8 Managing under Pressure

Introduction

Public service organisations have been undergoing a major transition from being ‘model’ employers, setting an example to the private sector, towards being ‘marketplace’ employers. This transition, which is still in process, reflects the impact of major political and economic changes across the Western world. In Britain the transition is being engineered by the Thatcher Conservative Government which is intent on reforming a public sector seen as a haven of inefficient labour market practices. The Government has endeavoured to introduce competition and labour flexibility into the public sector. Local authorities have been especially affected by this new approach. Local authority pay, in common with the rest of the public sector, is now fixed on the basis of that sector’s ‘ability to pay’ rather than ‘comparability’ with the private sector. Furthermore local authorities have had to adjust to severe reductions in central grant and successive measures intended to compel them to privatise services.

Continuing political trends mean that public employers are unlikely to return to their earlier role as ‘model’ employers within the foreseeable future. In Britain the Thatcher Government has been elected for a third term in office with a renewed commitment to rein in public expenditure and promote privatisation. Even in countries, like Australia and New Zealand, where labour parties are in power, growing concern with public expenditure has meant that they are increasingly coming into conflict with their public sector unions.

Public employers are becoming increasingly concerned with both financial and social control. They are now willing to risk stability and order in their organisations in order to strengthen their control over policy and work practices. Indeed they no longer have the financial resources available to provide incentives for
employees to cooperate with the employer. Consequently the
earlier relationship of corporatist harmony between public
employers and employees is fading.

The aim of this book has been to understand the new problems
facing both the policy makers as management and local union
leaders. The employers, the elected politicians and senior officer
managers, have been seen to be facing crises of management
authority as staff and unions are now less compliant and more
likely to contest authority; while the union leaders have been seen
as facing their own problems of leadership in terms of managing
discontent.

The focus has been on how the participants themselves are
coming to terms with the new realities of industrial relations. The
aim has been to give an analytical understanding of these realities
to inform the real world practice of industrial relations. This prac­
tice has been introduced in the form of the types of options or
choices available to practitioners. As the most effective way of
demonstrating such choices is through actual examples, case
studies have been used as the basis for a wide-ranging analysis
of the problems of management and union leadership. The two
contrasting case studies selected highlight the types of problems
and choices facing managements and unions as the public sector
faces growing fiscal pressures. They are typical inner city local
authorities though they should not be taken as representative of
British local government as a whole.

The analysis of the new realities of industrial relations has
centred on three main questions. The first question asks how are
the participants adjusting to the new pressures arising within the
environment of their local authorities, particularly fiscal pressures
from central government? The second question is whether the
negotiability of change can be maintained and how, especially as
policy change is now increasingly contested between management
and unions? The third question is how do management and union
differentiate management roles in industrial relations negotiations
and in day-to-day management, especially as these roles and
responsibilities have become contested and difficult to define?
This concluding chapter reviews the findings of the book, focusing
on the last two questions, and returns to the issues raised in the
Introduction and Chapter 1 regarding the role of unions in public
service organisations.