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# The Labor Relations System: A Proposed Conceptual Framework

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### Article abstract

As an extension of the recently formulated system-theory based view of labor relations Systems (Larouche & Deom, 1984), this article presents the conceptual framework of a labor relations System [LRS]. The LRS components are defined and discussed on the basis of Systems theory concepts and terminology, to refer to a workplace union-management relations. Prior attempts to apply Systems theory to theory construction at the same level of analysis are examined and the LRS is shown to improve upon them. Finally, the advantages of the LRS to researchers and practitioners in labor relations are outlined.

# *The Labor Relations System*

## *A Proposed Conceptual Framework*

**Arie Shirom**

*As an extension of the recently formulated system-theory-based view of labor relations systems (Larouche & Déom, 1984), this article presents the conceptual framework of a labor relations system [LRS]. The LRS components are defined and discussed on the basis of systems theory concepts and terminology, to refer to a workplace union-management relations. Prior attempts to apply systems theory to theory construction at the same level of analysis are examined and the LRS is shown to improve upon them. Finally, the advantages of the LRS to researchers and practitioners in labor relations are outlined.*

The desirability of constructing an integrated theory of union-management relations has been argued by several contemporary theorists (Bacharach & Lawler, 1981; Walker, 1979; Blain, 1978; Singh, 1978; Strauss & Feuille, 1978; Heneman, 1969; Derber, 1967). This objective is pursued here by the construction of a conceptual framework, labeled «Labor Relations System» (LRS), on the basis of systems theory (for a useful introduction, see Sutherland, 1973). This paper's specific aims are the following: (1) to review and synthesize past attempts to apply systems theory to theory building in union-management relations; (2) using systems theory, to chart out the major components of union-management relations at the workplace level of analysis, and thus identify some of the key variables which need to be considered in labor relations research; and (3) to illustrate the possible applications of the proposed framework in further theory construction.

Two key terms, 'conceptual framework' and 'labor relations', require some clarification. In the theory building process, a conceptual framework is an intermediate stage between a taxonomy and a full fledged theoretical model (Hage, 1972). A conceptual framework is less developed than a theory in that it usually does not include a set of propositions (hypotheses)

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that interrelate the concepts it comprises. It does include, however, carefully defined concepts. Furthermore, like a theoretical model, a conceptual framework does include a rationale for the selection of its component concepts and for the major types of hypothesized relationships among them. Thus in the theory building process a conceptual framework represents an essential stage (Mackenzie & House, 1978).

The second key term, labor relations, is used here as tantamount to union-management relations. That is, it refers to the interactions between the representatives of the employees and of the employer(s) in which employment related issues are resolved; the institutional framework within which those interactions take place; and to their immediate antecedents and consequences in the work organization. The relevant domain of the proposed LRS consists of unionized work settings in pluralistic political systems in which unions operate independently of political parties and of the state. For the sake of clarity, we shall present the proposed model in the context of a private sector, profit making manufacturing plant, in which the bargaining unit consists of a single employer whose representatives bargain with those of a single union. This local level bilateral bargaining relationship has often been regarded as typical of the U.S. manufacturing industry (Koch & Fox, 1978). At the cost of increased complexity, the presented LRS can be reconstructed to suit other bargaining contexts, e.g., multilateral bargaining relations in the public sector (Kochan, 1980).

## **PAST USES OF SYSTEMS TERMINOLOGY IN LABOR RELATIONS**

System theory has been used as a pillar of support in all social sciences (for references, see Larouche & Déom, 1984); it has been applied as a dominant theoretical model in interdisciplinary fields, such as organizational behavior (Katz & Kahn, 1978; Pondy & Mitroff, 1979) and organizational development (Cummings, 1980). This may be explained by several prominent features of systems theory: It provides a set of organized and inter-related theoretical constructs applicable to a variety of organizational phenomena; it is particularly adaptable to dynamic entities such as work organizations; and it promotes and sustains a present-oriented, interactive and holistic view of science. This latter property stands in contrast to theoretical paradigms built upon generic, past-oriented explanations of reality. Given its relative dominance in organizational behavior, it is rather surprising that so few systematic attempts to apply systems theory to labor relations in work organizations have ever been carried out.

