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**THE IMPACT OF THE LAW ON INDUSTRIAL DISPUTES IN THE 1980s:  
REPORT OF A SURVEY OF PRINTING EMPLOYERS**

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## ABSTRACT

This paper reports the results of one part of a research project designed to investigate the nature and extent of the impact of the labour legislation enacted between 1980 and 1990 on the conduct of industrial relations and the processes by which this has come about. Interviews were carried out with managers in a number of printing companies affiliated to the British Printing Industries Federation (BPIF). In general, these managers did not see the law to be particularly relevant to their own experience. The law had not disrupted established industrial relations practices but considerable change had been achieved without major confrontation with the unions. While the law was not a prominent feature of the management of the process of change, it was seen to be a background factor of real, if limited, significance.

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# THE IMPACT OF THE LAW ON INDUSTRIAL DISPUTES IN THE 1980s: REPORT OF A SURVEY OF PRINTING EMPLOYERS

Jane Elgar and Bob Simpson

The second part of our research project on the impact of the law on industrial disputes in the 1980s focused on surveys of management and union negotiators. Managers were the subject of structured interviews. The aim of this part of the research was to provide a picture of the range of experience of those with responsibility for overseeing industrial relations in a selection of companies. While the surveys of management do not claim to be representative of any industry as a whole, they have highlighted a number of important issues relating to the role of the law in industrial relations in general and industrial disputes in particular.

This report presents the results of interviews with managers in seven printing companies. The interviews were carried out between June and December 1992. All the companies were affiliated to the British Printing Industries Federation (BPIF). The information obtained was supplemented by an earlier interview with the Employment Affairs Director of the BPIF. The respondents in the seven companies consisted of three managing directors or operational directors and four industrial relations specialists.

## **1. Background Information about the Companies**

The companies' activities spanned a range of product areas: books, brochures, labels, tickets, security printing and magnetic systems, general commercial printing, envelopes, cards and other promotional material. While most of them worked mainly or exclusively in one area, some operated in a number of different markets. Two provided a comprehensive service from design, through typesetting and repro to printing and finishing. This spread of activities broadly reflected the industry as a whole, which included both general printers and businesses which were becoming increasingly specialised in the search for new markets. Two companies, the largest and the smallest, were part of larger groups. Three were based on a single site.

### **Numbers employed**

The companies ranged in size from one employing over a thousand workers and three which employed between five hundred and a thousand, to two with a workforce of less than a hundred. One of these two was started in the 1980s and had steadily increased its workforce up to 1991. Among the other six, four experienced an overall decline in the numbers employed over the period of the 1980s-early 1990s while the other two had increased their workforce over this period. All respondents referred to the introduction of new technology as a factor in reducing the numbers employed. Some also pointed to the effect of the recession at the beginning and, more particularly, the end of the period.

### **Changes in the business**

Four of the companies reported an increase in the size of their business and turnover, three referred to fluctuations attributable to acquisitions and disposals in particular areas of their work. While no company reported a decline in turnover (after allowing for inflation), trading conditions were generally seen to be difficult, in particular at the beginning and end of the period. Respondents commented on

over capacity in the industry leading to increased competition for work; one raised the problem of work going abroad. Three of the larger companies, however, reported an increase in their overseas business. All seven respondents referred to new markets; and two to the development of new products other than by acquisition of an existing business.

### **Changes in working practices**

For all these companies the transformation of printing technology, which began in the 1960s and 1970s, continued through the period under review. While changes affected all parts of the business - administration and warehousing as well as production - it was in the production areas of pre-press, press and finishing where technological change raised the most difficult issues about working practices. For the respondents, these issues were invariably linked to decisions on investment in new equipment and machinery. All of them invested steadily throughout the 1980s. Computer aided typesetting, the use of computers in design and high speed, large capacity machines in the press area all required changes in working practices and staffing levels. All but one of the companies had made downmanning agreements in the press room. While all companies reported considerable progress in breaking down demarcation lines between different types of work - typesetters, compositors and readers in the pre-press area for example - there were some limits to the task flexibility achieved. Three respondents referred to difficulties over bringing National Graphical Association (NGA) and Society of Graphical and Allied Trades (SOGAT) members together after the amalgamation of the two unions to form the Graphical Paper and Media Union (GPMU) in 1991. At the time of our interviews there continued to be separate chapels for each of the former unions in most companies.<sup>1</sup> While there were variations between respondents in the extent of change achieved, the general direction of change was clear and that was towards the erosion of what they saw as restrictive labour practices.

