A TYPOLOGY OF WORKPLACE RELATIONS:
TYPES OF SOCIAL RELATIONS
AND SOCIAL ACTION.

by

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I. Introduction

This paper is concerned with the conceptual basis of the analysis of workplace industrial relations. It focuses on the nature and variety of social relations in the workplace and proposes a typology for the analysis of these relations. Thus, it differs from discussion of organisational characteristics of workplace (Kelly, 1990) or structural configuration (Littler et al, 1989; Frenkel, 1986) undertaken by other writers. The task of examining the basis of workplace relations has two primary aims: first to expand the conceptual domain of industrial relations theory of workplace relations and, second, provide a more detailed basis for research on the workplace.

It begins with a consideration of some conceptual and structural issues that have significant bearing on the discipline of industrial relations. It then outlines the main features of the proposed typology of social relations in the workplace.

II. Informality and Industrial Relations Theory

In contrast to pre-capitalist societies, production in capitalist societies is formally differentiated into two domains - the formal and informal economies. The former is largely confined to quantifiable economic activity as measured in a wide range of economic concepts and indicators. National account figures are the result. The informal economy, on the other hand, is characterised by the diverse kinds of economic activity and a lack of precision in quantification of output (Boer, 1990; Ferma et al, 1987). This bifurcation of economic activity is more apparent than real; as there is no clear line that separates the formal from the informal economy. Moreover, as producers are converted into employees, informal relations at work become more salient (Harding and Jenkins, 1989). They become progressively disembedded as the social relations of production become subject to instrumental calculation or rationalisation (Weber, 1978) Thus paradoxically, as production and distribution are based more on formal economic activity, societal dependence on informal relations rises.

Fox (1974;1985a) pointed out some time ago, that the quality of informality, or 'trust relations' between management and worker are critical to understanding the dynamics of industrial relations. Trust, for Fox, is largely an indicator of qualities of social relations at work, which contribute to system dynamics. Moreover, trust cannot be secured by fiat, influence, friendship, cooperation or any single or isolated type of
social relation. It is a multidimensional concept. And it is precisely the interdependence of causal conditions that contribute to its dynamic quality - in terms of low and high trust syndromes.

The quality of trust, for was Fox, a dynamic process actively linked organisational conditions (division of labour, type and intensity if supervision, task range, discretionary content and so on) from which flowed cognitive and motivational states. It also reflects the degree of dependence of management on either strictly contractual relations or social norms (Fox uses the terms economic exchange and social exchange taken from exchange theory) in the nature of management-worker relations (Fox, 1974:chs 1-2). Herein lies the importance of Fox's thesis; that the pattern of industrial relations must be seen as effect of the nature of relations in industry which arise from the interplay of the two different principles. Moreover, trust was a mediating variable (Wright, 1978) in that it interacted with its causal conditions and had independent causal effects on industrial relations outcomes.

Through the nineteenth century, capitalist production depended on the network of workplace social relations generated at work and in the community. The societal dependence on informal relations, or social norms, in production was recognised almost as soon as intense efforts were underway to eradicate or minimise their influence. Contemporaries of Taylor emphasised the quality of social factors in efficient production (Watts, 1991). The later 'discovery' of social sentiments in the workplace by the Hawthorne research team further emphasised the role and effects of informal relations. The tradition of plant sociology and anthropology in the US and Europe sought to map the extent of these little known phenomena. For industrial sociology however this interest did not last, as new interests overwhelmed the sub-discipline. As for industrial relations, normative patterns have attracted research interest in as much as they cohere in, and around, the institutions of bargaining. Industrial relations has primarily focused on the institutions of interest representation, bargaining and rule-formation. These concerns dominated its theoretical, empirical and policy interests. It is a range of concerns that represents "the dominant intellectual tradition in Australian industrial relations research" (Callus, 1991:455).

The nature and role of informal relations or social norms has been largely left to social and organisational psychology and micro-sociology from the 1930s onwards and over the last two decades or so organisational behaviour, organisational studies and human resource management. Informal relations has been identified as organisational culture or climate. The role of culture is seen by many writers to be
central to the understanding of the performance potential of organisations (Wilkins and Ouchi, 1983; Frost et al, 1985) in which it becomes as a major business policy option (Ouchi, 1980; Lebas and Weigenstein, 1986). In this framework, performance is in large part, a function of 'good' or 'successful' cultural conditions, or informal relations (Fombrun et al, 1984).