Several authors borrowed the concept of the social system from the structuralist-functionalists in sociology (notably, from Talcott Parsons'

writings) and applied it to develop conceptual frameworks of industrial relations systems. The most influential among those theoretical contributions is that of Dunlop (1958). He conceived the industrial relations system «... as comprised of certain actors, certain contexts, an ideology which binds the industrial relations system together, and a body of rules, the system's output, created to govern the actors at the work place and work community» (Dunlop, 1958, 7). Dunlop's model has inspired several empirical investigations (for reviews, see Adams, 1977 and Larouche & Déom, 1984, pp. 126-130). Walker (1969) refined and broadened Dunlop's original conception. He expressed the system outputs not in terms of rules but in terms of seven employment conditions: recruitment, utilization, discipline, hours of work, physical working conditions, job security, and attitudes. Furthermore, he elaborated the process of rule-making and added collaboration, direct action and dispute settlement, as well as several environmental contexts to those identified by Dunlop. This extension of the boundaries of Dunlop's conceptual framework, to include major components of human resources management in an organization, blurred the conceptual distinction between the two systems. Moreover, some of the major weaknesses associated with the sociological reasoning on social systems are evident in both Dunlop's (1958) and Walker's (1969) frameworks (Adams, 1977; Blain, 1978). Those weaknesses include the over-emphasis of the institutional structure and the relative difficulty to accommodate dynamic processes and conflict situations. As noted by Schienstock (1981) in his provocative criticism of the Dunlopian school of thought, the many followers of this school have been applying the term 'system' to many different phenomena, including a variety of objects within a collective bargaining context.

Several recent attempts to modify and elaborate the Dunlopian framework essentially followed his footsteps in that they avoided direct reference to systems theory and systems thinking. Thus Wood, Wagner, Armstrong, Goodman & Davis (1975) described their conceptualization as a revision or reinterpretation of Dunlop (1975, p. 291).

Contributions which explicitly or implicitly attempted to apply systems theory to theory construction in labor relations have been recently reviewed by Larouche & Déom (1984, pp. 129-132). In the present context, their relevant contributions to the task at hand will be emphasized. Heneman's (1969) work, has insights, but is only tangentially related to the present framework, for two reasons. First, he applied systems theory terminology rather intuitively, without clear reference to or anchors in systems theory literature; and second, his purpose was to outline a methodology for model building in labor relations rather than such a substantive model. Craig's (1975) conceptual framework is quite comprehensive: it was constructed at

the macro level, applicable to an industry or the economy at large, encompassed all work organizations, unionized or nonunionized, designated government as a principal participant, and covered a broad array of environmental contexts, including the ecological, economic, legal and social-cultural systems. Craig's model incorporated systems theory concepts in a fragmented manner, as exemplified by his definition of an industrial relations system: «a complex of private and public activities operating in an environment which is concerned with the allocation of rewards to employees for their services and the conditions under which services are rendered» (Craig, 1975). While Craig's model was a source of inspiration for the present study, it was constructed at the macro societal level and therefore was not of immediate relevance to theorizing on workplace labor relations.

Two other attempts to apply systems theory to the study of union-management relations by Peterson (1971) and by Allen (1971), focus on a segment of the LRS and are thus only tangentially related to the present theory-building effort. Peterson's (1971) model, while stimulating, was cast in an essentially managerial view of the function of labor relations in work organization. Similarly, Allen's (1971) conceptual work, while elaborate and distinctive in the use of systems theory terminology, is limited to the LRS decision-making (or negotiation) processes.

Two pioneering attempts to construct a conceptual framework of industrial relations systems based upon systems theory were reported by Shirom (1974) and by Singh (1976). While both relied on systems theory terminology and literature, their respective frameworks were each presented in a bare outline form and influenced by Dunlop's thinking on the 'web of rules' as a dependent variable of the workplace industrial relations system. Indeed Singh's model was explicitly intended to extend the Dunlopian systems approach in a useful way (Singh, 1976, p. 52).

These initial applications of systems theory in theory building in labor relations were advanced further and elaborated by Larouche & Déom (1984). While they claimed to have provided only a rough sketch of an industrial relations system, a sketch that needs further development, they contributed in their analysis of it as dynamic, open, and potentially conceptualized at the micro or macro levels (e.g., at the group level, organizational, or societal levels). The present conceptualization departs from Larouche & Déom (1984) in that it is exclusively constructed on the organizational level of a unionized workplace, in the definitions of the LRS components, and in the hypothesized interrelationships among them, described in the next section.

## COMPONENTS OF THE LABOR RELATIONS SYSTEM

The labor relations system, abbreviated as the 'LRS' may be described as an organized, cohesive set of interacting components that are mutually interdependent and transactively related, through exchange, to several environmental contexts. Admittedly, this is a highly abstract definition which can be applied to any organization and/or any sub-system thereof. In the present context, it will serve as a stepping stone to the next task: the elaboration of the specific components of a LRS.

Each of the panels in Figure 1 represents a basic LRS component that is explained below, starting from the panel labeled 'Inputs' and proceeding towards the right. Last to be discussed is the component of the 'Environmental Contexts'.

