Employment Relationship and Management Control of Labour Process

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ABSTRACT
This article examines the nature of employment relationship and management control over the labour process. The purpose of the article is to examine the main attributes of the employment relationship and why management must exercise control over the employees. It discussed the conflicting views expressed by the three conventional perspectives regarding the employment relationship. The overall objective is to provide critical overview of managerial strategies and theories regarding labour control. The article traces the root of management right to manage. The significance of the contract of employment, managerial prerogative and the master servant relationship are discussed. Other interactive issues such as the limitations on managerial powers of labour control are also given prominence. The views expressed in this article are useful to developing management strategies that will ensure organisational efficiency in both private and public sectors.

INTRODUCTION
It has always been the expectation of the employers that once the workers have voluntarily agreed to work by appending their signature to the contract of employment, they will not only obey certain rules and regulations in respect of their work but also accept management right to manage. This is because it the responsibility of both the employer and the employees to ensure that the objective of the company which is profit maximisation is achieved (Flanders, 1975). Indeed, when the contract of employment was first instituted in place of the master servant relationship, it was given a special status in law to the extent that the employer will automatically exercise
control over the employees (Selznick, 1969). Surprisingly, management right of control over the employees has been undermined seriously by the trade unions. Thus, this state of affairs requires thorough analysis and interpretation of the relation between the employers and the employees to determine how reconciliation and compromise could be established within the employment relationship. Indeed, the analysis of the philosophies of the three conventional perspectives regarding the employment relationship, to the larger extent, provides the foundation for the understanding of the nature of the employment relationship as well as the relation between the employer and the employees. These perspectives include the unitary perspective, the pluralist perspective and the Marxist or the ‘radical’ perspectives (Fox, 1966). The ideologies of these three different perspectives conflict with each other. In other words, each of these perspectives has a different picture about the employment relationship vis-à-vis management control of labour. Astonishingly, the involvement of the trade unions in decision-making has been expressed differently by the aforementioned schools of thought.

The unitary perspective believes that the involvement of trade unions in decision-making is not only detrimental to managerial prerogative but also an intrusion into the affairs of management (Salamon, 2000). While the Marxists endorse joint regulation, the Pluralists think they protect the right and interest of the workers at the work place by providing a countervailing power to management (Fox, 1966). Basically, the contract of employment defines the terms of the employment relationship by establishing the sort of relationship that should exist between the employer and the employee (Rose, 2001). All the responsibilities of the employer together with the duties and obligations of the employees within the relationship are all specified in the contract of employment (Whincup, 1978). Hence, management’s right of control over the employees, to some extent, are derived not only from ‘collective bargaining’ but also from the contract of employment. It is important to understand that without the employment relationship, neither management nor the trade unions and the employees would exist. It is prudent and imperative therefore to devote attention to investigate or study how the employees are being managed by the employers in the employment relationship. The following section therefore reviews the relevant underpinning concepts and literature on these issues.

LITERATURE REVIEW
This section presents a comprehensive review of the theoretical arguments that have been advanced in support of the employment relationship and management control over the labour process.
Definition of terms

Employment relationship is defined as ‘the context within which intricate interactions between employees who may be unionised or non-unionised and employers are conducted both collectively and individually’ (Rose (2001). Alternatively, it is also described as a transaction between ‘two qualitatively distinct parties’, that is, those who sell their labour and those who purchase it (Marx, 1954). It could also be defined as the economic, social and political relationship in which employees provide manual and mental labour in exchange for rewards allotted by employers (see Rose, 2001). Basically the employment relationship is a transaction between two different parties and it can either be on a short-term or long-term basis.

The ‘contract of employment’ on the other hand represents an agreement between the employer and the employee regarding the terms of the contract. But in practice ‘ownership of capital’ which is regarded as an ‘economic power’ and a ‘legal entitlement’, empower the employer to dictate the terms of the contract to the employee (Hyman, 1975). In this article, the term employer and management is used interchangeably since they are synonymous with each other.

