

Title	A re-examination on the theories of industrial relations
Sub Title	
Author	Mori, Goro
Publisher	
Publication year	1967
Jtitle	Keio business review Vol.6, (1967.) ,p.33- 49
JaLC DOI	
Abstract	
Notes	
Genre	Journal Article
URL	https://koara.lib.keio.ac.jp/xoonips/modules/xoonips/detail.php?koara_id=AA00260481-19670000-03919648

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A RE-EXAMINATION ON THE THEORIES OF INDUSTRIAL RELATIONS

by

Gorō Mori

Foreword - The Problems and Our Object

It dates back to the 1910s and 1920s that the term Industrial Relations came to use in the United States and Great Britain. In America "The U.S. Commission on Industrial Relations" published its reports in 1912-15, and the word is found in Tead & Metcalf, *Personnel Administration*, 1st ed. 1920, assumedly one of the oldest classics on personnel administration in America. And in Britain, "*Survey of Industrial Relations*" was published by the "Committee on Industry and Trade" in 1926. Yet these books gave no conceptual definition of the term, leaving it unclear what differences lay from customary Labor (or Labour) Relations.

It may be said, however, that a new word is used where customary words fail to be perfectly appropriate. This was the case with Industrial Relations because, for instance, the said "*Survey of Industrial Relations*" was composed of chapters on Population, Wages, Conditions of Labour, Unemployment, Machinery for Industrial Negotiation and Statistics Tables, covering not only employer-union relations in a narrow sense but also social and labor-economic backgrounds of a wide scope, though without conceptual definition. Later on since the 1940s many books titled with this word have been published, but there is not always coincidence among the literature on the definition or relevant scopes, and we have only John Dunlop, "*Industrial Relations System*," 1958, as typically theoretical study.* By the end of 1950s common elements in the contents became recognizable to a certain extent, differences of views among scholars yet remaining on various points.

In Japan the scope to be covered by the word had formerly been treated

*Beside Dunlop, we may be able to mention W.Y.Owen and H.V.Finston, "*Industrial Relations*," 1964, and see theoretical efforts of D.Yoder as will be observed later.

under a word *rōshi kankei* (relations between labor and capital) implying opposition relation, by students in the problems of labor union or social policy. Since around 1950 a word *rōshi kankei* (labor-management relations) has been used in official as well as popular terminology, partly in connection with the argument of separation of owner and management. It is uncertain whether this "labor-management relations" can be taken to represent the outright Japanese version of Industrial Relations, but, putting aside this matter for a while, it is doubtless that the concept of Industrial Relations, different from the previous concept of relations between labor and capital, has attracted widely among theorists of social policy, industrial sociology, business administration, labor law and so forth. And gradually a common concept has been formulated to some extent following progresses in American and British literature, yet undeniably theoretical inquiry has been incomplete on the concept, scope and internal structural nexuses.*

We now have the International Industrial Relations Association, and since March 1968 the Japan Industrial Relations Research Association. It may be said that basic study of the problem has become an urgent task. Of course the writer has no ability to present an allround view of his own at once, but in this essay wants to review salient points observed in some important literatures in America, Britain and Japan that seem useful for approaching to the problem, and through comparative study of them to point out major theoretical issues that are requiring further inquiry. I am afraid if this paper should involve various errors and imperfections since the problem refers to a new-developed field, but I shall be happy if it could serve to future advance as a dead stone or a work-up stand.

I. The Current of Study on Industrial Relations in America

As stated above, in America the term IR (henceforth Industrial Relations will be written in this simpler form) had been used since fairly long ago but its clear definition was hardly seen till the 1930s. In 1938 D. Yoder published "*Personnel Management and Labor Relations*," which in the second edition of 1942 was re-titled "*Personnel Administration and Industrial Relations*." This book was provided with a chapter for discussing the approach to the IR problems (chap. 3), in which he mentioned for a most universal approach (1) emphasis on social problems (unemployment, long hours, low living levels, child labor, unemployment insurance, old age pensions, family allowances, and terms of collective bargaining provisions etc.), (2) scientific problems, i.e., economic, psychological, physiological and sociological, (3) psychological

*Some contributions can be found in Prof. Ichirō Nakayama, "*Rōshi Kankei Ron* (*On Industrial Relations*), Text of correspondence lecture on Labor problem, 1967; Prof. Mikio Sumiya, (*On Industrial Relations*), in ditto ed., "*Rōshi Kankei in Japan*."

problems of business management. In so far the scope of IR was clarified to some extent, but the concept and internal nexuses were not yet defined. However, a noteworthy point is that, while the concept of IR in the 1920s-30s broadly implied labor relations and surrounding labor-economic conditions, Yoder took into his consideration those problems of personnel affair and business administration.