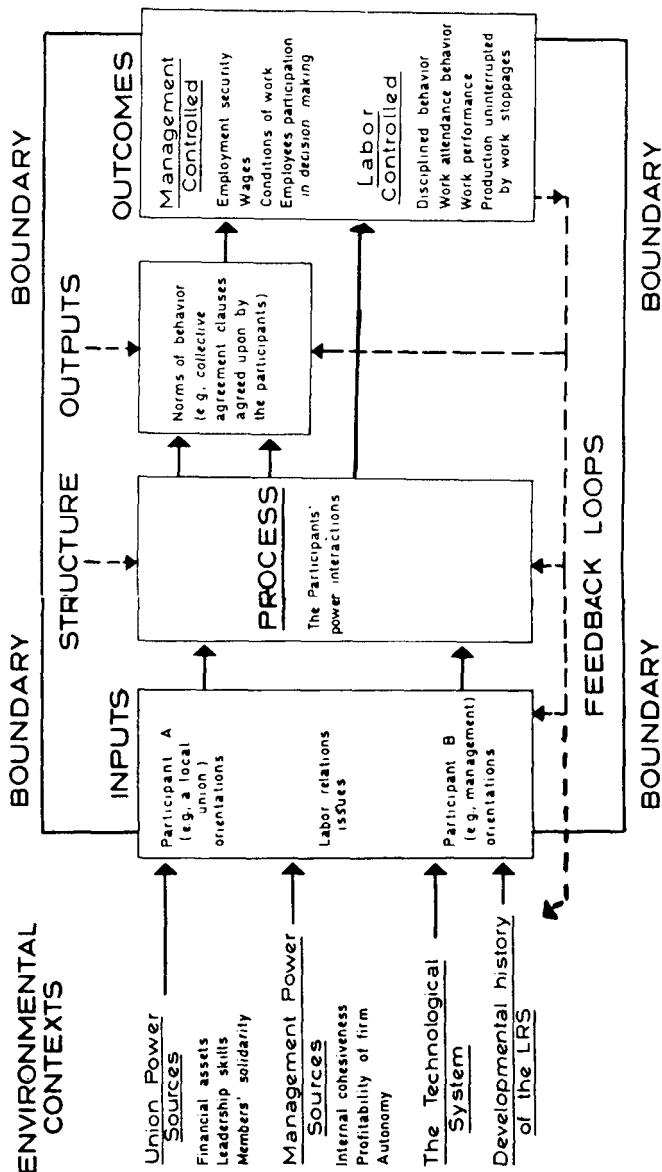
### Inputs

Inputs into the system consist of participants, their orientations toward the resolution of labor relations issues, and labor relations issues.

Typically, participants are representatives of either of the two parties directly involved in the employment relations under consideration — that is, those local union officers and management officials who interact in an intergroup context to resolve labor relations issues. Participants in the LRS may interact in other relevant systems, and these interactions may generate new issues to be resolved in the LRS. Note also that participants are not necessarily employed by the work organization: the term 'participants' may at times refer to national union bargaining agents or to representatives of an employer association. Peripheral actors, such as arbitrators, mediators, conciliators, or even certain government officials (e.g., a safety hazards inspector) who represent third parties, may at times also be considered participants. Their peripheral participant status is indicated by their intermittent, time-bound attachment to the LRS. The principal participants, on whom we focus hereafter, share the following characteristics: (1) each represents a group constituency, either management or employees; (2) the interactions between them are continuous over time; (3) each of them is dependent upon the other participant for the attainment of high priority objectives of either their respective constituency or of their own, as individuals. To illustrate, union representatives depend upon outcomes of their interaction with management representatives for the satisfaction of their constituency's need for economic security and their own need for power. Taken together, these characteristics predispose the participants to act as rational decision makers in resolving labor relations issues. This is a

FIGURE 1

# The Components of the Labor Relations System



probabilistic assumption which does not preclude the possible appearance of irrational outbursts in the participants' interaction — and even those, at times, may represent calculative rational tactics (Douglas, 1967). It should be noted that this definition of participants is considerably different from the one offered by Dunlop (1958) in his framework of the industrial relations system in that the LRS participants consist of those role players who actually interact to resolve labor relations issues (see Table 1). To illustrate, members of a union's bargaining committee who do not partake in any interactions with management representatives are not considered LRS participants (but as an 'environmental context' — see below).

Nominally, a labor relations issue is a state of disorganization which may occur anywhere in the work organization or its immediate environment, and which involves an aspect of the relations between employees and management. An operational definition of a labor relations issue would be that it is a specific state or problem perceived by either participant as necessarily resolved in the LRS processes (see below for a definition). For example, in the U.S.A. the *National Labor Relations Act* of 1935 specifies a set of mandatory subject matters for bargaining — wages, hours, and other terms and conditions of employment — which must be bargained about in certified bargaining units before any unilateral action on any of them is taken (Rothschild, Merrifield & Edwards, 1972, 48-49; McMenemin, 1962). However, conceptualization of labor relations issues includes all non-mandatory or permissible labor relations issues — that is, all issues which may be lawfully resolved in collective bargaining negotiations, including quality of worklife issues.