The central question for several theoretical frameworks is the tractability of informality. There has been a strong thread in writers, from Taylor (1947), through Mayo (1943) to Elster (1989;1991) and others, that social norms are at best, beyond rationality. That is, informal relations generated through 'systematic soldiering' were intractable for they were based on a local practical consciousness (Giddens, 1984) of interests. According to Taylor, this view while understandable was contrary to the real interests of workers. For rising wages and living standards flowed from increasing productivity not restricting it. Therefore Taylor sought to eliminate informal relations from work.

Whereas from Mayo onwards, the variations of human relations theory sought to accommodate them in some form. In contrast, the clear implication of the 'efficient culture' framework is the infinite tractability of organisational norms. Culture can be effectively shaped, manipulated and managed to match organisational goals. Indeed this is precisely the 'strategic' task; hence the prescriptive nature of much of this literature. Human resource management has sought to fashion a discipline on the basis of the theoretical and empirical work done within the psychological and behavioural framework mentioned above (Walton and Lawrence, 1985). Such a project represents a distinct shift in the focus and role of social analysis of employment.

Not surprisingly this shift in analytical focus in employment studies coincides with changes in operations of organisations. In seeking to expunge the role of informal relations in production at the turn of the century, Taylor brought an invaluable practical innovation to the technical analysis of the production function. Detailed job analysis and design permitted the 'construction' of jobs by management or its technical agents. Once jobs were designed, standardised and timed they could be inserted into a production function. This procedure allowed the calculation of the production profile of a given technological component of the function. This, in turn, permitted the qualities of any given production function as a whole to known far more accurately than had been the case under systems of internal contracting. It is precisely this methodology is in the process of decay.
Thus Taylorism, as a technical development, debilitating the existing structure of industrial authority. In order to restore a viable system of authority, two interlinked formed part of an historical compromise between capital and labour (Kerr et al, 1973). At the level of the workplace, the employment relation was formalised or bureaucratised (Littler, 1978, 1982) and at the societal level, 'industrial relations' was institutionalised (Burgess, 1975; Fox, 1985b).

A central plank of conventional industrial relations has been taken from the type of static version of the neo-classical economic model of the firm, based on a known production function. As mentioned the production function input of labour is calculated as a standard labour time value in respect to any technology. The productivity of the technological system is therefore assumed to be given, once the standard values are determined through the usual work measurement techniques. In the economic conformance level model (ECL) productivity improvements may derive from non-technological inputs, but these were outside the boundaries of labour productivity. In general, the maxim 'if it works, don't fix it' dominated conventional production thinking.

In terms of business operational strategy the adoption of zero defect quality (ZDQ) rather than the ECL model in recent times completely undermines the utility of formalised labour standards in the economic calculations relevant for line functions of firms. The labour standards central to the calculation of several aspects of the cost trade-off equation between prevention and failure costs for quality cease to apply. The ECL model assumed such an economic trade-off in the first place, and then logically posited optimality at less than zero defects. For the marginal return on prevention investment must decline (0<r<1) according to orthodox theory, pushing the system into sub-optimality beyond a certain level.

In contrast, the ZDQ model does not assume the prevention-failure trade-off. Rather it assumes that zero defects are necessarily cost effective as the failure costs are always higher than prevention costs. This has two components: first, failure costs are highly intangible, particularly external failure which is inherently market damaging. The primary components of market damage are the negative trickle down (future purchases) and ripple (other purchasers) effects. Indirect costs of this type are particularly damaging in the medium and long term. Second, the operational consequences of zero defects lower production costs, which includes those associated with internal prevention and internal failure (such as rectification, rework, scrap, etc).
Thus, no longer can a production function be said to have any long- or even medium term, stability. It is symbolised by a change from management by objectives (MBO) to total quality management (TQM). The net effect is that standard work values inhibit economic efficiency and expansion, rather than facilitate it. It is this order of change in organisational operations that increases the dependence on informal relations. That is, while decisional authority over technological change remains with management, the range of component organisational and operational variables associated with the secondary aspects of technological change and the production function in general are amenable to variation through differential effects of informal relations. In this sense, economic exchange is (continuously) conditioned by social exchange, rather than the substitution effect argued by Fox (1974). Yet one critical effect of the adoption of ZDQ is that the achievement of long-term stability of the wage-effort bargain is made more difficult.