For all respondents these changes led to major increases in labour productivity. Significant productivity gains were also reported on other issues, notably working time where three companies reported respectively the introduction of bell to bell working, a night shift and current negotiations over flexibility in annual hours to meet fluctuating demand at different times of the year.<sup>2</sup>

## **2. Negotiating Arrangements**

The procedures for determining terms and conditions of employment remained largely unchanged throughout the period under review. The most important level of negotiations continued to be national. Some respondents, however supplemented the terms of national agreements with local or house agreements, on for example, shift allowances or holiday entitlements. At national level there were two developments of particular importance. The first was the ending of separate agreements with the NGA and SOGAT and the negotiation of a single agreement in 1992 with the GPMU. More fundamentally our respondents perceived that the nature of the national agreement had changed to become more of an enabling agreement which allowed individual companies to improve efficiency and productivity. All the respondents said that they had taken advantage of this, to make local productivity agreements which, for example, increased task flexibility.

The formation of the GPMU in September 1991 was the culmination of a long process of mergers leading to a single union for printing workers. Membership of the NGA and SOGAT/GPMU remained high particularly in the skilled areas, both across the industry and within the respondent companies, although closed shop agreements in the industry had lapsed. Towards the end of the period under review it became increasingly difficult to reach a national agreement. In 1992 the employer's offer was only accepted by GPMU members by a very narrow majority in a ballot.<sup>3</sup>

### **3. Disputes in the 1980s**

A potentially important factor in the respondents' experience of disputes was the printing industry's disputes procedure. Three respondents had made no use of this procedure, although one of these had been party to exploratory talks over one claim. Of the other four companies, two had made use of the procedure once, on each occasion over an issue relating to pay. The other two had made frequent use of the procedure over a range of issues. All respondents, whether or not they had used the procedure rated it either effective or very effective in avoiding industrial action.<sup>4</sup> There were limits though, to the value of the procedure in assisting companies to implement change. One respondent, for example, commented that although use of the procedure over the company's proposals for more flexible working time had produced a decision in its favour, this still had to be agreed locally.

#### **General experience of industrial action**

Over the last three years there had been no major industrial action in any of the seven companies. Three had, however, seen some action. In each case this was a ban on overtime: two of these arose from pay issues, the third from redundancies.<sup>5</sup>

One of the overtime bans was accompanied by a withdrawal of cooperation and on other occasions two of these companies had experienced workers refusing to operate new machinery. In general, any stoppages of work since the 1980 national strike tended to be short lived; only one company referred to a major stoppage in the 1980s as a whole and that took place in 1983. Respondents who said that they had had no experience of industrial action did, however, refer to occasions when there had been collective expressions of discontent, for example over the allocation of overtime.

While a number of respondents identified a change in the industrial relations climate over the 1980s which meant that threats of industrial action were far less prevalent in the early 1990s than they had been ten years earlier, all companies said that they had experienced the threat of industrial action over local issues in the last three years. In four companies this occurred a number of times: for the other three these had been 'one-offs'. Some of these threats were perceived as the action of union full-time officers which did not necessarily have any support among the workforce. Others, however, were seen to come from the shopfloor.

Although some of these threats related to pay, pay was not prominent as an issue in dispute for these companies. It should be noted that this occurred against the background of national negotiations in which pay was settled without any industrial action in all years after 1980 up to 1992. One of our respondents reported that in the 1992 negotiations the GPMU was considering balloting its members in 'key' companies.<sup>6</sup> In the event this did not occur. Just two respondents had pressed local pay issues to the point where they did give rise to a dispute, but not industrial action; a third company had not pressed an issue because it did not think it was

worth the dispute that would inevitably arise. The main industrial relations issue over the period was the implementation of change. Here, although protracted negotiations still took place and on occasion workers had refused to operate new equipment, companies identified a new climate in negotiations which had made the introduction of changes in the production process and working practices much easier. This was true even though it frequently meant that fewer workers would be required. All seven companies had made redundancies over the period and some of these had given rise to threatened, and in one case actual, industrial action.

### **Management responses to industrial action**

Whilst none of the respondents took the attitude that they could afford to 'sit out' any industrial action in the prevailing economic climate, there were no instances of any company which faced either actual or threatened industrial action responding in a way which included seriously considering making use of the law. Where a ballot had been held, one respondent was prepared to 'make noises' about any shortcomings if it had seemed likely to lead to industrial action; another made clear that union lay officials, Fathers of Chapels (FOCs) would be the prime target for any action if they were responsible for workers restricting output. In general, however these companies did not see the law as relevant to their experience and three of them expressed concern about the damaging implications for longer term industrial relations of making use of the law. Three said that they would involve union full-time officers rather than the law. Four respondents had, however, threatened to dismiss workers who took part in different forms of action short of a strike: one of these went further, in giving notice to the workers combined with the offer of new contracts on different terms as a way of forcing the union to negotiate.