Insofar as all forms of negotiations between the LRS participants follow a progression from more general to more specific issues, as suggested by several researchers (Pruit, 1981, pp. 13-14), then the initial operational definition of LRS issues (for a given LRS) may be quite general. Often, labor relations issues arise as inputs from other systems in a given work organization. As illustrations, one can cite adjustment to a recent technological change (technological system); non-discriminatory exclusive hiring hall arrangement administered by the local union (management of human resources system), or employee discounts in the company stores (marketing system). Alternatively, issues may arise out of the LRS operation, e.g., maintenance of membership arrangement to enhance the local union's security; or as feedback from a participant's constituency about LRS outcomes, e.g., union members' complaint about internal inequities in hourly wage rates.



## Processes

The totality of interactions (behavioral exchanges) between the representatives of employees and of the employer (i.e., the participants) in which LRS issues are resolved comprise the LRS processes. Invariably, the interactions among the participants involve a participant's attempt to change the other participant's position in the direction of his own desired objectives. Therefore, those interactions, representing reciprocal acts of influence are referred to as power interactions (cf. Bacharach & Lawler, 1981; Dubin 1960). LRS processes are referred to as collective bargaining negotiations when they are highly structured, take place periodically and culminate in a written agreement defining the participants' future contractual relationships. However, LRS processes also include a variety of informal and unstructured power interactions, such as a union steward's and a supervisor's on-the-spot settlement of a disciplinary grievance.

Clearly, an understanding of the power dimensions is a prerequisite for the understanding of the LRS processes (Dubin, 1960). However, as Bacharach and Lawler (1981, p. 43) note, few have systematically pursued its implications for bargaining theory and tactics. The fact that Participant A employs power in order to change Participant B's position so as to arrive at an agreed resolution of an issue which is closer to Participant A's desired objectives is neither good nor bad. Power can be used to bring about a solution mutually beneficial to the participants, e.g., the elimination of safety hazards or the establishment of training programs to upgrade union members' skills.

It is important to note that the deliberate and reciprocal power interactions, by means of which the participants resolve labor relations issues, may involve different types of power resources. The resource commonly used by management is reward power, which refers to the granting of material or status rewards to the employees. Union leaders sometimes use coercive power, such as threats of a strike. Another frequently used power resources are information power (Pettigrew, 1977) and moral persuasion or symbolic rewards (e.g., be reasonable!). For an extensive discussion of power resources used in bargaining, see Bacharach and Lawler (1980) and Fisher (1983).

## Structure

A LRS structure consists of all forms of institutionalized behavior — that is, relatively stable, patterned and recurring interactions. Accepted practices and customs such as those formalized as negotiation procedures outlined in a collective bargaining agreement, or as grievance committees,

or as joint safety committees, are examples of elements of a LRS structure. The set of values inherent in the LRS process, such as the basic belief in the other party's legitimacy, or the psychological climate of friendliness or hostility in the power interactions, is viewed as an element of the structure. Similarly, labor laws (e.g., minimum wage laws) and relevant national - level and industry - level collective agreements (e.g., industry - level COLA agreement signed by an upper echelon of the participant's organizations) are also elements of a LRS structure. These elements modify and change the participants' interactions on issues covered by law (e.g., minimal wage rates which should prevail) or by higher - tier collective agreements.

The participants' organizations, namely, the local union and the employer association, are conceived as environmental contexts that affect the LRS inputs. To illustrate, even though a local union may occasionally deal with disputes between members, these disputes become labor relations issues only when the other participant insists that they should be resolved bilaterally. Partial overlap between the participants' organization and a LRS structure occur frequently, as illustrated by joint bargaining committees that are constituted in a way that merely extends the top leadership structure of the participants' existing organizations.

## **Outputs**

As seen in Figure 1, outputs and outcomes are conceptualized as two distinct components of a LRS. LRS outputs are agreed resolutions of labor relations issues, usually articulated as formal norms of behavior (e.g., collective agreements' clauses, grievances' written settlements) which are contractually binding upon the respective constituency. If an agreed norm of behavior refers to the participants' own behavior — e.g., an agreed practice of automatic extension of a collective bargaining which remains in force after its expiration date unless either participant wishes to modify it — then it becomes an element of the LRS structure. LRS processes are depicted in Figure 1 as impacting LRS outcomes either directly, by an arrow connecting the two panels, or indirectly, through LRS outputs. The indirect effect of the LRS processes on the outcomes, operating through the outputs, is the one which has been dominating researchers' attention. To illustrate, power interactions on hourly wage hikes (LRS issues) culminate in an agreed upon wage increase in a formal agreement (i.e., an output) which in turn leads to upped payments of wages to hourly employees (an outcome). The direct impact of the processes on the outcomes was described by Stagner and Rosen (1965, p. 121) as the psychological contract. It refers to the participants' expectations toward each other regarding certain outcome-related behavior. These expectations are rather informal and inexplicit, but may have a

powerful impact on the LRS outcomes. An example would be the contractually unwritten but widely shared expectations of the local union leaders participating in the LRS that the upgrading of employees' skills by a training scheme will be accompanied by corresponding salary increases. The possible direct effect of LRS processes on outcomes is represented in Figure 1 by an arrow linking the two system components.