Wage fixation, a central concern of conventional industrial relations, is itself based on standard work times. Industrial relations analyses of wage fixation processes, at the micro (workplace) and macro (industry or national) levels, have stressed the role of non-economic factors (Wootton, 1962; Brown and Simon, 1975; Brown, 1973; Turner, 1952; Willman, 1982; Behrend, 1957). In doing so it has been critical of untenable assumptions in economics (Marsden, 1986). Nevertheless, industrial relations has accepted the centrality of standard times as the core of wage determination. Some writers arguing that social norms have little long-term effect (Wootton, 1962). Even where the theoretical vehicle of workplace relations is heavily dependent upon social norms, such the 'effort bargain', this is the case. The concept relative wage disparity, proposed by Baldamus, turns on a conventional, or standard quantum of effort for a conventional standard work value. Fortuitous or intentional departures from the conventional effort/work value relation precipitate action in one or both parties to re-establish the equilibrium (Baldamus, 1961). It is precisely the notion of such local equilibria that is fundamental to conventional industrial relations studies of the workplace. This is implicit is concepts such as the negotiated order and accommodation structure (Batstone et al, 1977).

The standard quantum of effort and standard labour values of the production function are, of course, two sides of the coin. Baldamus argues that each side will attempt to nudge the wage disparity in their favour. Nevertheless there is a common concern on both sides with the veracity of the standard itself. For however iniquitous the actual effort/value relation may be for either party, the continuous desire to repair the equilibrium attests to its efficacy for both. Management for its part, establishes
administrative systems for effort stabilization (bureaucracy) and effort intensity (work measurement). Workers, for their part, organise in defence of the effort bargain through a variety of collective institutions and normative rules (Brown, 1972; Aldridge, 1979).

The bureaucratisation of the employment relation, Taylorist work measurement and the birth foundation of industrial relations were all based on the same transformation of the basis of social action reflected in the bifurcation of economic activity - from informal to formal, *gemeinschaft* to *gesellschaft*. The rationalisation of social life was reflected in instrumental action. The latter, seen in bureaucracy, based on authoritative action, was counter-balanced by bargaining in industrial relations, and later, the social transfers via the welfare state. This was a form of institutionalised reciprocity which substituted for the demise of local reciprocity characteristic of pre-capitalist production relations.

In short, over the last century industrial relations has developed an institutional framework centred on the managerial administration of worker performance and the mediation of the exercise of industrial authority. Whatever payment method used, the administration of performance (effort stabilisation and effort intensity) is primarily based on standard work values. The mediation of authority is a central function of industrial relations institutions. This has seen the development of the bargaining model in industrial relations. The *negotiation of rules* becomes a novel social innovation which complements the calculative nature of economic action. This is reflected in the incidence of formal analysis of bargaining in the economics literature (eg Nash, 1954).

The bargaining model does provide some space for the consideration of informalism. However it is largely confined to the impact of informality on the bargaining process and outcomes. For example, Brown's seminal conceptualisation of custom and practice as 'transactional rules' explicitly excludes rules outside the terrain of industrial relations (Brown, 1972). Similarly social norms generated in the production process are considered when they are absorbed, or 're-institutionalised', into the workplace industrial relations system (Armstrong and Goodman, 1979; Goodman et al, 1975). This boundary-maintenance of the discipline has shackled its ability to engage in incisive debate with those concerned to understand, and change, the nature of employment systems. This is particularly so in light of the current changes in organisational operations previously mentioned.
The decay of the economics of standardised work values diminishes the dependence on the stable work rules. Stability enables both workers and management to 'normalise' the effort bargain. Put another way, for management, the administration of performance and effort was enhanced through the coherent elaboration of substantive work rules. For workers, formalisation of such rules has long been recognised as a major bulwark against managerial capriciousness. In this conventional picture, procedural rules smooth the way for the elaboration of substantive rules.

Yet, if operational demands on organisations involve continual change, particularly in terms of labour input, the efficacy of a stable substantive rule environment substantially diminishes for management. On the other hand, it increases for workers - reflected in the sustained support for the maintenance of conditions built up over the decades. As Fox demonstrates where rapid change in production conditions is perceived as negative, it may trigger the low-trust syndrome of industrial relations. The latter is identified with a move away from dependence on social exchange to economic exchange, that is, from social norms to instrumental action. Fox identifies this negative change with an increase in the division of labour and thus more low discretion jobs. That is a process of deskillling. In contrast, high trust relations characteristically display a high dependence on social exchange (Fox, 1974:72-79).

The shift away from standardised work values, places additional demands on management. Responsibility for system-wide adoption of continuous improvement places an additional demand on operational management. Since the contribution of a given technology to the production function is no longer assumed to be fixed, improvements are not only an expected aspect of production management, but also must be rapidly diffused to exploit their economic effects as soon as possible. Moreover the actual improvements themselves must be generated at a constant or increasing rate. This can be achieved in two ways, through direct contribution of workers to productivity and efficiency, or managerial identification of process innovation through comparative monitoring.

