy 1968; Cowling 1982; Milward 2003). In such narratives the profitability of business and the job security of workers are assured. Industrial peace is achieved through business making appropriate adjustments in wages and conditions, negotiated with trade unions (or worker collectives) holding common understandings with managements about the need for agreed methods by which work should be conducted and remunerated. Processes of negotiation are carried out via the agency of state-sponsored industrial tribunals and institutions charged with the responsibility of ensuring their outcomes do not place the national interest at risk, and are facilitated by government measures to off-set the risks to business (for example, tariff protection and industry subsidisation) and workers (for example, welfare provision and employment programs) during periodic economic downturns (Abbott 2005).

The socialisation of risk represented in social formations of this type is consistent with discursive understandings one would expect to find under conditions of simple modernity, which, in the manner argued above, see the importance of on-going knowledge production to the planning and development processes of industrial enterprise. The regulation of industrial relations is but a mere extension of these understandings, informing and conditioning the reflexive thinking of participants in a manner which
encourages and legitimises the goal of risk minimisation in its undertaking. Importantly, these two features of workplace governance can only be maintained to the extent that a large majority of the participants perceive its benefits and concur with its normative assumptions and aspirations as a means of insuring future profitability and employment against present and foreseeable risks – what we hereafter refer to as the 'risk-insurance principle'. In light of such thinking, it is hardly surprising that mainstream industrial relations interpretation since the turn of the century has largely viewed its subject matter from the same understandings. This is evident in the way research attention has primarily focused on measures and institutions established to socialise the risks of industrial relations, and in the way much of it has been proclaimed as rationally or scientifically based and undertaken on the premise that any findings can only advance the cause of workplace order and progress. Indeed, such interpretation, it could be argued, would fail to connect in any meaningful way with the assumed realities of industrial relations under the conditions of simple modernity were it otherwise.

The argument being made here is readily discernable in any number of seminal studies dealing with industrial relations. Consider the following examples drawn from the history of scholarship in this area, the selection of which span Alan Fox's (1966; 1974) three frames of reference (that is, unitarism, pluralism and Marxism) and would be considered in most academic circles to be significant representatives of each.

Unitarist theories of industrial relations

Fredrick Taylor
Fredrick Taylor's theory of scientific management begins by asserting that 'soldiering', 'the deliberate working slowly to avoid doing a full day's work', is the 'greatest evil' afflicting 'employees' and the 'prosperity of every industrial establishment' (1911: 13–14). He lays the blame for this workplace activity on the 'fallacy' that efficient production methods reduce the level of employment security, the 'ignorance' of employers as to the time it takes to undertake work tasks efficiently, and the 'rule of thumb' methods used by management that allows workers to exercise undue discretion over how work is performed and at what pace (1911: 16–26). In countering these conditions, the theory advocates the need to restructure work and workplace practices in ways that allow for a high degree of managerial control over the activities of employees. To this end, work is to be reduced to its basic elements so as to limit the need for discretionary skills on the part of employees, while management is expected to use scientific techniques in the recruitment and direction of workers, to have a clear understanding and knowledge of the tasks being performed by employees, and to have unhampered prerogatives to control the pace and processes of work (1911: 36–9). The 'risk-insurance principle' is thus apparent in management practices that seek to improve the science and certainties of work, and thereby eliminate the 'soldiering' and uncertainties associated with the 'rule of thumb' management methods (1911: 25)
Elton Mayo and Abraham Maslow

The human relations school, best represented in the studies of Elton Mayo (1933) and Abraham Maslow (1943; 1954), offers a theoretical view that the reduction of workplace conflict rests on the psychological stimulus of singling individuals out for favourable attention (Mayo 1933), as well as the ability of individuals to achieve 'self-actualisation' (Maslow 1943). Translated to the world of work, these ideas suggested that denying workers autonomy on the job, or treating them as mere extensions of machines, or inhibiting their capacity to create and think, only encouraged them to find ways to subvert the methods of control that create and enforce such conditions. The task of management is therefore to manipulate industrial relations in ways that enable employees to feel a sense of personal satisfaction with being involved with the organisation. To this end, companies are advised to recognise the right of employees to have a say in how they are governed and to take an active interest in developing their skills as a means of demonstrating a commitment to their personal well-being. The 'risk-insurance principle' is again apparent here in the way internal tensions are thought reduced by developing a sense of workplace satisfaction among employees through techniques that involve them in the organisation and regulation of work.

