

## Distinguishing between employment relations and industrial relations: Is employment relations an old wine in a new bottle?

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### Abstract

In the review of extant literature as regards industrial and employment relations approaches, it has been unveiled in this study that there exist differences in these approaches. These differences revealed shows that the shift from industrial relations to employment relations approach is not an “old wine in a new bottle” but a “new wine in a new bottle”. This study which is anchored upon Unitary and Conflict theories provides some justification for this viewpoint and recommends some positive actions to be taken in order to end the confusion in the usage of the two concepts/approaches both in theory and practice.

**Keywords:** Employment Relations; Employee; Industrial Relations; Worker

### 1. Introduction

Over the last three decades, industrial relations has evolved dramatically from its traditional form to encompass a wider scope of activities in the relationship between employees and employers. This evolution is the same in theory as well as in practice. The changes are seen in the effacing of traditional industrial relations institutions and actors in a large number of industrialised countries (Jensen, 2011).

With industrial relations being a theoretical and intellectual field, changes in this field are indicated by the development of new sub-disciplines like Human Resource Management (HRM), etc. that have challenged the way industrial relations theory has conceptualised the relationship between employers and employees (Edwards, 2003). The development of these sub-disciplines has gradually changed the way industrial relations is being looked at in recent times.

Moreover, industrial relations being an intellectual and theoretical discipline has been immensely driven by developments in the industrial relations practice. As a result of these new developments in practice, new academic interests have been sparked up (Kochan, Katz, & Mckerzie, 1994). There is the fear of an extinction of industrial relations as an academic field in the minds of scholars as a result of the erosion of institutionalised industrial relations in some countries and sectors (Jensen, 2011). This fear is based on the observation of the disappearance of institutions that used to be studied; therefore, it seems that the academic field of industrial relations is becoming an old wine ready to be disposed. Is this so?

In this study, it shall be explicitly stated if the field of industrial relations has remained the same as at earlier times in the mid-20th century or whether its intrinsic characteristics have undergone a drastic metamorphosis that has instigated the change of name to a contemporary term – employment relations. Emphasis shall be laid on the difference

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between these two concepts before going further to state the study's position on whether the shift of industrial relations to employment relations is an old wine in a new skin.

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## 2. Literature review

### 2.1. Concept of industrial relations

Industrial relations have been defined in different ways by different scholars. Some define it from the sociological perspective, some from the economic perspective, some from the psychological perspective, and other perspectives that cannot be mentioned. The term "industrial relations" came into common use in Britain and North America during the 1920s (Edwards, 2003) and since then, many scholars have written books and journal articles about it in which its definition was included.

Dunlop (1958) defined industrial relations as the study of complex of interrelations among workers, managers, and government agencies concerned with the workplace and work community. This definition shows how the complex relationship between workers, managers, and government agencies is analysed in connection to their organisational and societal environments. Flanders (1965) defined it as the study of institutions of job regulations including collective bargaining as a rule making process. More so, it was defined as the study of the processes of control in the workplace (Hyman, 1975). Clegg (1979) puts it as the study of rules governing employment relationship.

Some Nigerian scholars are not left out of the train on the definition of industrial relations. Yesufu (1982) defined industrial relations as the whole web of human interactions at work which is predicated upon, and arises out of employment contract. It is the study, description and analysis of the organization of trade unions and their relationship with the management (employers) of an organization within the context of set rules/regulations in a particular environment (Anyim, 2014).

Anyim (2018) opined that industrial relations is concerned with the tripartite relationship between the government/state, employer/management, and employee/union. He stated that any relationship in the industrial cycle that exonerates a tripartite interaction between these parties should not be termed industrial relations. But this contradicts Otobo's definition which states that industrial relations is the study of all forms of interactions that develops or grows out of wage employment. This wage employment is usually between employer and employee; even if it concerns government, it is still with the employer which is the government in this case and employees. Hence, there is still no generally acceptable definition of industrial relations.

Industrial relations is mainly characterised by the interaction between employers (management) and employees as a collective unit rather than as individuals. Management relates with labour unions which represent the individual interests of each employee. The focus here is majorly on conflict resolution as the both parties are of divergent interests. Emphasis is laid on how to satisfy the opposing interests of the both parties in a manner that will appease them in order to prevent industrial actions. Industrial actions like strikes, protests, picketing, lockout, go-slow, etc are prevalent in this field.

Industrial relations can be viewed from the perspectives of both the employer and employee. Through the lens of an employee, industrial relations is concerned with better safety, training, job security, pay and conditions in the workplace while through the lens of an employer, it is concerned with productivity, employment law and conflict resolution (Donohoe, 2015). This resolution, as earlier stated, often involves the intervention of a union. The union is the representative of the employees as a collective workforce and raises issues of concern to them to the micro-organisation and/or macro-organisation (the state).