## Outcomes

LRS outcomes represent the actual gratification of needs and desires of each participant and/or the relevant constituency. To an extent, the needs and desires of the participants are expressed in their orientations to resolve issues, a component of LRS inputs. The actual satisfaction of those needs and desires depends upon the other participant's behavior. Therefore, each participant attempts to fulfill these needs and desires through LRS processes.

This component of the LRS is multidimensional because it includes economics, social and psychological needs; and it is multilevel because the needs are defined on the individual level (e.g., the management spokesperson's personal need for achievement), group level (e.g., desires and wishes of certain occupational categories of union members, or needs of management as a group), and organizational level (e.g., the need for uninterrupted production).

The outcomes are located on the LRS boundary in Figure 1. This location reflects the proposition that LRS outcomes are, to a significant extent, influenced and shaped by other systems within the work organization and by the organization's environment. To illustrate, an employee's work attendance behavior is substantially affected by LRS components, but is also influenced by his/her health and family status, and by occupational hazards in his/her workplace (e.g., Nichologon, 1977, p. 144).

How are the LRS issues related to its outcomes? Some issues are reflected as outcomes, such as wage increases. Other issues are related to several outcomes, such as training or occupational health. Still other issues may have no direct counterparts among the outcomes, such as job evaluation. The nature of issues-outcomes interrelationships needs clarification in future research. Interestingly, research on integrative bargaining suggests that when the bargaining parties ask for and provide each other with explicit information about their desired outcomes, values and priorities, this leads to high joint benefits and tend to produce integrative agreements on the issue or issues under bargaining (Pruitt, 1982).

Several types of outcomes can be identified, according to differing classificatory criteria. Thus outcomes may be classified according to the principle of 'who controls?' For illustrative purposes, this classification is adopted in Figure 1, leading to the distinction between outcomes controlled primarily by management, like wages, employment security, and management-initiated and sponsored schemes of employees participation in decision making, and outcomes controlled by and large by the employees and their representatives, like work attendance behavior and workdays lost due to collective stoppages and other forms of union-initiated work sanctions. Additional types of outcomes could have been added, such as outcomes jointly controlled by both participants (e.g., safety and industrial hygiene) and outcomes controlled by a third party, usually governmental bodies (e.g., employment subsidies or training grants).

Work performance was included as an important outcome since the LRS processes affect employees aptitude and skill levels (e.g., by establishing training programs) and employees' level of motivation. The latter reflects employees' decisions to expand certain levels of effort in their work over time; it often finds expression in behavior such as attempts to solve work-related problems beyond the formal job requirements. By disciplined behavior, we refer to the general adherence to the norms prescribing behavior at work, which in turn are a part of the outputs. Work attendance refers to behaviors such as organized collective tardiness or absenteeism.

### **Boundaries**

The LRS is an open system. As Larouche and Déom (1984) correctly indicated, the LRS openness allows for a continuous exchange across the boundaries between the LRS and its environment, an exchange which is essential for the LRS viability. The LRS both affects and is affected by its environment. LRS openness means that the boundary separating it from its environment is shifting and permeable in both directions. Katz and Kahn (1978, pp. 65-66) suggested that boundaries are the demarcation lines for the determination of appropriate system activity, new members, and other inputs. In accordance with this approach, issues which by mutual consent or by legal decree are considered non-bargainable (e.g., management's pricing and marketing policies, or the local union's procedure for the election of new officers) may be used as boundary markers. The boundary condition applies also to the process by which outsiders enter and become participants in the LRS. This usually requires formal notification and approval procedures.

### Feedback Loops

The feedback loops, represented in Figure 1 by broken lines, continuously provide the participants with information about the consequences of their bilateral decision making process. Several feedback loops are posited, each playing a somewhat different role in the participants' learning process. The feedback loops are responsible for the LRS' properties of self-regulation and of endogenous change. Thus when one participant learns that the incompatible orientations of both participants impeded the resolution of an issue, this information may result in a readjustment of that participant's power orientation toward the issue (process — inputs loop). Yet another illustration: according to Dubin (1973), employees who develop high workplace commitment tend to influence their local union leaders to adopt low power orientations in their interactions with management representatives (outcomes — environmental context loop).