The direct contribution of workers is boosted through investment in labour quality (education and training) and elicitation of, what may be termed, 'effort quality'. Among the results are; increasing the rate of production efficiency, through local production improvements continually search for cost reduction 'openings'; the propensity of larger and more significant non-local technological innovation increases due to better information flows to design centres; the conversion of local knowledge
of machine operations to general knowledge and so on. Indeed, the reliance of conventional industrial relations on standard work values, reflected in concepts of effort stability and effort intensity, may be usefully adapted with the addition of the concept effort quality. However, the argument will not be develop here.

Comparative monitoring can be undertaken in two ways, through external monitoring of industry best practice, or through constant internal monitoring of multiple production processes. The information costs for external monitoring are invariably excessive for small to medium organisations. Hence the growing state support for the identification and diffusion of best practice. An additional method of external monitoring is through local networking associated with industrial regionalisation.

The internal comparative method is in the short- to medium-term, the most efficient method. However, it is available only to large organisations with multi-production sites and a considerable investment in an appropriate Management Information System. Japanization in large manufacturing concerns around the globe involves precisely this process. Constant comparisons of section, process, plant and divisional performance are undertaken, from which rapid identification and diffusion of innovations flow. Although dependent on effort intensification in many countries (Delbridge et al, 1992) it is balanced in Japan by a dependence on a spectrum of processes and social relations (eg Daniel and Reitsperger, 1991).

Both routes to continuous production improvement involve greater dependence on informal social relations. This points to a significant shift in the relative importance of substantive and procedural rules. As the stable conditions for substantive rules decline, it becomes imperative for both management and workers to place more reliance on the efficacy of procedural rules. For management any rule that cannot be changed in a efficacious manner, becomes by definition, a 'restrictive practice'. For workers the fixed adherence to substantive rules noted earlier, becomes counter-productive as the capacity of capital to relocate easily grows. Under these conditions both parties look to procedural rules to deliver (shorter-term) substantive outcomes consistent with efficient production processes and adequate employment standards, for management and workers respectively. By implication of this pressure is a greater dependence on social norms leading to an increase in the elaboration of procedural rules.

In a context of change, employment systems may be expected to play a greater part, with a larger worker contribution (Streeck, 1987). Moreover, Roche points out in his
critique of Fox, that trust may be more critical in the conduct of informal social relations and contingent situations which can be expected to arise more frequently under conditions of faster change (Roche, 1991:110). It is precisely this increase in economic indeterminacy that has generated the practices of human resource management (Kochan and Capelli, 1984; Kochan et al, 1986).

The discussion in this section has addressed a number of themes. First that the societal separation of formal and informal relations in production has lead to a false dichotomy. Second, a revival of interest in informal relations, the culture of work, has not been adequately addressed by industrial relations. Third, the birth of large scale, monopoly or corporate capitalism, precipitated attempts to expunge informal relations in production where ever possible. The concurrent birth of industrial relations involved the formalisation of the exercise of authority through bargaining mechanisms. Furthermore industrial relations dealt with the remnants of informal relations only in so far as they affected bargaining. For the discipline accepted the same fundamental assumptions as economics, particularly the role of standard work values. Fourth, adherence to the latter diminished the ability of the industrial relations discipline wedded to the bargaining model to deal with the expanded role of non-instrumental social relations has been limited.

In the remainder of the paper, a typology of social relations is proposed.

III. A Typology of Workplace Relations

The heuristic typology set out in this section seeks to demonstrate the dependence on multiple relations in the workplace of capital and labour and the role of social norms in the structure of bargaining. Social relations may be structured in two levels, the micro-level of social interaction, and the macro-level of system integration or societal structuring. As we are concerned with the nature of workplace relations the typology proposed focuses on nature of social relations at the micro-level. However, the stability of workplace systems based the central types of relations identified here is dependent upon a degree of external institutional isomorphism. To a degree this axiomatic, for without external compatibility, internal functionality is immediately in question. Without, for example, a common and efficient means of communication, both inter- and intra-institutional relations would be tiresome at best. This granted, isomorphic institutions refers to parallel or supportive structures that are similar in form to those in the workplace.
The concretisation of social action at the micro-level is only possible if it is itself embedded in an interactive process of social structuring. In other words, concretisation, as an empirical pattern of behaviour, is simultaneously a structuring of social institutions. Granovetter (1985) has demonstrated that, apparently open market transactions are underpinned by a myriad of personal connections, networks and structures. In a similar manner, industrial relations are embedded in a network of social relations of different types. Industrial relations rejects the notion of the instrumental exchange of atomistic economic agents. Nonetheless, in practice, the discipline has proceeded as if bargaining (also instrumental) was the only 'tie' between worker and employer.