### 2.2. Concept of employment relations

In the review of literatures, it was observed that different scholars explained the concept of employment relations in the same way. Donohoe (2015) defined the concept as the study of relationships between employees themselves and employees and employers in an organisation. Donohoe (2015) stated that employment relations is about providing information to employees on the goals of the organisation. This information is provided to these employees for them to understand the ultimate goals of the business and the role they are to play in achieving these goals.

In the view of Anyim (2018), employment relations is concerned with the focus on the relationship between employees and employers in the workplace. It is a structural pattern that aims at fostering the growth of an organisation by improving the relationships between employees and employers. Anyim (2018) therefore concluded that employment

relations can be considered as a study of relations between employees and employers; in order to find ways of resolving conflicts and to help in improving productivity of the organisation by increasing the motivation and morale of the employees.

Furthermore, Nikoloski, Dimitrova, Koleva, and Kacarski (2014) referred to employment relations as to the relationships that exist in both unionised and non-unionised workplaces. They are of the view that any interaction that exists between employers and employees both in organisations that have labour union and in organisations that do not have labour union, it is referred to as employment relations. It was further stated that in employment relations, the goal of employers is to manage their relationships with their employees in a way that will increase the morale and motivation of the employees in order to increase the overall organisational productivity.

Donohoe (2015) stated that any business which focuses on the importance of strong employment relations often results in higher employee engagement, higher motivation and ultimately improved productivity and profitability. This was supported by Anyim (2018) when he stated that the goal of employment relations is to improve organisational productivity by increasing morale and motivation of employees. More so, it was also supported by Nikoloski *et al.* (2014) when they stated that in employment relations, the goal of employers is to manage the relationships with their employees in a way that will instigate productivity by increasing morale and motivation.

Sisson (2010), in his article, “Employment Relations Matters”, referred employment relations to institutions involved in governing the employment relationship, the people and organisations that make and administer them, and the rule making processes that are involved, together with their economic and social outcomes. In his own view, the definition of employment relations was summarised as the governance of employment relationship. He falsified the claim that employment relations is about trade unions, collective bargaining and strikes and established that employment relations is about the governance of the employment relationship regardless of the presence of trade unions and collective bargaining.

Based on the information obtained from the above scholars, it can therefore be concluded that employment relations is the study of the interaction amongst employees and employees and employers with the aim of achieving the predetermined goals and objectives of the organisation by instigating employees engagement through increasing employees morale and motivation.

### **2.3. Differences between industrial relations and employment relations**

The recent transformation in the field of industrial relations from its traditional form to the contemporaneous form of employment relations has sparked up some arguments as to whether it is just a mere change of concept retaining its archaic function or its modern change of function has instigated the change of concept. In discussing this, many scholars produced a variety of reasons to justify that the change in concept denotes a difference in the functions of the former and the latter. This section shall be revealing the reasons posited by these different scholars and also the author’s own reasons shall be inclusive.

Denton (2006) stated that the most observable difference between industrial relations and employment relations is that in industrial relations problems and issues are often addressed between the employer and the employees, being the focus of its existence whereas employment relations advocates the development of the employer-employee relationships within the context of one big happy family where harmonious relationships is expected to be. Furthermore, recent study conducted by Jalagat (2017) presupposes that, employment relations supports the achievement of the strategic goals and objectives of the organization and does not consider conflict as a means for differing opinions between the management and the staff, hence; there are no compromises and disputes to be settled unlike industrial relations which consider conflict as means for the divergent opinions between management and the staff.

In the view of Redman and Wilkinson (2009), the underlying difference between industrial relations and employment relations is remarkable in the aspect of its purpose and objectives by stating that employment relations emphasises the development of individuals’ knowledge, skills, attitudes and abilities in consideration for monetary and non-monetary rewards which is based on the evaluation of performance while industrial relations is largely built on the concept of salary standardisation across the business sector driven by the theory of distributive justice and internal equity with which salaries and wages shall be collectively met.

Furthermore, according to Jalagat, Mahayag, and Pallada (2018), industrial relations exists because of the perceived conflict or disagreement between the employees and the management concerning their differing interests. This gives

rise to the employees’ collective efforts to voice out their concerns and predicaments through unionism whereby this action can be expressed in many ways such as joint consultation, dispute settlement, collective bargaining agreement, and remediation to be executed by both the employer and employees at the national level either in the form of arbitration, conciliation and labour courts.