### Environmental Contexts

The elements in the LRS environment are referred to as environmental contexts. The contexts are not part of the LRS but a change in them may directly lead to a change a LRS component, such as a change in the participants' orientations or an emergence of a labor relations issue.

Environmental contexts have several common characteristics. One, they are closely related to, yet relatively independent of, the LRS. Two, they reflect well established findings in collective bargaining and labor relations concerning environmental factors which affect LRS components (Kochan, 1980, 36-84; Tannenbaum, 1965, 738-741). Three, linkages of outputs and outcomes may be mediated by environmental factors. For example, the actual consultative role of the union representatives in the adjustment to technological changes, though formally specified in a collective agreement (an output), depends, *inter alia*, on the union's power sources (which reflect its capability of enforcing the agreement) and on the representatives' decisiveness.

The panel of environmental contexts in Figure 1 does not represent an exhaustive list. It provides only selected examples of union power sources (i.e., the union's financial assets on the local and national level, the leadership skills of the local officials, and the extent to which the membership identifies with the local leaders); management power sources (i.e., internal cohesion of the management team, profitability of the firm, and the extent to which management is autonomous from external control by creditors, suppliers, etc.); and an important within-plant system — the technological, which refers to the employees' interactions with inanimate objects such as raw material, equipment, tools, machines, and finished products.

## THE LRS AND DUNLOP'S SYSTEM

Wood et al. (1975) suggested that any consideration of the concept of the 'industrial relations system' must start from the work of its earliest advocate, J.T. Dunlop, since his book (1958) has influenced the work of many writers and researchers in industrial relations. As noted, the use of the term 'system' in Dunlop's writings was influenced by the sociology of his colleague at Harvard, Talcott Parsons. Dunlop conceived the 'industrial relations system' in structuralist-functionalist terms largely unrelated to systems theory or system approach. This can easily be verified by noting that out of the 51 core concepts of systems theory identified by Robbins and Oliva (1982), hardly three were actually referred to in Dunlop's (1958) book. Nonetheless, Wood et al. correctly identified the immense influence of Dunlop's book on the field. Therefore, disregarding the inherent weaknesses in Dunlop's use of the term 'system' noted by other critics (e.g. Schienstock, 1981; Marsden, 1982; Hameed, 1982; Adams, 1983), the reader is offered a comparison of each of the LRS components with its counterpart (to the extent that it exists) in Dunlop's framework of the industrial relations system; this comparison is portrayed in Table 1.

Table 1 highlights the differences between the two conceptual frameworks, that of the LRS and the one proposed by Dunlop (1958). While Table 1 is largely self-explanatory, the following most important dissimilarities merit emphasis.

First, Dunlop (1958, p. IX) asserts that the central task of a theory of industrial relations is to explain why particular rules were established and changed. In the LRS, the major dependent component is that of the outcomes, which are defined to refer to the actual behavior of the participants and of their constituencies. On the same note, the LRS outputs, analogous to Dunlop's 'web of rules', are relegated to the role of a subsidiary component of variables, possibly mediating the effects of the LRS processes on outcomes.

Second, consistent with the dictum of parsimony in empiric research (Hage, 1972) the LRS inputs include only the focal role players actually participating in the LRS processes, while in the Dunlopian scheme the representatives and their constituency and the employer and union organizations are all included as 'participants'. The LRS definition of participants has the advantage of directing researchers' attention to the critically important actors in the LRS.

Third, the Dunlopian framework includes environmental contexts (i.e., the technological, market, power, and ideology contexts: see Dunlop, 1958, chapters 1-5) conceptualized at different degrees of proximity to the

**TABLE 1**  
**Concepts' Definitions in Dunlop's Industrial Relations System**  
**Compared with the LRS Framework**

<i>LRS Component</i>	<i>Definition in Dunlop's 'Industrial Relations Systems'</i>	<i>Definition in the LRS</i>
1. Inputs	undifferentiated from the system's environment	clearly distinguished from the environmental contexts
a) Participants	hierarchies of workers and managers and their respective representatives, including third parties like specialized government agencies	the focal role players actually interacting in the resolution of LRS issues
b) Issues	dealt with to the extent that they appear as collective bargaining agreement clauses or contract provisions that are formally negotiated	the subject matter of the participants' interactions; defined comprehensively to include problems deemed by a participant to be bilaterally resolved in LRS processes
2. Processes	rule making processes; including collective bargaining and grievance settlement; processes are not elaborated	refers to all interactions in which labor relations issues are resolved, including negotiations, dispute settlement, and joint consultation processes and includes institutionalized patterns of behavior as well as the attitudinal structure and basic values and ideologies of the participants
3. Structure	refers to formal rule making bodies, such as grievance committees	
4. Outputs	the web of rules includes mainly formal rules, policies, procedures and customs. Considered as the system's dependent variable, emphasized as the most important product of the system to its environment	viewed as a cluster of variables which intervene between the processes and the outcomes  the behavioral results of the LRS processes which are valuable to a participant and/or his constituency. Considered as the major contribution of the LRS to its environment
5. Outcomes	not specified	
6. Environment	includes subsystems of the work organization, as well as several other systems in different degrees of remoteness from the processes ongoing in the LRS. Environment viewed as decisively shaping the rule-making process	includes only variables which have been shown to impinge directly on the LRS' components particularly those that influence LRS inputs
7. Boundaries	basically undefined	defined in reference to unilaterally resolved issues