These responses have to be seen against the background of what our respondents perceived to be a change in the balance of power in management's favour, in particular in terms of recruitment and other trade union matters such as accepting work from non-union sources. There had been some devolution of decision making authority to line managers in four companies, but this had not served to undermine established relations with the unions. With one notable exception, companies found it expedient to involve national officers rather than deal with issues internally or involve branch officers, especially where they were seeking to implement change.<sup>7</sup> The nature of their relations with the unions had, however, changed. More emphasis was being placed on management's responsibility to provide information to the workforce; three companies had introduced new methods of communication, one of them involving workers' representatives who were not necessarily FOCs. There was therefore greater confidence in management's freedom to act perhaps without first consulting trade union officials, but not necessarily seeking ultimately to bypass union channels since these were still perceived to be of value to management.

## **4. Disputes and the Law**

### **Industrial action ballots**

Only two respondents had experience of a ballot on industrial action; both were over local pay issues. One ballot produced a majority in favour of action short

of a strike and an overtime ban was imposed. The other resulted in majorities against strike action but in favour of action short of a strike and in the event no industrial action took place. The other instances of industrial action referred to above were unballoted and no ballots had been held in other disputes where industrial action was threatened.

None of these employers had challenged the legality of actual or threatened unballoted action on the ground that it lacked the necessary ballot support. The incidents of industrial action that actually occurred were too short lived to warrant resort to the law. Six of the seven respondents said, however, that they would always monitor any ballot held to ensure that it complied with legal requirements. The seventh said that this would not be necessary at one site where there was a very experienced FOC.

This limited experience of industrial action ballots has to be seen against a background of extensive consultation with members by the NGA and SOGAT over pay offers, in which ballots as well as branch meetings and delegate conferences were used. One company referred to increasing use of ballots by these unions in recent years.<sup>8</sup> Others suggested that there may have been fewer ballots because the unions had become less likely to challenge management's decisions. Because ballots had not featured prominently in their experience, respondents were not really in a position to make any overall assessment of the effectiveness of a union's threat to ballot members on industrial action.

### **Other areas of law**

Only one of the other changes to strike law in the 1980s was identified by respondents as important. This concerned secondary action. Traditionally blacking - legally secondary action - has been a significant part of the dispute tactics of unions in the printing industry. By the time of our interviews this particular form of industrial action had all but disappeared; none of these companies reported any experience of it. One respondent expressed the view that the decline of corporate groups, as well as the law, was responsible for the demise in sympathy action by workers at other companies, in the same group as a company involved in a dispute.

There was more evidence that companies were ready to try to take advantage of the weak legal position of individual workers who take industrial action. Five respondents said that they would be prepared to threaten to dismiss workers who took action short of a strike, although one of these said that this would only be done in relation to major industrial action. A perceived decline in the strength and authority of the printing unions had contributed to management seeing this tactic as a more effective response to actual or threatened industrial action than hitherto.

### **5. Perceptions of the 1980s**

In addition to questions focused on use of the law (if any) in relation to particular events, respondents were asked some more general questions on their perception of the climate of industrial relations in the 1980s and the role of the law in this context.

## **Negotiations**

All respondents agreed that over the 1980s managers became more hardline in negotiations with trade unions; one respondent preferred to say 'firmer' rather than 'more hardline'. It should be noted that none of them had withdrawn from or varied any of the established negotiating arrangements which, as already noted, included a major role for national negotiations conducted by the BPIF.

## **Personnel function**

Five respondents believed that personnel specialists were less important than they had been in the past. There was, however, a perceived need to provide workers with information in times of change and to consolidate management's authority. As already noted, three companies had introduced new methods of communication. Two others had made ad hoc efforts to give important information to the workforce in group meetings but in one of these this was only done after consulting the unions.

## **Industrial action and the law**

Two respondents agreed, one strongly, and five disagreed, one with some reservations, with the statement that the most important factor affecting whether or not industrial action had taken place in the 1980s had been the law. Five stressed the importance of internal factors and shopfloor relations: four of the five thought that these were more important than the law. There was a range of their views among respondents on the importance of the law as a factor in their own dealings with trade unions: three said that the law had not been at all important, two said fairly important, one important and one very important. This needs to be seen against the background of the very limited experience among these respondents of 'use' of the law in negotiations with unions. But respondents nevertheless recognised that the law might have contributed to greater management freedom in decision making.

## **Strike ballots and accountability of union officials**

Without exception respondents agreed that the legal obligation to hold ballots before industrial action had been a good thing for trade unions. Of the six respondents who expressed a view, five thought that union officials had become more accountable to their members; the sixth thought that they had always been accountable. Respondents' comments indicated that they thought that employers benefited from trade unions becoming more 'democratic' and 'accountable'.