Michael Armstrong and Raymond Stone

Human resource management theory has a wide array of authors, most of who would argue that it falls outside province of industrial relations research, and most of who would no doubt suggest that it is not sensible to talk about a single theory of human resource management (Sparrow & Hiltrop 1994). There are, nonetheless, a number of common themes in the nature of this type of workplace governance. For present purposes the works of Armstrong (2003) and Stone (2002) will suffice to lend some idea of the most widely accepted characteristics of human resource management. Thus, it is typically held to be a management practice aimed at resolving organisational tension by nurturing a 'psychological contract' of cooperation (Armstrong 2003: 5). The assumption here is that the forces uniting managers and employees are far stronger than the forces dividing them. It is therefore the task of management to facilitate these unifying forces by establishing workplace conditions that encourage autonomous and committed individuals, whether employees or management, to work collaboratively for the common good (Armstrong 2003: 233–4). Companies taking this approach are expected to regard workplace relations holistically, whereby collaboration between management and employees is encouraged through the development of a unifying culture, strong and pervasive leadership, and a clear vision of organisational goals (Stone 2002: 23–31). The 'risk-insurance principle' is once again evident in these efforts, which are aimed at reducing the uncertainties of industrial enterprise by breaking down social divisions (classes) in the workplace and promoting a collective understanding that the interests of all are better served by working cooperatively.
Pluralist theories of industrial relations

Sidney and Beatrice Webb
In the classical studies of the Webbs (1894; 1920), the 'risk-insurance principle' as the basis for securing workplace order is implied in their examination of the early rise of trade unions and their activities in what was then regarded as a mature industrial society. Their argument in this regard flowed from the observation that trade unions were initially organised to defend wage-earners from the industrial oppression of an advancing factory system (1894: 31–41, 180–7), but as the system matured their organisational forms and the scope of their activities assumed a 'new aggressiveness' that not only sought to defend the interests of workers, but also to advance them. Three methods were identified as typical of the way trade unions achieved these goals: 'mutual insurance' activities to secure the 'physical well-being of disadvantaged workers' by providing, through the agency of 'friendly societies', sick pay, accident benefits, unemployment payments and so on (1920: 147–72); 'collective bargaining' as a means of establishing 'common rules' for the settlement of workplace wages and conditions, and thereby secure the 'job-related interests of union members' (1920: 173–221); and 'political campaigns' to secure the 'general interests of non-union workers' by encouraging legislation that extended to them the benefits of collective bargaining won by the unionised workforce (1920: 247–78).

John Commons
For Commons (1909; 1921), the 'risk-insurance principle' is apparent in the argument that trade unionism in America emerged as a result of characteristics unique to its pattern of economic development. In this instance, the argument is that the opening of the American frontier through the establishment of rail and road networks between the sixteenth and the nineteenth centuries placed increasing competitive pressures upon local shoe and cooper merchants, forcing them to reduce rates paid for goods produced by journeymen. It was the growing wage insecurity felt by journeymen as these processes unfolded that provided the initial impetus for the organisation of trade unions, with their development only later being influenced by the growing incidence of job insecurity as the factory system was introduced into these industries (1909: 39–81). Commons (1921) went on to develop this argument by drawing specific attention to the issue of wage and job security as being a necessary precondition for the maintenance of workplace order. Thus: 'We cannot understand the problem of dealing with labor unless we understand that fundamental fact of insecurity of employment' (1921: 7), and that for 'a permanent provision for industrial peace' to exist, the 'capitalistic system' must learn that it was 'as important to furnish security for the job as it is to furnish security for the investment' (1921: 8–9).