The nature of the employment relations

The parties to employment relationship consist of management and the employer, management organisations, employee organisations, the state and state agencies (Rose, 2001). The fundamental assumption is that within the employment relationship, there is a commitment between the parties to accomplish certain responsibilities. Although, it is the employer who owns both means of production and labour, in practice the employer is required by circumstances to surrender the means of production to the control of labour throughout the production process. It was argued strongly (Cressey and Maclnnes, 1980) that the former must seek the cooperation of the latter in the employment relationship.

Within the employment relationship, the contract of employment which specifies the duties and responsibilities of the worker also determines the powers to be exercised by the employer (Whincup, 1978). Basically, it is the contract of employment which formalises the relationship between the employer and the employee. Within the relationship, while the interest of the worker focuses on higher pay, job security, better conditions of work and career development, the interest of the employer focuses on profit maximisation through higher productivity and labour efficiency. Since the interest and aspiration between the employer and the employee’s conflict the assumption is that the relation between them in terms of power also conflict (Hyman, 1975). This conflict of interest provides the basis for the understanding of the management control of labour in employment relations.
In reality, the subordinate position of the employee within the relation could be seen in two main ways (Flanders, 1965). Firstly, the contract of employment requires the employer to pay the employee for his/her service. In the light of this, there is an exchange relationship that reflects the contribution of the employee to productivity. Secondly, once the employee has agreed to work, he/she must conform to the authority of the employer, so, there is also an ‘authority relationship’ (Rose, 2001). Under the terms of the contract, the employee is obliged to obey the instructions given by the employer while the employer is also required within the contract to give instructions that do not exceed the limit of the law. The assumption is that all the powers to be exercised by the employer must be within the limit of the law and the worker or the union as a whole can decide to disobey any instruction which contravenes the laid down rules (Hyman, 1975). What this means is that, in the employment relationship there are bound to be conflict/disagreement between the employer and the employee due to ‘power relationship’ but it is expected that conscious effort will be made to refer all cases to the appropriate bodies for resolution (Salamon, 2000).

**Perspectives on employment relations**

As commented in the introductory section, employment relationship is governed by three schools of thought, which include the unitary perspective, pluralist perspective and the Marxist perspective (Fox, 1966). The unitary perspective assumes that an organisation is made up of an integrated group of people with one recognise source of authority and a set of values, interest and aspirations that are common to the entire workforce. This perspective views managerial prerogative as logical and any opposition to it as illogical. The assumption embedded in this view could be seen in two main areas including (i), all societal and industrial conflicts are unnecessary; and (ii) the trade unions are regarded not only as an alien concept but also as illegitimate entities which compete with the employers for the loyalty and commitments of the workforce (Rose, 2001). This implies that trade unions are a stumble block to managerial prerogative and therefore must be excluded from the day-to-day administration of the organisation. However, it is argued that the elimination of trade unions in day to day administration would be a wild goose chase since there are instances where management would be compelled by circumstances to acknowledge the trade unions particularly on issues regarding pay, conditions of work, severance and many others. The unitary however views this as an affront to managerial prerogative (Rose, 2001).

The ‘pluralists’ perception about the employment relationship is in contradiction with the views of the unitary perspective. To the pluralists, the justification of trade unions in a contemporary organisation is probably due to the values of the society which endorse the right of the individuals to
constitute themselves into an association in protection of their own interests (Fox, 1966). Basically, they assume that an organisation is made up of different sources of leadership with different focus of loyalty together with unique aspirations and goals. The implication here is that for a conflict free environment to be secured within the employment relationship, the Pluralists believe that management must be prepared to give up part of its decision making functions to the trade unions. In other words, they assumed that when the trade unions are involved in the decision making process, organisational conflict will be reduced to the barest minimum. This notion is based on the philosophy that trade unions are not the architects of conflict but rather conflict is inherent in the very fabric of the organisation and can be minimised by establishing proper institutions and procedures at the workplace (Salamon, 2003). Also, they seem to contend that the discrepancy between the parties to the employment relationship can be resolved by the application of the right methods and procedures.