A. Embeddedness

Granovetter (1983:352-353;1985:491) argues that it is the network structure of social relations and the interactional effects (the resultant 'local' bridges of weak ties) that accompanies them which accounts for the 'connectedness' of economic relations. In this sense, he follows, Weber (1978) in attempting to identify the effect of the range of economic related social action to account for order in economic relations. Thus, for Granovetter, embeddedness is the web of innumerable and largely informal relations between social agents on which identifiable conventional economic relations rest. They are as indispensable as they are invisible.

In contrast to the generalised usage of the concept embeddedness by Granovetter, the usage here refers to specific types of relations. Embeddedness refers to principles inherent in the type of tie in a relation, or mode of interaction. The principle is immanent in any observable empirical pattern of interaction between in labour and management. In this sense, bargaining, for example, establishes a terrain of social action, which has certain identifiable characteristics.

Four types of embedded relations are proposed here: bargaining, reciprocity, power and cooperation, in order to simply the argument. The embedded relations identified are ideal types. Therefore empirically, a combination of types is found in any given workplace. 'Pure' relations are impossible. The limiting case of dominance of any one type is set either by the instability, or dysfunctionality, of the resultant set of relations between capital and labour. As Hegel pointed out, the utilities of the master are as dependent upon the slave as the slave is upon the master. Clearly equal dependence on all types represents the other limiting case. Yet again in practice the
latter outcome is dependent upon by structural and contingent factors which fall beyond the scope of this paper.

The argument in the above section distinguished conventional industrial relations by its primary focus on bargaining. In turn, the conduct of bargaining assumes that credible sanctions, or at a minimum a meaningful threat of such sanctions, can be brought to bear. Thus bargaining in practice is supplemented by, at least, a minimal degree of power. But power enters the conventional analysis only in as much as it contributes to the processes of bargaining.

In the view proposed here bargaining and power are fundamental, but separate, types of relations. Although they may be closely linked. In a similar manner, reciprocity and cooperation are often closely linked. Cooperation is unlikely without reciprocity, since the former requires some measure of interpersonal interaction which generate reciprocal obligations. On the other hand reciprocity may occur without cooperation. For example, familial gift-giving is usually reciprocated, although there may be an absence of any sort of contact that may be described as cooperative.

As noted earlier embedded relations are ideal types. As such they generate specific characteristics of the mode of interaction. Three dimensions of the mode of interaction are outline here, practical relation, mode of compliance and type of social action. Table 1 identifies the dimensions (in the columns) of each of four central types of social relations. The remainder of the paper discusses each of the dimensions of the four central types of embedded social relation.

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<th>Table 1</th>
<th>Typology of Workplace Relations</th>
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<td>Embeded Relation</td>
<td>Practical Relation</td>
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<td>1. Bargaining</td>
<td>negotiation</td>
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<td>2. Reciprocity</td>
<td>complementary</td>
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<td>3. Power</td>
<td>control</td>
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<td>4. Cooperation</td>
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B. Relational Types and their Characteristics

The practical relation is the set or pattern of behaviours which are socially defined and recognised as appropriate for defined situations. Although here, concern is focused at the micro-level, the behavioural characteristics of types of relations increasingly require institutional and structural supports.

The mode of compliance in this typology follows the work of Etzioni (1961:3-4) in that it refers to both the structural effects of directives and the subjective orientation of people towards such directives (where the latter is defined by different imperatives to act). However, it differs in one key element. For Etzioni (1961:xv,3), compliance is primarily an organisational relation of power in which power-holders deploy resources to control subordinates and their orientations. He identifies three types of power, coercion, economic and normative, which are structural resources, and three types of subjective orientations to act. The latter is conceptualised in organisational terms, as types of involvement, alienative (the result of coercion), calculative (generated by economic power) and moral (generated by normative power). The resultant matrix generates nine types of compliance relations. Three are said to be congruent (matching type of power and involvement), with the remainder as incongruent.

Not unlike the 'efficient culture' framework discussed in the first section, Etzioni associates compliance structures with organisations - coercive, utilitarian, normative or dual compliance (Etzioni, 1961:21-67). The latter category, with two main sub-categories of normative-coercive (such as combat units) and normative-utilitarian (such as trade unions), in particular admits the possibility of multiple bases of compliance. This is reinforced by the further distinction between 'social' and 'pure' normative compliance. The former is associated with social cohesion the latter to honour and prestige. A salient point in the discussion of an example of the multi-base compliance structure, namely combat groups (Etzioni, 1961:58-59) is the importance of social cohesion of the group in context of obligation.