system's processes and at different levels of analysis (e.g., group, organization, labor market area, and societal levels). In contrast, the LRS environmental contexts include only those sets of variables that a change in either of them is conducive to a change in a LRS component or vice versa; the participants' power sources appear as salient environmental contexts.

## DISCUSSION AND CONCLUSIONS

Industrial relations theory has been under heavy criticism for a number of years (e.g., Derber, 1967; Heneman, 1969; Strauss, 1979; Schienstock, 1981; Marsden, 1982; Hameed, 1982). One of the less sympathetic critics casted doubt over the legitimate existence of the field and argued for its cooptation by the sociology of law (Marsden, 1982). Even protagonists like Derber (1967) and Strauss (1979) lamented the overdependence on mechanistic conceptual frameworks and naive deterministic models which characterized the followers of the Dunlopian school of thought about industrial relations.

The proposed conceptual framework of LRS was based on systems theory. Systems theory was chosen as the pillar of support for the theory building efforts reported here because it enables researchers to explore complex and dynamic linkages among the LRS variables while maintaining a dynamic, open-system perspective. Furthermore, systems theory provides students of labor relations with a set of axioms and a terminology common to most other applied fields in the behavioral sciences (Robbins & Oliva, 1982), thus facilitating future synthesis of theoretical paradigms and integrative efforts of research findings across these fields.

The proposed conceptual framework of the LRS has several limitations and shortcomings. Few of those merit attention here. For the purpose of simplifying the presentation, it was assumed that the representatives of the parties, the LRS participants, actually represent their respective constituency. However, the extent to which the representatives mirror in their orientations and behaviors the preferences and desires of their respective constituency is an open question (Tannenbaum, 1965, pp. 717-719; Walton & McKersie, 1965, p. 281). Relaxing this assumption may entail a redefinition of 'participants' to include informal 'influentials'.

Another shortcoming of the proposed model involves the operational definition of LRS issues. Few attempts to identify the entire range of labor relations issues were reported in the literature (e.g., Goldman, 1966; Bass, 1965, 344-345; Freedman, 1979, 36-46). However, most of them were based on content analyses of collective bargaining agreements and arbitration



awards, and thus include only those LRS issues 'covered' by the outputs but not necessarily those actually resolved informally in LRS processes. The conflict management literature is of little help, for it has been concerned primarily with the underlying dimensions of issues (e.g., their rigidity, centrality or importance, interdependence, and number: see Sheppard, 1984), rather than with the identification of the range of issues in labor-management conflict. Moreover, the operational definition of issues proposed above does not tackle ill defined issues (Fillely, 1982). Thus some issues may disappear when reality tested (e.g., misattributed conflict, such as the disagreement of a union representative with a management's policy which actually does not exist) or when their underlying latent issues are uncovered (e.g., an explicit issue raised by management representatives is but a manifest expression of another one). Clearly, additional research and thinking on the identification and characterizations of IRS issues is needed. This is an important caveat, for LRS processes can meaningfully be studied only on an issue-by-issue basis (Frey, 1971; Bacharach & Lawler, 1980, p. 43), and because the issue under consideration determines the participants' orientations and the particular combination of power resources they use (Goodstadt & Kipnis, 1970).

In what respects does the LRS advance theorizing in labor relations? How can it be used to remedy shortcomings noted in past works? Past theorizing in labor relations often yielded taxonomies of labor relations climates (e.g., Koch & Fox, 1978, 578; Kerr, Dunlop, Harbison & Myers, 1964, 201-207; Dunlop, 1958) which were removed from concrete activities and ongoing behaviors in the LRS. Such abstract theorizing, divorced from action, can hardly contribute to the accumulation of new knowledge about labor relations. The focus on real issues and actual outcomes of the LRS has the advantage of rooting labor relations research in the participants' behaviors, their antecedents and consequences. Kochan and Jick (1978) found that effective mediators started out by identifying the issues in dispute. The present conceptualization advocates the use of the same approach in labor relations research, as a substitute for a single-issue research (e.g., using wage negotiations as a proxy variable for LRS processes: see Gordon, Schmitt & Schneider, 1984).