Selig Perlman
Perlman's (1928) famous study of union philosophies is another key work which draws on the 'risk-insurance principle', in this instance arguing that the conditions of capitalist economic enterprise serve to promote three distinct economic philosophies among those with an interest in industrial relations. The first was held by 'businessmen'
(sic), who were optimistic, had a 'consciousness of abundance' and were by nature economic individualists. The second was held by workers, who were pessimistic, had a 'consciousness of scarcity' and were by nature economic collectivists. And the third was held by intellectuals, who saw 'labor as an abstract force to be used for radical purposes aimed at drastically altering society'. As the pre-eminent representatives of workers, trade unions on this account were viewed as 'scarcity groups' who 'endeavor[ed] to control limited job opportunities' (1928: 242fn) through the administration of 'common rules' which 'abolished or checked the competition for jobs' (1928: 243). On this conception, industrial peace and workplace order were again built on the notion of security, in this instance represented in trade union activities which promoted a 'tangible sort of freedom' founded upon the 'recognition that workers ha[d] a right to a secure job under conditions fixed by collective bargaining' (1928: 290).

Frank Tannenbaum

Tannenbaum's (1951) study extends beyond the immediate economic security of individuals. The 'risk-insurance principle' is nonetheless apparent in its basic thesis. Thus, the dependence of large numbers of workers upon money wages earned in factory system are noted as having fragmented community relations and 'universalised individual insecurity' by making workers 'dependent upon outside agencies during periods of helplessness and crisis' (1951: 12, 109, 146). According to Tannenbaum, factory machines threatened the security of workers and dictated every aspect of their working lives, but they were also the 'centre of gravity' around which the interests of the working class united (1951: 31). It is the context of these developments that trade unions formed: first, as a means of securing the interests of workers through campaigns to control the machine (1951: 115), and second, as a means of satisfying the innate desire of workers to recover their moral identity and social bonds (1951: 105). For Tannenbaum, '[t]he essence of [industrial] conflict is union power', which is always in 'search [of] greater security' for workers by way of 'setting up standards of economic life that will stabilise the job and, by implication, the economy' (1951: 136–7). Industrial peace, on this account, is thought to be best maintained through the 'industrial jurisprudence' of the collective agreement, which provides the 'means for bringing under an accepted common law procedure the issues over which friction arises' (1951: 144–5).

John Dunlop

Looking beyond trade unions as the major cause of industrial order and disorder, Dunlop's (1958) influential study was the first to systemise industrial relations in terms of their being governed by a wide range of formal and informal rules and regulations, which in turn were seen to be determined by 'actors in given contexts'. The 'actors' in this instance are identified in the managers and their representatives, non-managerial workers and their representatives, and specialised governmental agencies with an interest in industrial relations. The 'contexts' are said to manifest themselves in the technological and work environment, market and budgetary constraints, and the general distribution
of power in society (1958: 12–13). And the ‘system’ as a whole is said to be governed by a ‘network or web of rules, which consist of procedures for establishing rules, [and] procedures for deciding their application to particular situations’ (1958: 13). Central to this conception, and in a manner consistent with the ‘risk-insurance principle’, is the idea of a ‘binding ideology’. This is seen as holding the system together and is defined as ‘a body of common ideas’ that ‘each actor holds towards the role and place of others in the system’, with the ideology of a stable system being reflected in a congruence or compatibility of ideas that recognises an acceptable role by each actor towards the other actors (1958: 16–18).