The use of the concept compliance here does not associate it with power as such, but with the typical motivational and behavioural effect of each type of social relation. This is not to say that there are no power effects, there are. By the typical compliance effect of each type is not related to command type directives. Directives, or impetus to act, take different forms in each of the types of social relation. The key emphasis is however on the subjective state or disposition of a worker in the mode of compliance.
Finally, action refers to those activities and behaviours that are structurally meaningful in reference to both the embedded relation and the mode of compliance. Each type of relation displays a typical form of social action, consistent with the mode of interaction of that type.

C. Types of Social Relations

The rows in Table 1 set out the nature of the four types of relations along each of the dimensions discussed above.\(^1\)

In section one it was argued that the basic tenet of conventional industrial relations is the central and dominant role of bargaining. Formalised systems of collective bargaining, or arbitration, were adopted in all advanced societies by 1945. This was an important, if not the most important, arena for the spread of bargaining as a form of social relation. This in itself was a most significant shift in social action and is often overlooked. It has effects at the individual, institutional and societal levels. In other words, the social role of bargaining expanded at all these levels at the turn of the century. Some justification therefore exists for the sustained interest in bargaining.

Bargaining is defined as a form of constrained rational action. It concerns the distribution of material resources/rewards and represents the intentional aspect of social relations in the workplace and industrial relations. The specific characteristic of bargaining as rational action is contestation, within boundaries, with a greater or lesser degree of malleability. Bargaining in a formalised system, account for the bulk of the 'rules of the game' (Hobsbaum, 1960) as a direct relation between the parties. This is in contrast to the craft-based autonomous regulation which was a combination of societal reciprocity and power. Although invariably neglected, bargained rules are also affected by bargaining in intra-participant relations (eg. between unions, or union factions, or between members and unions; or between levels of management and so on).

The adoption of bargaining as an institutionalised system (as in industrial relations and politics) required the spread of knowledge and competency in negotiation, itself based on a instrumental action. Negotiation is the practical relation between inter-

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\(^1\) The type of relation and the characteristic of the each dimension are underlined through the text, in preference to repeated reference to Table 1.
and intra-participant bargaining. As such is dependent upon a range of competencies that span a wide range - from technical expertise to situational interpretation (Walton and McKersie, 1965). Although bargaining is marked by contestation, its practical expression, negotiation generates social norms that serve to stabilise participant relations or indeed improve them. Long-term, continuous and strong bargaining relations generate procedural norms that constrain alternative forms of action (particularly based on power) while enabling others (cooperation) to develop.

Since bargaining in industrial relations is primarily concerned the distribution of material resources/rewards it is accompanied by calculative compliance. This is the effect of rational calculation of the benefits/sanctions to be derived from acquiescence to the specified provisions (constraints) of any social context and contract, agreement, alliance, understanding or concertation that may result. Negotiation is an exemplar of instrumental action. The calculative base of instrumental action extends to the selective use of social norms in negotiation tactics (Elster, 1989:129-130).

Power, as mentioned above, is a central concern of industrial relations. Of major interest for industrial relations has been the conditions under which power is accumulated. Power is conceptualised as fundamental to bargaining strength in the workplace. It is actualised as a practical relation of control. However the reduction of all organisational coordination mechanisms and control-systems to labour control distorts the nature and extent of the latter. Even the conceptualisation of power, as direct control (Edwards, 1979) underestates the web of informal power mechanisms that counterbalance the exercise of power. The labour process debates showed that it is far from clear the extent to which control over labour in production is by itself useful. In the workplace, the relation between power and bargaining is both constitutive and subject to choice. That is power cannot be meaningfully excluded from the dynamics of bargaining yet, the exercise of power through direct coercive action may be a viable alternative in certain circumstances for management or the state.

In advanced capitalism, law represents the exercise of state sanctioned power in industrial relations. In contrast to bargaining, the power relation has two specific features. First, its effects are seen in the constitution of social and institutional control. In other words, societal control is institutionalised in authority and legitimation of the political system, from which institutional control in the workplace is derived. Specifically based on the exercise of coercive action, power compels adherence to specific agreements, contracts, arrangements, activities, behaviours and
so on. Second, compulsion, in the sense used here, is an external relation as it is based in law, which is enforceable by an external agency (Weber, 1978:33-35). While the bulk of state-sanctioned power is seen as legitimate at the societal level, its exercise as coercive action in the workplace, is often seen as nonlegitimate. It is for this reason that the overwhelming majority of employers seek to restrict the use of legally sanctioned coercive action. Nevertheless, as Edwards (1992:373) points out in regard to the regulation of industrial conflict, the law delimits the legitimate bounds of conflict. By doing so, the extent of coercive action is also shaped.