The Marxists or the radical perspective perceive societal conflict to be the result of differences in the distribution and accessibility to economic power particularly between the owners of capital and those who supply their labour for economic activities (Rose, 2001). The Marxists argue that joint regulation in the organisational set up enhances managerial powers but does not reduce it since it provides a short term solution to problems or divisions within the capitalist system of production (Marchington, 1980). This assertion is in contradiction with the unitary perspective which views the activities of the trade unions as detrimental to managerial prerogative. Indeed, the relationship between the employer and the employee within the employment relationship is perceived by the Marxists as fundamentally unequal. This supports the assertion that ‘equality in the employment relationship is described as the one which entrenches more powers in the hands of the employer to the detriment of the employees’ (Hyman, 1975). The Marxists therefore conclude that the law rather buttress the growth in managerial powers instead of reconciling the two main parties. Finally, whichever conceptual thinking predominates in an organisation may depend on the type of organisation and its management philosophy that guides its managerial control and day-to-day operations.

MANAGEMENT CONTROL OF LABOUR PROCESS
A review of the above literature depicts diversity in opinions, perceptions and approaches regarding the control of labour within the capitalist system of production. This leaves a gap in the minds of people as to the correct approaches to the management of the workforce. Therefore, the arguments that have been advanced by the three schools of thought provide the foundation to the analysis and interpretation of the various techniques of labour control to determine their reliability and practicability and why that
control is very paramount in the employment relationship. The management requires three main responses from the employees which may include subordination, loyalty and commitments (Harbinson and Myers, 1959). For these responses to be achieved, the fundamental assumption is that management must exercise control over the labour process. In this regards, control of labour could be explained as the process of achieving ‘obedience, compliance and conformity to predetermined standards of behaviour’ (Huczynski and Buchanan, 1991).

The labour process debate without doubt was rooted from Karl Marx analysis and critique of the political economies of capitalism. The arguments put forward by Marx are that the employment relationship is ‘indeterminate’ and that the worker sells an ability to work which is translated into actual labour only during the course of the day (Marx, 1954). What this means is that the employment contract clearly specifies the responsibilities and the time frame an employee would be required to accomplish his/her duties but does not quantify his/her effort. In other words, there is difficulty in converting labour power into real power.

Management control of labour is therefore basically due to the need to address this important issue and this is fundamental to the understanding of the labour process debate. Marx also argues that, even though both the capitalist and the working class need each other, their interest conflicts. Whilst the employer seeks to maximise profit at any given moment, the concern of the latter within the employment relationship focuses on improvement in pay and working conditions. In the light of this, Marx concludes that since the capitalist cannot rely on the commitment, cooperation and loyalty of labour, the employer must exercise control to seek compliance. However, there is a limit to this assertion. The acceptance of ‘generalised obligation’ by the employees to obey managerial instruction does not suggest that all managerial decisions are supreme and unquestionable.

Workers by their nature will not always accept without criticising some specific decisions or instructions given by the employer. This underscores the importance of employee involvement and participation in organisational affairs as a panacea of conflict resolution (Fox, 1966). In reality, the need for labour control is due to the fact that at the strategic level of the organisation, management is required to take decisions regarding the use of organisational resources together with the implementation of its objectives and policies. Management of these resources are considered as vital since ineffective control will have a devastating effect on the organisations. Hence, the introduction of several theories to enhance management control of the labour process is due to the need to address this importance issue.

As Harbinson and Myers (1959) identified, dictatorial and paternalistic management are effective methods of controlling the workforce. While the
former involves the issue of command, the later involves the provision of certain social services and the assumption is that, the workers will reciprocate this gesture by being loyal, obedient and productive to the employer. However, there is the concern that, in societies where there is too much emphasis on individual rights both concepts cannot thrive. Although, there is an element of ‘dictatorial management’ in some of the modern organisations, the existence of employment laws as well as the need to seek cooperation from the workforce through collective bargaining, have rendered the concept less important.