Thomas Kochan, Harry Katz and Robert McKersie

Operating within this same systems logic, Kochan, Katz and McKersie (1994) seek to accommodate a number of contemporary changes in the way industrial relations is practiced. Three are noted as being particularly influential in determining the way managers deal with industrial relations issues within modern business organisations. The first is identified in the recent decline in union membership and the rise of new industries not covered by unions; the second in the way collective bargaining structures and outcomes involving trade unions have altered; and the third in the emergence of new managerial values and strategies which encourage information sharing, workplace cooperation, performance incentive schemes and autonomous work teams (1994: 7–11). Such changes, it is argued, have made industrial relations far more complex. The decline of trade unionism, decentralised bargaining processes and the advancement of human resource management practices, have caused a re-distribution of decision making authority over workplace industrial relations. Orthodox industrial relations specialists have thus lost power to human resource and line managers in this area as a consequence. The growing popularity of unitarist ideas has also encouraged organisations to take a more pro-active approach to the management of employees, which has seen senior executives take a more integrated approach to human resource and business strategies. As a consequence, managers are no longer the passive reactors of the demands put forward by organised labour (1994: 7–11). The dispersion of power and authority identified in this analysis distinguishes three levels of activity and decision making among the major actors: the strategic decision making level, the collective bargaining or personnel policy level; and the workplace level (1994: 15–20). The important driver of decision-making interaction between these levels rests on the changing internal power relations and external environmental contexts, with the ‘risk-insurance principle’ emerging in an underlying strategic reasoning that views a more proactive approach towards trade unions as necessary to off-set the growing ‘risks’ of operating in increasingly competitive labour and product markets (1994: 13)
Marxist theories of industrial relations

Harry Braverman
Braverman's (1974) labour process theory is an example of sociological assumptions about class-based value systems that serve to legitimise the dominant position of capitalist interests. In the manner of Marx, this particular theory argues that the primary role of management is to convert raw materials into products through the use of labour and machinery; that the only way management is able to do this is through the establishment of structures of power and control that convert the capacity of employees to perform work (that is, labour power) into actual work effort (that is, labour); and that it is only through this conversion that profitable production and capital accumulation can take place. It is on the basis of these three observations that the theory asserts that, since the turn of the century, the ability of managers to control the activities of workers has been increasingly facilitated by the advancement of technology and the spread of scientific management techniques. These developments, it is suggested, have changed the labour process by deskilling work and fragmenting the tasks involved until they are devoid of any meaningful content by those performing them. They have also served to centralise the knowledge of work in the hands of managers and diminished the autonomy of employees to determine the pace and conduct of work. In so far as these developments are intrinsic to the logic of modern forms of capitalist production, they are held to be the outcome of the ever-present necessity for business organisations to find new ways to employ labour more efficiently and more cheaply. The other side of this logic, however, is that the deepening alienation and on-going exploitation involved in such moves are perennially resisted by employees, either openly or covertly, making them unreliable contributors to the labour process and prone to act in ways that are against the interests of the organisations employing them. Here again the 'risk-insurance principle' can be seen to function in the risks of workplace conflict arising out of the very nature of capitalist development itself being insured against through ever-deepening forms of managerial control, divisive work processes and workforce alienation.

Andrew Friedman, Michael Burawoy and Craig Littler
Braverman's labour process theory has been advanced and reformulated by several theorists. In a manner again consistent with the 'risk-insurance principle' most have applied a Marxist perspective to account for the changing forms of control used by management to counteract the perennial class conflict between capital and labour. Friedman (1977), for example, identified two forms of control: the first direct, and epitomised in the authority structures of Tayloristic modes of work organisation, the second indirect, and found in the emerging 'responsible autonomy' granted to certain segments of the workforce as a means of 'harnessing' their labour power 'in a manner beneficial to the firm' (1977: 78). Burawoy (1979) has similarly argued that managerial practices based on consent are prone to direct the attention of workers away from the 'expropriation of surplus value by employers', and that a series of 'games', which allows them to gain small victories, accounts for why, in spite of this, cooperation is more often
the exception than the rule (1979: 27). And in still another variation, Littler (1982)
has used the Weberian concepts of bureaucracy and legitimation to conceptualise the
labour process on three levels - job design, the structure of control and the employment
relationship - arguing that each has a degree of independence which allows management
to use mixture of strategies to manage and direct those in their charge.