Of course, coercive action is not confined to, or based purely on, legal control. It may be exercised in circumstances that display an asymmetric distribution of structural resources. Since this is a general characteristic of capitalist societies, such power resources remain available to employers for the pursuit of their sectional goals. They vary by organisation and circumstances but such frameworks of power (Clegg, 1989) range across all organisational forms. In sum, the effect of all the myriad forms of structural power amount to what Marx termed the 'dull compulsion' of economic relations - or today, referred to as market discipline. Since the focus here is on the workplace, it only where such forces form an essential part of a control strategy, coercive action may be said to be exercised.

A major limitation on coercive action is found in social norms. Clearly all sociality has a basis in normative imperatives, they are 'cement of society' (Elster, 1989), underlying the 'knowledgeability' of social agents (Giddens, 1984), form the 'taken for granted' (Garfinkel, 1967). Such background resources are constitutive of social life. Here we will consider two fundamental principles which generate a fundamental set of social norms. In this sense reciprocity and cooperation are the foundation of social norms.

Reciprocal relations display two discrete but interrelated dimension, viz., general and personal reciprocity (Sahlins, 1972). Both of which have differential effects on the workplace in various contexts. In modern western societies reciprocity is characterised as essentially marginal, in that it is identified with informal relations found in the family, friendships, small-scale community groups and the like. That is, it is seen as an essentially interpersonal phenomenon. But this represents only one dimension of this type of social relation and neglects the institutionalised role of reciprocity. Institutional, or general reciprocity, links the intersubjective basis of norms to system characteristics.
First, a distinction needs to be made between reciprocal interaction and reciprocity. The former refers to social interaction where the participants display similar behaviour. Whereas reciprocity involves the exchange of equivalence, that is, of valued items, goods, services, behaviours and the like, all of which are essentially dissimilar in type, characteristics, form, gratification and a range of other dimensions. But since all social relations in some measure are dependent upon exchange (both in economic and non-economic terms) two conditions are used to ensure equivalence. First, assessments of equivalence are based on complementarity, where participants' behaviour differs but nevertheless one complements that of the other (Gouldner, 1960:167-169). Hence the resultant mutual action. Second, equivalence is temporally extended. That is, people believe that an action at a particular time will be reciprocated in some manner commensurate to that action at some time in the future. That is, a generalised expectation is engendered that secures social integration.

Such general reciprocity is, in small-scale societies, secured through the circularity of personal reciprocity (Sahlins, 1972). This has sufficient symbolic and normative weight to maintain stability of the generalised system. Indeed, general reciprocity is generated through the successful maintenance of such personal relations. Social stability, and hence predictability, is a critical condition for this type of system.

The lack of stable conditions for this type of general reciprocity is a feature of advanced societies. They therefore require alternative structures. These are found in the networks of economic exchanges associated with the division of labour (Gillmore, 1987). More importantly this is sustained through institutionalised checks that sustain trust (Luhman, 1979; Schapiro, 1987; Zucker, 1986). The dynamic nature of economic system constantly undermines the basis of social norms, generated at the interpersonal level. There are a continual number of social indicators of effects that flow from this (such family structures, crime, suicide, morbidity, and so on) which as Durkheim pointed out decades ago are not linked only to economic downturns (Durkheim, 1951). As social norms are undermined they are simultaneously generated. Fox argued that a systematic distortion occurred in this process where the trajectory of change includes an expanded division of labour. In this case existing social norms (of trust) are negated and replaced by the expanded control associated with low discretionary jobs (Fox 1974:15-25). In his view the resultant pattern of industrial relations is primarily dependent upon economic rather than social exchange.

Yet this argument neglects the relative nature of worker assessments of management behaviour. In the workplace, the 'inevitability of informality' finds its basis in the
*quid pro quo* of customary practice, in other words reciprocal relations (Terry, 1977). Personal reciprocity remains an essential element of long-term stability of interpersonal relations which creates *obligation* (Blau, 1964; Gouldner, 1960; Homans, 1974) The complementarity of obligation inherent in reciprocity engenders moral compliance. It continually generates social norms, moral bonds and mutual action that are both the basis of informality and the bedrock of formal relations. Although a key component for the understanding of the range of social relations in the workplace, reciprocity is invariably neglected (Lewis and Weigart, 1985; Barber, 1983; Bradach and Eccles, 1989; Cohen, 1989).