In modern organisations, there is emphasis on ‘management by consent’ and this is considered as vital for engineering cooperation between the employer and the employees (Rose, 2001). The ‘direct, responsible, simple, technical and bureaucratic’ methods of control are also becoming increasingly important in some modern organisations. The ‘responsible control’ basically involves an expansion in the role of the employees and allowing them some amount of autonomy or control in their operations but the overall work must be related to the achievement of the broad objectives of the organisation (Friedman, 1977). The ‘simple control’ method on the other hand involves the supervision of the employee’s work by a manager or a supervisor. With respect to the ‘technical control’, the control over pace of work is embedded in machinery programmed by the managers while the ‘bureaucratic control’ usually takes the form of job description and evaluation (Edwards, 1979). It has to be stated authoritatively that, these days, ‘bureaucratic’ forms of control of the labour process is given way to ‘technical control’ which involves the use of ‘scientific management’ as well as the use of ‘video/acoustic surveillance’ to monitor individual employee performance (Bach and Sisson, 2003).

Other forms of managerial control over the employees include performance management and appraisal, the various payment systems which include measured day work, payment by result, the performance related pay and labour flexibility. Research conducted shows that performance management and appraisal are the mechanisms most contemporary organisations employ to motivate and encourage the employees to improve on their competencies and efficiency as well as to effect changes in organisational culture and behaviour by communicating the norms and values of the organisation to the employees (IDS Report, 1999). Nonetheless, data produced from performance appraisal on the individual employees are very important for promotional purposes and organisational succession planning but like any other method, managers in-charge of these concepts have been inundated with lot of problems and criticisms for being ‘judges’ and ‘servants’ at the same time. In addition, in an organisation where pay is linked to performance, such as the performance related pay, the employees turn to be more efficient, committed and productive due to the
quest to achieve excellence and high pay. With respect to the time-based payment scheme for instance, the employee is paid on the basis of time worked or the number of hours he/she attended to work. This removes waste, ambiguities and irregularities in organisational payment system and achieve a fair degree of cost control (Sisson and Storey, 2000).

Functional flexibility or multi-skills which is also another method of labour control involves a process whereby the employee’s functions, tasks, duties or responsibilities are enlarged either vertically or horizontally without necessarily specialising in any of them (Rose, 2001). Thus the concept gives the employee the opportunity to undertake a variety of tasks other than his/her area of specialisation. This enhances the ability of management to relocate human resources by eliminating all barriers and bureaucratic principles associated with job demarcation (Tailby, 2002). The concept also enables management to take care of uncertainties such as illness and absenteeism in an organisation (Legge, 1995). This involves maintenance of competent employees endowed with certain specialist skills so that if a worker incidentally become ill or absent from work the vacancies created could be cover up easily without the organisation incurring any cost but this process involves provision of adequate training (Storey, 1992).

In an organisation where functional flexibility has been achieved, it enables management to achieve the employee’s commitment to training and communication (Clark, 1993). On the other hand, the application of numerical flexibility which involves the employment of temporary or contract workers in modern organisations may be due to the need to meet changes in work arrangements such as labour intensification and cost control (Hunter et al., 1993). Indeed, the institutionalisation of ‘protective laws’ on recruitments and dismissals particularly in advanced countries by the state government have made the employment of full-time workers very costly so organisations prefer to use part-time and contract workers to avoid the payment of redundancy and pension benefits (Salamon, 2000). Labour flexibility is therefore a strategy deliberately adopted by management to directly control labour deployment including cost of production.

Notwithstanding the importance of the above-mentioned methods for controlling the workforce, it must be emphasised that they all have their own teething problems that need to be corrected to make them more effective and practicable. For instance, the flexibility concept has been subjected to many criticisms and because of that some managers have started questioning about the reliability and effectiveness of the concept together with the overall impact on the organisation. Report shows that some organisations have started withdrawing from the concept due to the cost associated with absenteeism and lack of commitment and loyalty on the part of the temporary workers (Hunter et al., 1996). On the other hand, there is the complain that, managers who originally supported full functional flexibility have started
pondering over the appropriateness of the overall swapping of labour in terms of functions (Tailby, 1995). The main issue that will need consideration is an assessment of the practicability of these methods in facilitating an effective control over the workforce without necessarily having any repercussions on the organisation. Management control over the labour process is therefore a manifestation of their right to manage.