In all these studies, the underlying sub-texts parley political, social and economic
formations that are by-and-large established, consensual, stable, predictable, standardised
and fixed. For the most part, industrial relations theories are framed by the discursive
and material realities of mass production, factories filled with machines, differing values
held by employers and employees, power terrains perpetually contested, extant agencies
and processes designed to reduce the risks of on-the-job transactions, and individuals
wedded to a shared understanding of the need for agreed methods by which work should be
conducted and remunerated. These frameworks construe the practice of industrial relations
as an insurance measure used to maintain workplace order via agencies and structures
designed to limit the risks for those directly and indirectly engaged in industrial activity.
Trade unions provide wage and job security, a sense of belonging and a mean by which
workers might exert some control over their working lives; collective bargaining provides
organisational predictability and security against conflicting workplace interests which
promise and provoke insecurity; employers provide general social and political stability
by engaging organised labour for the individual purpose of securing industrial peace;
and the State provides economic stability by ensuring legal and moral frameworks which
promise negotiated outcomes that meet certain standards of equity and justice.

The point to be made here is that, in seeking to understand these processes,
institutions, perceptions and behaviours, it has been the calling of many industrial
relations theorists since the turn of the century to make the 'incalculable calculable', a
quest facilitated by a near unwavering epistemological belief in the possibility (indeed
necessity) of producing knowledge which promises some insurance against the risks
inherent in industrial enterprise. To put it in terms closer to the themes of the present
discussion, it is a notion sustained by rationalities and understandings of an (industrial)
world structured by three specific optimism: (1) faith that a 'risk-insurance' balance
can be calculated in a manner appropriate for advancing the interests of all engaged in
industrial enterprise; (2) faith that such a calculus can be achieved through an adequate
scientific understanding of human interactions in the workplace; and (3) faith that such
an understanding will make phenomena in this arena open to anticipatory controllability.
These optimisms promise to render the reality of industrial relations thinkable in ways
which are grounded in the truth that scientific 'progress' is both possible and virtuous (for
an elaboration, see, Popper 1999). To the extent that most industrial relations accounts
have been predicated upon such thinking, with each proclaiming more than the next to
embody better and newer forms of knowledge capable of rendering the risk-insurance
problems of industrial relations more amenable to intervention and control, it reflects
a belief system that is becoming increasingly problematic as the processes of reflexive
modernisation unfold in the manner outlined earlier.
Industrial relations in the era of the ‘risk society’

The social and epistemological conditions that are presently generating ever-more individualised forms of personal choice and risk point to new ways of conceiving industrial relations. One way to highlight this new conceptualisation is to focus on the issue of 'flexibilisation', which is one of the more tangible and recognisable expressions of contemporary processes of reflexive modernisation.

Flexibilisation at the level of capital and employment

In the manner of the discussion already presented, it is clear that western industrial societies are being subjected to pressures which are disintegrating pre-existing social forms, and that this is a bi-product of the perennial drive to modernise economic processes. In a world of growing technical complexity on a global scale, this need is presently forcing individuals to become progressively 'liberated' from traditional social forms as never before. This in part flows from contemporary circumstances which are being substantially shaped by business attempts to meet the uncertainty and risks of increasing global competition. To this end, strategies have been adopted to flexibilise prevailing modes of capitalist organisation, which has typically involved unprecedented moves to decentralise internal authority structures, diversify productive output, and expand distribution and exchange networks (Bakan 2004). An important outcome of such strategies has been the changed conditions of employment they have engendered. These are recognisable in the growing incidence of casual, contract and part-time employment; in the expanding use of outsourcing and the broadening spread of ordinary hours work; in the de-standardisation of labour contracts and work tasks; in the relaxation of attendance regulations and the dispersion of work sites through electronic networking; in the move from mass production in large scale factories to batch production in small-scale work-houses; and in the transition from uniform, secure systems of life-long employment to more pluralised, risk-fruited systems of precarious underemployment (Beck 1992; 1994; 2000; Sennett 1998; Bauman 2001; 2004; 2005).