It for this reason that custom and practice is the source of much rule-formation in the workplace industrial relations system. Such personal (or small group) reciprocity is marginalised thereby deligitimised. It nevertheless remains a critical component of social relations; it is "a universal mode of culture, although not equally developed everywhere" (Levi-Strauss, 1976:62). Unlike bargaining and power, reciprocity is not driven by constraint, whether calculated or coercive, but by positive preference. Moral compliance is simultaneously honourable (is personally sound, conscientious and honest) ethical (related to principled claims to truth, equity) and proper (socially responsible and reputable). On this basis mutual action is characterised by shared acceptance or inurement of a certain quality of interactions. In terms of the workplace, the quality of relations has been indicated by the importance of commitment in the workplace (Walton, 1985). But this must be balanced by institutional mechanisms - regulation of managerial power, social support for labour, the social wage and so on (Burawoy, 1985; Wolfe, 1989).

Finally, cooperation, has long been recognised as an important part of workplace organisation and functioning. Indeed, some areas of study, such as industrial psychology and organisational behaviour mentioned above, have been largely devoted to the investigation of cooperation and social norms at work. It is a widespread type of social relation. Norms are of course generated in all social contexts, including in the terrain associated with bargaining and power (Rossi and Berk, 1985). However, the focus here is on goal-directed cooperation, in which the myriad number of social factors (in the workgroup and across workgroups) have been 'harmonised' to achieve a given end. Although the predominance of instrumentality emphasised by some writers is not accepted here (Stinchcombe 1986) although, in practice, goal-directed cooperation must include an element of such action. Cooperative relations themselves are not primarily driven by instrumentality. The rigid dichotomy between rationality (ie instrumental action) and social norms (Elster 1989, 1991) overstates the
case. **Sociability**, (like Simons' (1991) 'docility and altruism') is driven essentially by *unintended* effects of social interaction. It is largely spontaneous (Sugden 1989) at the level of the workgroup. Yet, given the focus on goal-directed activity, facilitative organisation forms and cross hierarchical contact are an essential aspect of workplace cooperation.

Such sociability is predominantly normatively driven. Unlike reciprocity, norms may be taken as positive or negative in the process of cooperation, by different social actors. However, by definition, cooperative relations must display net positive character. **Normative compliance** involves a positive balance of participative rewards and acceptance of constraint over costs involved in cooperation. As Etzioni (1961:15fn.21) points out normative compliance is based on the meaning attached to social interaction by a person. Peer pressure, rather than moral obligation, characterises the 'directive' to act - but the disposition to cooperate is found in the spontaneity of sociability. Thus cooperation is characterised by communitarian or **communal action** - that is predominantly joint, coordinated or common action rather than collective (as collective action is an organisational achievement involving all types of social relations identified here). Cooperation in the sense used here is close to the cooperative principles espoused in nineteenth century schemes or syndicalism. That is, it has both local (micro) and institutional (macro) forms. Although the type of ethical incentives characteristic of such movements are more related to mutual action than communal.

**D. Models of Workplace Social Relations**

This schematic typology provides a framework to assess the nature of workplace relations under different industrial relations systems and contexts. The problem for labour management is that the types of embedded relations cannot be arbitrarily isolated to assemble a particular desired model on the basis of only one or two types. In this sense, industrial relations is not predisposed to "genetic engineering" - selecting one or two types of social relation for their perceived characteristics, rejecting others, and then expecting the desired outcome. Nor can it approximate social engineering, which is essentially programmatic - directed at institutional arrangements rather than relations.

Different types of social relations are chronically embedded in all social situations and arenas. Combinations of types of relations and their behavioural manifestations,
must display internal coherence in order to assemble a optimal system (Friedman, 1986). Thus models of workplace relations constructed on the basis of the above typology must be; 1) congruent - in that the combination of types of social relations must display an acceptable level of compatibility. If this is achieved, the models are likely to be more effective. Etzioni (1961:12-13) argues that the latter criteria is fundamental to congruency. 2) stable - in that not only will models display compatibility but that the internal dynamics of each model will generate stability. 3) institutionally isomorphic - that is, social conditions and institutions must be complementary and support the basis of the model. For example, it is not possible to adopt a (congruent, stable and effective) model of employment relations based on both the extensive exercise of coercive action and communal action, it is similarly not possible to adopt incompatible models at the macro-level.

IV. Conclusion

The strength of the 'efficient culture' framework, human resource management, and other approaches to labour relations is the recognition of variety of social relations in organisational settings. It is argued here that in addition to the formal social relations associated with quantifiable economic activity, informal social relations provide an essential dimension of workplace relations that must be considered by industrial relations. This is particularly necessary in the context of an increasing rate of organisational change. In particular, the standard work value model of jobs underlying conventional industrial relations must be discarded. It needs to draw on a broader range of theoretical traditions in order to, first, more adequately conceptualise the nature of change and its implication for labour relations. Second, to contribute to critical debate on alternative models of labour relations. Third, to adequately examine the role of non-instrumental action in the workplace.

The proposed typology provides one approach to these tasks.
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