**MANAGEMENT RIGHT TO MANAGE**

Historically, management right of control over the employees was derived from the legal descriptions of the ‘master servant relationship’ (Simon, 1954). By definition, ‘a master is one who, by law, has right to personal property over other and such person over whom such authority may rightfully be exercised, is a servant’ (Selznick, 1969). The implication is that when someone is employed to perform specific functions, the employer is mandated by the law or by the agreement between them to exercise control over the person employed to the extent of defining how the job is to be executed. The legal attributes are that the master was not only given the general authority to issue out command, discipline, and supervised the work of the servant but also had the obligation of being liable for the misconduct of the servant (Wedderburn, 1986). The servant on the other hand was obliged within the relation to obey the master’s command and indeed this was based on the status. The only constraint on the powers of the master was the law which requires him not to issue unlawful instructions. The above analysis could be equated to the contract of employment in the modern capitalist system of production and also significant to the understanding of management control over the labour process.

In a modern capitalist system of production management right of control over the employees could be seen from two perspectives, that is, from the legal and functional view point (Hill, 1944). Legally, managerial rights are those rights which accrue to the employer as a result of his relationship with the employees and also based on his/her status as the ‘owner’ of the organisation. The fundamental law of the state guarantees the right of the employer to run the business in a way he likes and this is extended to his relations with the employees.

From the functional point of view, management right of control over the employees is probably due to the need to take decisions regarding the use of organisational limited resources (Hill, 1944). In the day to day administration of the organisation, management is confronted with the problem of how, when and where to allocate, direct, manipulate and utilises the organisational limited resources which may include labour, raw materials, machines and capital to maximise production (Harbinson and Myers, 1959). Again, the achievement of the overall broad objectives of the organisation also requires
management to issue command and expect positive response, institute and implement disciplinary measures, to reward employees who portray high quality performance and efficiency and to punish employees who deviate from the norms and the values of the organisation. The execution of these functions requires an authority or powers to be conferred on the managers and this endorses the importance of managerial prerogative’ in an organisational set up.

The managerial prerogative which is an absolute right of decision making and control is supported by the under listed arguments (Hill and Hook, 1945)). The first which relates to the right attached to ownership of property assumes that manager as owners of property must have control over their assets. The second argument relates to the statutory law of property right. For instance, in the UK the company Act of 1948 and 1967 assign certain responsibilities such as the health and safety including the insurance policies and pension schemes of the employees to owners of properties (Storey, 1983). Since the employers are answerable to questions relating to the welfare of the employees the assumption is that they must be conferred with certain powers or authority. Thirdly, the justification of management control of the labour process is embedded in the ‘economic efficiency arguments’ which seems to suggest that managers should unilaterally be given the opportunity to manage in the interest of all the stakeholders, customers, consumers and the employees (Storey, 1983). This is based on the preposition that managers are people who are endowed with the needed skills, expertise and superior management ability due to their educational background and this is pertinent to the complex administration of modern organisation. Modern industrialisation is characterised with competition and it is only those with superior quality managers that can survive this competition hence, the need to give them some form of autonomy and power to manage.

Limitations on managerial power of labour control

In spite of the above theoretical arguments that have been advanced in favour of management control of the labour process, the main issues that need to be addressed include an examination of how the interest of the employees could be protected within the employment relationship. In the first instance, the statutory law, the contract of employment and the employees and their unions, impose certain constraints on the powers of the employer (Hill, 1944). In employment relations, there are several laws or acts that have been enacted by Parliament to restrain the employers from exercising powers arbitrarily. Some of these laws encompass the employment protection act which can further be seen in different compartments such as the equal opportunity act, maternity and paternity act, discipline and
dismissal act, redundancy act, the disability act and many others (Whincup, 1978).