The productivity benefits of these moves lie in the ability of businesses to organise working hours to suit the level of production needed to satisfy prevailing product market conditions, and thereby pass on a significant level of entrepreneurial risk to workers in the form of flexible underemployment. It also allows businesses to operate production arrangements longer, more intensively and more tightly, and to use underemployment, task diversification and work-site dispersion as a means of weakening the power of workers for the purpose of pushing through the ever-more flexibilised work changes deemed necessary for corporate survival (Beck 1994; Bauman 2001). The temporal and spatial flexibilisation of employment embodied in these moves is clearly involving increasing numbers of workers. It is our argument that it is also visiting upon them new forms of unfavourable distributions of income (Wicks 2005), social protection, career opportunities and status within the organisations they work for (May, Campbell & Burgess 2005). In short, their 'liberation' from former industrial structures and modes of organisation has come at a cost. This cost is represented in the generation of new sources of social insecurity.
and inequality of a type not experienced by industrial workers for a very long time, and is the natural outcome of the privatisation of the physical and mental risks of industrial work. By this it is meant that prior protections afforded by public and private institutions wedded to long-held ‘risk-insurance principles’ are becoming increasingly incapable of enforcement in flexibilising labour markets. This is because the costs of violation or non-compliance of such protections is being shifted from these institutions onto workers themselves. It is not hard to see how this occurs. Consider the way the growing numbers of casual, contract, part-time, outsourced, non-unionised workforces employed at flexible times in decentralised work locations are presently enabling businesses to save on the costs of health and safety, superannuation and overtime, sick pay and holiday leave, building and tool expenses, and the like (May, Campbell & Burgess 2005). The point to be made here is that the flexibilisation of capital embodies the destandardisation of work time, tasks and locations, which of itself moves the risks of industrial enterprise onto workers in the form of generalised underemployment and material insecurity.

In terms closer to the present discussion, what this means is that the fundamental categories of current industrial relations theories no longer seem capable of capturing the emerging reality of a new system of globalising capital which is becoming increasingly reliant upon the on-going temporal and spatial flexibilisation of wage labour for its survival and success. Indeed, analysis using such theories, with their attendant epistemic premises based on the ‘risk-insurance principle’ of a more simple industrial modernity, seem to us akin to suggesting that the labour concepts of feudal societies are adequate for purpose of explaining the labour relations of industrial societies.

**Flexibilisation at the level of the DIY-self and governance**

This being the case, for industrial relations theory to be more appropriately constituted under present conditions would seem to demand that its epistemic reasoning be primarily informed by some form of methodological individualism. In keeping with the issue under present discussion, we can elaborate this point in the following way. Thus, it would not be an overstatement to suggest that flexibilisation at the level of capital and its associated destandardisation of employment has acted upon individuals in certain unique ways to shape their personal understanding and experience of work. In accordance with the reflexive modernity thesis, it could be said in this regard that the DIY Project of Self for many is presently being conditioned by new terms and conditions based on increasing labour and product market uncertainties. Such uncertainties are almost certainly visiting individuals with a growing sense of doubt about the protections provided by traditional institutions, the consequence being that it is becoming increasingly clear to the same individuals that they alone are responsible for managing the risks of their engagement with capital. The emergence of this radical doubt is partly driven by processes of capital flexibilisation. But it also flows from the largely autonomous transformation processes of a more reflexive society in general, in which the ‘traditional parameters of industrial society’ are being dissolved as former ‘conscience collectives’ release individuals from their traditional constraints of class, gender, family, religious affiliation, community,
and so on (Beck 1992: 87). To the extent that these social coordinates are receding, it could be argued that individuals are being continually forced to assume a role as makers of their own 'livelihood as mediated by increasingly uncertain market exchanges and their own biographical planning and organisation' (Beck 1992: 130). In this regard, the penetration of market relations and knowledge-based abstract systems into every aspect of people's lifeworlds is clearly compelling them to choose as never before, and forcing them to make choices in domains where choices had not previously existed, or were less fundamental. Areas of human existence, such as reproductive and gene technologies, for example, and diet, body modifications and family relationships are cases in point. Here choosing not to make choices is akin to making choices in relation to aspects of life where choices were previously unavailable.