Another advantage of the proposed LRS relates to the centrality of power resources and interactions in it. In the past, students of labor relations often admitted to the centrality of power in LRS (e.g., Bacharach & Lawler, 1981) but hardly made it into a central building block of their theoretical models (with very few exceptions: see Hameed, 1982; Shirom, 1980; and Poole, 1976). To illustrate the theoretical relevance of the notion of power orientation: it may be hypothesized that the lower the power orientation of both participants toward an issue, the higher the likelihood

that the resolution of that issue will occur in a problem-solving or integrative bargaining type of process (Walton & McKersie, 1965).

The proposed LRS may help practitioners in labor relations in that it provides an overview of the major types of relationships amongst relevant categories of variables in an LRS. For example, examining the LRS framework, a management negotiator may identify the possible results, in terms of changes in LRS outcomes, of introducing a check-off clause in the collective agreement, as demanded by the union. Changes would possibly occur in both management and labor controlled outcomes.

The proposed LRS may contribute to research in labor relations in several additional ways. While it falls short of a theoretical model, it may be used (with some elaboration) to develop hypotheses connecting LRS components. This may be illustrated by several examples. Following Dubin (1973), it is hypothesized that the larger the number of issues resolved in a LRS, the more formalized and bureaucratic its structure. Using Distefano's (1984) research as a point of departure, it is hypothesized that the lower the union members' cohesiveness and the less their participation in formulating issues to be resolved in a LRS, the higher the participants' orientations to exert power with reference to all LRS issues indiscriminately. Following Kochan (1980), it is hypothesized that the more pronounced the incompatibility between management and labor controlled outcomes, the less frequent the interactions among the participants.

The LRS assists researchers also in that it acts as a sensitizing device to alert researchers' attention to sets of important and interrelated variables such as those which affect LRS outcomes; to the environmental contexts which generate issues; and to the possible feedback loops among these sets of variables. In the same vein, the LRS continuously reminds researchers to examine the broader contexts within which the LRS (or a certain component of it) operates.

It is our contention that the construction of the LRS is a necessary intermediate step toward the development of more comprehensive and meaningful theories capable of providing improved understanding and improved prediction of LRS outcomes. A potential fruitful avenue of LRS-based theory building efforts would be to construct middle range, narrowly defined, theories (Strauss & Feuille, 1978), such as a theory which seeks to explain intersystem differences in the scope of resolved issues by environmental characteristics.

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### ***Le système de relations du travail: proposition d'un cadre conceptuel***

Dans le prolongement de l'étude récente des auteurs Larouche et Déom (*Relations industrielles*, 1984, vol. 39, no 1) sur l'approche systémique en relations industrielles, cet article présente un cadre conceptuel d'un système de relations du travail (SRT). Après avoir approfondi les premiers essais d'application de la théorie des systèmes au niveau de l'entreprise, l'auteur définit et explique les composantes d'un SRT à partir des concepts et de la terminologie de l'approche systémique en fonction de leur application aux relations du travail en milieu de travail.

Les *entrants* d'un SRT sont constitués par les participants, les résultats recherchés et les orientations respectives des participants en vue d'atteindre ces résultats. Le *processus* de ce système comprend toutes les relations de pouvoir reliées aux démarches en vue de solutionner les questions en jeu qui touchent les participants. Ces rapports de force influencent les positions des parties jusqu'à ce que l'on en arrive à des accords verbaux ou écrits. Ces derniers constituent les *extrants* d'un SRT. Quant à sa *structure*, elle est constituée de toutes les formes de comportements institutionnalisés, c'est-à-dire des interactions relativement stables, typiques et récurrentes. Ainsi, un comité de négociation collective ou un comité paritaire de sécurité sont des exemples d'éléments structurels. Par contre, les organisations respectives des participants, tel un syndicat local, sont considérées comme une partie du contexte environnemental d'un tel système.

La *satisfaction* des besoins et des aspirations de chaque participant constitue les *résultats* d'un SRT et le niveau d'atteinte de cette satisfaction pour une partie dépend du comportement de l'autre partie. Cette composante comprend autant les besoins individuels qu'organisationnels, économiques que sociaux et psychologiques. Enfin, les autres dimensions d'un SRT, définies et expliquées au moyen d'exemples dans cette étude, sont ses limites, les effets de rétroaction et les contextes environnementaux. L'auteur effectue ensuite une comparaison des éléments d'un SRT avec ceux proposés par Dunlop dans son important ouvrage *Industrial Relations Systems* (1958) et démontre que plusieurs éléments de ce système n'ont pas de contrepartie dans le modèle de Dunlop.

Pour conclure, l'auteur met en relief les avantages d'un SRT pour les chercheurs et les praticiens des relations du travail, il discute ensuite de quelques limites et faiblesses de ce cadre conceptuel.