The equal opportunity act, for instance seems to ensure that equal treatment in terms of pay, promotion, respect and facilities is extended to every employee regardless of differences in colour, race, culture, sex, social, economic and educational background (Salamon, 2000). Furthermore, the employment protection act requires the employer to pay the national insurance contributions of all the employees including PAYE deduction and make regular payment to redundancy fund. Also, the employer under the same Act is obliged to take responsibility for unfair dismissal and the health and safety of the employees but the irony of this is that, employers have resorted to the use of part-time and contract workers to avoid all these responsibilities. Other forms of constraints on the powers of the employer relate to the ‘collective bargaining’ which specifies in detail the limit of powers to be exercised by the employer.

SUGGESTIONS AND RECOMMENDATIONS
Since the employment relationship is characterised with conflicts as depicts from the above discussion there is a need for cooperation to be engineered between management and the workforce to create a peaceful environment that can facilitate the realisation of corporate objectives. This is very paramount since it can serve as a panacea for organisational conflicts resolution. Suggested ways for engineering cooperation between the employers and employees may include (i) managing the employees by means of consent and not coercion; (ii) creating an environment that can facilitate effective employee participation and involvement in organisational affairs; (iii) recognising the role of the unions; (iv) instituting proper reward mechanism that can raise the commitment of the workforce; (v) persistently communicate to the employees on the achievements and the failures of the organisation through team and departmental briefing; and (vi) providing effective means of communication from the top to the bottom and the vice versa.

When employees are made to participate fully in organisational decision making, they feel a sense of ‘togetherness’ and ‘belongingness’ and this is the basis upon which cooperation can be established in an organisation (Rose, 1988). An organisation, whose strategy is deliberately structured and directed towards the development of employees, is bound to receive cooperation of the workers. Organisations can put in place ‘partnership agreement’ which is considered as an effective weapon for fostering cooperation and collaboration. The agreement is characterised by commitment on each party to assiduously work together to ensure the success of the business while at the same time it also put the employer under obligation to protect the employees in terms of job security (Salamon, 2000). However, there is an
increase in the use of employee involvement in organisational affairs as a means of engineering cooperation between the employers and the employees in our modern organisations. The most common schemes include an institutionalisation of training in employee relations skills, workplace level joint consultation committee, staff survey attitude and many others (Marchington, 1995). These measures when implemented could enhance the relation between the employers and the employees notwithstanding the amount of control the former may exercise over the latter.

**CONCLUSION**

The root of managerial control of the labour process is basically due to inequality of interest between the employers and the employees. Since, the contract of employment clearly specifies the terms of the relationship but does not quantify the employee’s contribution to productivity, the fundamental assumption is that, management must exercise control over the latter to seek compliance. The execution of the complex managerial functions as enumerated above also requires that management must be given some powers to take decision. Hence, the introduction of several theories and techniques to enhance management control of labour within the employment relationship is due to the need to achieve organisational predetermined objectives.

The divergence between management and the unions can also be bridged by engineering cooperation between the parties through the establishment of the right institutions and appropriate methods of conflict resolution. As observed from the discussions above, in the capitalist system of production, there is a relationship based on mutual dependence. Hence, it would be in the interest of the employers to adopt participative methods such as shared decision making and joint consultation rather than resorting to dictatorial rule or marginalisation of the unions in decision making as enshrined in the philosophies of the unitary perspective (Harbinson and Myers, 1959). The only legitimate basis for managing employees in our modern organisation is through ‘consent’. Without the willingness, contribution and cooperation from the employees and their unions it would be extremely difficult for the employer to effectively organise the workforce to achieve higher productivity and also to implement any meaningful programme to promote the growth of the organisation. It is therefore prudent that management seeks the ‘consent’ of the employees within the arena of decision making and implementation. Management can exercise power by means of ‘coercion’ but since the interests of the two parties’ conflict, there will always be disagreement or collision within the relationship. This also calls for an institutionalisation of appropriate strategies and techniques that can stimulate the commitment and the loyalty of the employees. Again, the prevalence of rules in the employment relationship as well as the enactment
of the various Acts by Parliament such as the ‘Employment Protection Acts’ are not only meant to impose certain restrictions on managerial powers but also to introduce sanity within the relation and conformity to agreed principles as well as protecting the interest of both the employers and the employees.

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