In an area closer to the present study, the same applies. In the emerging reality of a more reflexive modernity the only chance for securing a livelihood, however tenuously, is in increasingly flexibilised, risk-fraught labour markets, in which the narratives of choice are continually expanding and being contested. Such narratives typically reflect the dominance of contemporary stories which suggest that responsibility for 'insuring' against the emerging 'risks' of joining or remaining part of contemporary labour markets rests solely with the individual. This process is readily apparent in the risks 'individuals' presently confront if they do not possess, develop, maintain and/or continually improve the range of skills, attitudes and aptitudes valued by globalising capital and its on-going flexibilised productive and employment requirements. In this regard, one notable example relates to the 'suitability' of individuals becoming increasingly dependent on their participation in schooling. Those denied access to 'appropriate' schooling are presently being confronted with the very real possibility of 'social and material oblivion'. This is particularly so in those labour markets which are demanding increasing flexibility, generic skills and the transportability of credentials in a way that was never contemplated in simpler industrial modernities. In such circumstances the absence of 'proper' training has become every bit as devastating as 'training without jobs' (Beck 1992: 133). The point to be made here is that the risks for the DIY-self under these emerging conditions are being increasingly individualised by such a requirement, the amelioration of which rests alone with ability of individuals to access and acquire education. Thus, as never before, such circumstances are opening the way for the individualisation of risks as they are presently produced by the globalisation of contemporary industrial societies. Indeed, it could be argued that such institutionally generated risks and their consequences for the construction of individual biographies are no longer emerging as merely events and conditions visited upon individuals, but are instead constructed as the result of decisions taken by the individuals themselves (Beck 1992: 136).

Conclusion

What this means for industrial relations theory can be set out briefly in the following. First, theories built around institutional dependencies that rely on the evidence or assumption of operable risk-insurance principles and collective guardianships of workplace
wellbeing make less sense in a world of emerging personal narratives of choice and dependency that centre around individuals taking personal responsibility for avoiding or diminishing the risks of engagement with uncertain labour markets. For theory to be relevant to contemporary settings, it must instead recognise that the individualisation and standardisation of the DIY Project of the Self represented in these developments is the dominant form of societalisation. These processes of individualisation and standardisation are thus becoming more and more important for understanding the governance of social relations both on the job and beyond. In making sense of these processes, industrial relations theories must therefore place greater emphasis on the role of markets, education, common law and other institutions which attempt to govern through the individual rather than through collectives or society.

Second, the management and manipulation of risk, its growing prevalence, both real and perceived, by ‘responsible’ individuals acting in the workplace signals a new industrial era which removes the key conception of governance by collectivist means, and throws back upon individuals the responsibility for managing the risks associated with their engagement with work. These processes, in which the employee is compelled to manage the institutionally structured risks of his or her own DIY Project of the Self, produces a field that can only be characterised by growing uncertainty, plurality and anxiety, and it is our argument here that in this field that industrial relations theorising must primarily locate itself. Thus, rather than focusing on the players and processes that once insured capital and labour against the vagaries of industrial enterprise, the subject focus should instead be shifted or realigned to accommodate the reflexive thinking and behaviour of individuals who are harbouring increasing doubts and scepticism about the protections provided by institutions, whether they be political, legal, welfare or trade union related.

And finally, the open-ended reflexive construction of our argument, it must be said, precludes the possibility of prescription. But we do acknowledge there are no such things as unregulated spaces – globalising labour and capital markets provoke new problems for the regulation of industrial relations within the modern nation state. What this may mean for the theorising of industrial relations is something that will continue to provoke thought. However, we would argue that it must be theorising of a more modest kind – one which does not hold out the promise of certainty or progress and is aware of its own generation within the paradox of human knowledge central to those processes which structure the times in which we live.

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