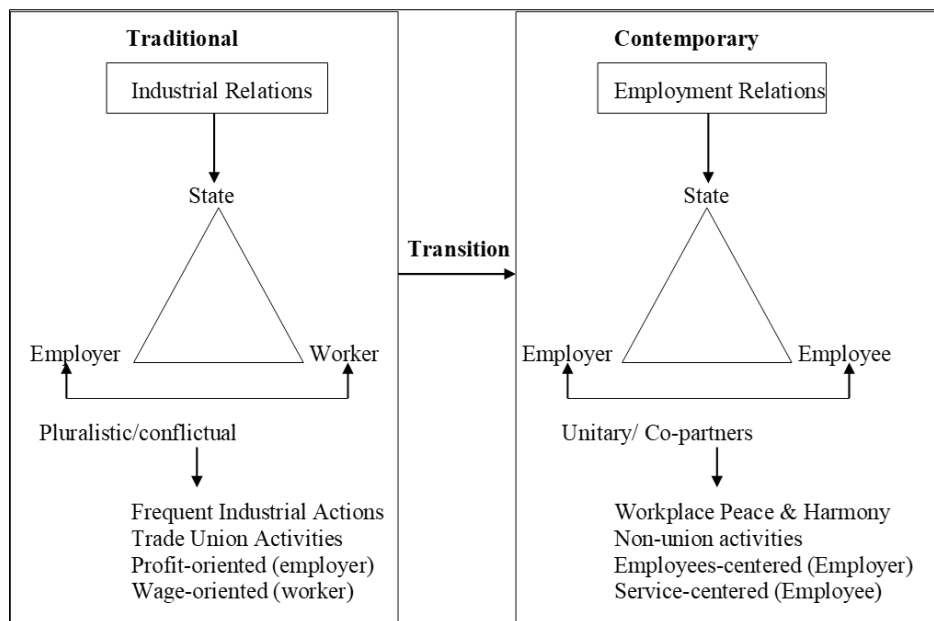
Moreover, employment relations is outcome or performance-based model that employees should perform their tasks effectively for better individual and organisational performance in a non-unionised manner or function whether or not there is perceived conflict while industrial relations is a conflict-based phenomenon. This was supported in the view of Gennard and Graham (2010) when they stated that industrial relation dominates the workplace because of the need to deal with conflict between parties while employment relation seems to deal with a working environment where conflict is less likely to occur and even when it happens, it is dealt with promptly and effectively by parties involved.

In the view of Anyim (2018), it was opined that in the world of employment and reference to the social relations in workplace, industrial relations existed before employment relations. It was further stated that in industrial relations, workers were treated as a commodity while in employment relations, employees are being treated as human beings who have feelings and emotions and therefore are entitled to their rights. Anyim (2018) supported the opinion of Nikoloski *et al.* (2014) that industrial relations focuses on employees as a collective unit while employment relations focuses on employees as individuals with different potentials.

In the view of this study, industrial relations as a discipline makes use of the term “workers” whereas in employment relations, the term “employees” are being made use of. The term “workers” in industrial relations is seen psychologically in contemporary times as a derogatory word meaning that these people are slaves who are at the mercy of the master. Whereas, the term “employees” is psychologically seen as a word denoting co-partners with employers in achieving organisational success.

Moreover, industrial relations go beyond an organisation to include the State/government as a third party especially in the resolution of conflicts whereas employment relations is just a relationship between the employer and the employee within the organisation. The term industrial relations, in recent times, has been seen not to cover a larger boundary of newly evolved set of activities in the world of work. For instance, in the military, the relationship between the government which is the employer and military personnel which are the employees cannot be termed to be an industrial relationship because such relationship does not exist for commercial purposes. But such relationship can be termed employment relations because it is simply a relationship or connectivity between an employer and an employee.

### 3. Conceptual framework



Source: Authors’ Conceptualisation (2023)

**Figure 1** Model Showing the Difference between Industrial Relations and Employment Relations

From the above diagram, it could be clearly seen that there are differences between the two approaches. It is obvious in the diagram above that the term “worker” was used in industrial relations whereas “employee” was used in employment relations. The above shows, in the case of industrial relations, a frequent occurrence of conflict where trade union activities are at a high level and the employer is mostly concerned about just making profit and the worker is concerned about receiving his wages not necessarily providing adequate services. While in the case of employment relations, there is workplace peace and harmony, no or very minimal union activities, the employer is not just concerned about making profit but is at the same time employee-centered while the employees do not just focus on receiving wages but are service-centered. More so, in the employment relation, the term “employee” being used denotes the fact that the age of “master-servant relationship” has ended and now, “co-partners relationship” is in vogue.