## **6. Conclusions**

In looking at the impact of changes in the law in the 1980s we have been particularly interested in first, the 'use' that employers have made of the changes and second, trade union responses to a more restrictive legal framework. This survey has thrown some light on the first of these issues. Government policies on industrial relations are mediated through employers and trade unions and the existing arrangements between them, which may be longstanding. A key question, therefore, is how far employers have seen use of the law to be inconsistent with other aspects of industrial relations which are important to them.

In general, these managers did not see the law to be particularly relevant to their own experience. For this reason their responses did not suggest the same

general level of awareness of changes in the law as that shown by respondents in other sectors. The one area of the law which did, however, seem to be widely appreciated was employers' rights against individual workers who take industrial action. The law had not disrupted established industrial relations practices: where necessary, for example ballots before industrial action, it had been accommodated within these practices. Nevertheless most of the little industrial action which these companies had experienced was unballoted. It was, however, too shortlived to justify consideration of a legal response. There were no clear indications of how the companies would react if faced by major industrial action. It is pertinent to recall that in the 1980 dispute the BPIF's attempt to raise a levy on members to support those experiencing industrial action was unsuccessful, as was its call for sympathy action in the form of lock outs. Nothing in the information we received suggested that there would now be a different response should a similar situation reoccur.<sup>9</sup>

In painting a picture in which the influence of the law seems to be limited, there are three points which need to be born in mind. First, it is necessary to emphasise that it is misleading to attempt to measure the influence of the law by reference to overt threats of legal proceedings, let alone the incidence of labour injunctions.<sup>10</sup> The law can have an influence on collective labour relations in more subtle ways by contributing to a shift in the balance of power. In one particular case, a respondent company had established its freedom to recruit without necessarily seeking the prior agreement of what is now the GPMU. Second, it might be thought that employers in general printing would benefit from the adverse experience of the printing unions in legal proceedings arising out of disputes with national and provincial newspapers.<sup>11</sup> Only one of our seven respondents, however, referred to these developments as having any influence on general printing. Our research on the trade union side confirmed that the newspaper and general printing sectors were seen to be quite distinct and that management - and trade union - approaches in the two sectors were markedly different.

The third point is perhaps the most important. This is the extent and nature of the transformation in general printing between the late 1970s and early 1990s. By contrast with the newspaper industry, considerable change had been achieved in printing without major confrontation with the unions. Union officials at chapel and national level were generally seen to be co-operative, and although only two respondents had made extensive use of the disputes procedure, all agreed that it had been a factor in avoiding industrial action. Similarly the law, while not a prominent feature of the management of the process of change, was seen as a background factor of real, if limited, significance.

## ENDNOTES

\*Jane Elgar was a Research Officer in the Centre for Economic Performance 1990-93 and Bob Simpson is Senior Lecturer in Law and a member of the Centre for Economic Performance at the London School of Economics and Political Science.

1. The instrument of amalgamation provided for NGA and SOGAT branches to merge no later than 1996; there is no deadline for chapel mergers, the pace of which continued to be influenced by their response to local circumstances.
2. It may be noted that working time was in general a difficult issue for local negotiations; the level of overtime working continued to be high at the end of the 1980s.
3. In 1993, after the period covered by this survey, no national agreement was reached on the GPMU's pay claim. The overall result of local negotiations with individual employers was a matter of dispute between the BPIF and GPMU. See the Financial Times, 14 August, 1993.
4. Changes to the procedure during the period under review included making the final stage, reference to an independent chair, conditional on the agreement of both sides. Few such references were made and in general many disputes which were referred into the procedure were resolved without even reaching national level.
5. The industrial action followed the introduction of overtime shortly after the company had made a number of workers redundant.
6. Similar threats to hold strike ballots were made against some of the larger companies in the industry during the 1991 negotiations.
7. This may reflect a view among some branch officers that major concessions should only be made at national level.
8. It should be remembered that these companies negotiated with the Amalgamated Engineering Union (AEU) and Electrical, Electronic, Telecommunications and Plumbing Union (EETPU) -now merged into the Amalgamated Engineering and Electrical Union - as well as with the printing unions. The AEU had a long tradition of postal balloting in elections, though not on industrial action; the EETPU regularly balloted on pay offers, if not industrial action as such. It is also the case that at least by the early 1990s it was general policy in the printing unions to comply with the law on ballots before industrial action.
9. Some industrial action was reported in connection with the local negotiations which followed the failure to reach national agreement in 1993. See the

Financial Times, 14 April, 22 June, 27 July, 5 August 1993.

10. We were informed by the BPIF that there had been maybe as many as twelve cases where BPIF members had sought labour injunctions.
11. See Gennard J., (1990), *A History of the National Graphical Association* Unwin Hyman: London, chapter 14.