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#### **4. Theoretical framework**

This study is grounded on two theories, which are the unitary theory and conflict theory in differentiating between employment relations and industrial relations. In discussing about employment relations, the unitary theory is adopted. The unitary theory was propounded by Alan Fox (1966) and it views the organisation as pointing towards a single or unified authority and loyalty of structure (Chidi & Okpala, n. d.). This theory emphasises common goals, shared values and interests. Through the lens of this theory, actors in the organisation are seen as a family or team whereby cooperation is magnified and conflict seen as an abomination. According to Fajana (2000), unitarism in its foundational meaning, have as a necessary consequence the absence of factionalism within the organisation. In the view of unitarists, trade unions are seen as an intrusion from the external environment into the organisation competing with the management for the loyalty of the employees (Rose, 2008). In simple terms, this perspective is all about viewing the organisation as an entity existing in perfect harmony where conflict is unnecessary (Rose, 2008).

In the aspect of industrial relations, the conflict theory is adopted as a theoretical lens to understand interactions between the participants in the organisation. The conflict theory which can also be called the pluralist theory was also propounded by Alan Fox (1966). The fundamental belief of this perspective is that the participants (which are the employers and employees) are of divergent interests and this becomes a source of conflict which can be resolved only through collective bargaining. This perspective is seen to be more relevant in the analysis of industrial relations than the unitary perspective (Rose, 2008).

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#### **5. Is the Shift from Industrial to Employment Relations Approach an Old Wine in a New Bottle?**

Owing to the foundation laid in the literature review section of this study, the shift from industrial relations to employment relations approach is not an old wine in a new bottle but a new wine in a new bottle. This is to say that striking differences exist between both approaches and this can be observed in reality where scholars in their papers are gradually effacing the use of the term “industrial relations” and are increasingly adopting the term “employment relations.” This supports the view that both approaches are not the same. In the succeeding paragraphs, more rationales that justify this viewpoint shall be stated.

Firstly, in the review of literatures, it was observed that the approach of industrial relations have become too narrow to encompass the widening scope of industrial activities in recent times. Over the years, interactions between employers and employees have evolved from the traditional employment for wages to a more encompassing and peaceful interaction whereby the employees are considered as partners in achieving organisational goals and as a result of that are being treated fairly, justly and equally. In buttressing this point, industrial relations is not concerned with those civil servants employed by the government in the essential services sector; a lacuna which employment relations covers. Employment relations covers all areas of employment relationship for as far as there is an interaction between a person who is an employer and a person who is an employee. As seen by Section 73 of the Employees’ Compensation Act (2010) of Nigeria, an employee is defined as:

A person employed by the employer under oral or written contract of employment whether on continuous, part-time, temporary, apprenticeship, or casual basis and also includes domestic servants who is not a member of the family of the employer including persons employed in any federal, state or local government or their agencies or any formal or informal sector of the economy.

The second justification for this viewpoint is, over the years, industrial relations have been seen to be a conflictual kind of relationship between employer and worker where different protests, killings and destruction of workplace properties have taken place. And in the view to having a world of work that is characterised by industrial peace and harmony, the approach of industrial relations is substituted for that of employment relations.

Lastly, in reviewing literatures, it could be observed that in the era of industrial relations, the term “worker” was predominantly used. This is so because employers were seen as masters who had “servants” to “work” for them for payment of (meagre) wages and these “servants” were called “workers.” But in this modern era of employment relations, the term “employee” is predominantly used over the term “worker”; the reason being that employers have come to understand through the contributions of scholars in the evolvement of different theories that employees are not servants to the employers but they are co-partners in ensuring the organisation achieves its predetermined goals and objectives.

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## 6. Conclusion

Having explained the concepts of industrial relation and employment relation and also differentiated them both with supported motions; it is therefore concluded that the shift from industrial relations to employment relations approach is not an old wine in a new bottle but a new wine in a new bottle and for this reason, misconceptions and interchangeability of these approaches should no longer be made both by scholars in the theoretical aspect and by practitioners in reality.

### *Recommendations*

This study therefore recommends that practitioners and scholars of this field of study should no longer mistake both approaches for the same thing in order to avoid confusion in the learning pattern of the upcoming generation in this field. More papers should be written by scholars in order to definitely state the differences between the both approaches, and practitioners should implement the information being provided by the scholars in reality. If these are done, the confusion as to whether industrial relations is the same as employment relations would end for good.

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## Compliance with ethical standards

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The authors want to make it clear that none of them have any conflicts of interest.

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