And in 1951 R. A. Lester, in his *"Labor and Industrial Relations"*, took IR to include not only dealings between labor organization and management but also the overall area of labor, covering wages, productivity, employment security, hire practices of management, union policies and government's behaviors on labor problems (chap. 3). It is to be noticed that herein "government's behaviors" was included. Robert D. Leiter, *"Labor Economics and Industrial Relations,"* 1952, comprised, beside subjects of labor economics, chapters on labor organization, collective bargaining, labor dispute and social security, in which "behaviors of management on labor relations" and "regulation and legislation by government on collective bargaining and labor dispute" and the like were taken into account.

The above works placed focal viewpoint of IR on labor relations, additionally including labor economy or government's legislation as the backgrounds (except Yoder who took up the aspects of personnel and business management), whereas Charles Wiederman, in his *"Labor Management Relations,"* 1959, maintained to separate treatment of IR from labor relations, even stating "It is quite apparent that the administration of IR is largely a matter of dealing with people" (*ibid.*, p. 6). Obviously this idea involves a bias, yet it can be taken to mean a repulsion against previous views focused on labor relations, hence an expansion of the concept of IR.

While the above illustrated works did not go beyond plane-some presentation of the scope of IR, there were a few books of business economics in which structural formulation of theoretical base is observable. For instance, Bethel, Atwater & Stackman, in *"Industrial Organization and Management,"* 1950, have written:

"IR cover the following realms; (1) labor relations, that is, relations featured with workers' complaints, collective bargaining, representatives of union, etc., (2) employee relations, that is, relations about recruitment and selection of workers, maintenance of employment, recreation, etc., (3) public relations, that is, contact of enterprises with stockholders, consumers and potential employees" (*ibid.*, p. 457).

Herein the "Industry" of IR is taken to denote "body of enterprise" and IR are to mean relations of contact between enterprises, individuals and social groups related. There is seen a wider extension of idea akin to this in J. Aspley & E. Whitmore, ed., *"Industrial Relations Handbook,"* 1944, 1950. This may be said a kind of the "theory of relation" resembling the "Theory of Taikyo" (Theory on the relations between enterprise and its environmental

social forces) of Prof. Akira Yamashiro.

The scope of problems concerning IR has been clarified by these views, but the question about its conceptual definition has remained still unclear. It is by John Dunlop, *"Industrial Relations Systems,"* 1958, that a most theoretical pursuit and systematization have been performed on the issue, but prior to Dunlop we can find Dale Yoder, *"Personnel Management and Industrial Relations,"* 4th ed. 1956, in which the definition, scope and internal nexuses have been discussed to some extent. So first let's see the view of Yoder.

Yoder says:

"This broader field (it means IR...writer) is concerned with all the behavior that grows out of and is associated with employment relationships. The range of these associations is very broad, including relationship involved in finding jobs and changing jobs; relationships with employment services and vocational counselors; relationships among employees; relationships of employees with supervisors, managers, and other employees; relationships of employees with unions, of unions with members, and of unions with other unions. Industrial Relations is thus the designation of a whole field of relationships among people — human relationships that exist because of the necessary collaboration of men and women in the employment processes of modern industry." (ibid. pp. 3-4)

He further argues internal structural nexuses existing within this wide scope:

"This division of the field of IR into two large sections may be clearer if the whole range or area is first regarded as including all the processes by which human or manpower resources are developed and combined with other resources through employment. They are to combined to produce the goods and services we all want. Our major objective in these processes is to insure the best possible development and application of our human or manpower resources. In a free society, this disposition is largely accomplished through labor-marketing processes operating in vocational guidance, public and private employment services, and numerous educational facilities. All of those activities fall in the broad area of labor marketing. They are the subject matter of college courses in labor economics, labor marketing, vocational guidance, employment psychology, and others. The second major division in industrial marketing is concerned with the effective utilization or application of human resources in employment. It focuses on employment relationships on the job. It includes, for example, the recruitment, selection, and placement of job holders. It is concerned also with compensation, motivation, training, rating, promotion, and numerous other aspects of employment.

Within this manpower or labor management division of industrial

relations, several subdivisions may be identified. The term labor relations has come to refer to in-employment relations among employers and organized groups of employees, especially employer-union relationships. Personnel management or personnel administration has come to be restricted in careful usage to employers' activities in dealing with employees as individuals. Personnel management, when so used, refers to such activities as selection, training, rating, and counseling. (ibid., pp. 4-5)

This explanation is shown in the table below:

Industrial Relations or Employment Relations (Relationships arising out of employment processes)	
(A) Manpower Marketing (finding and changing jobs; planning careers vocational guidance; choice, and training; the allocation or disposition of manpower resources)	(B) Manpower Management (Employee Relations) on-the-job development, application, and utilization of human resources; which includes:
(a) Individual marketing and bargaining by unorganized employees,	(a) Personnel administration (Relationships of employers and individual employees)
(b) Collective bargaining by unions for their members.	(b) Labor relations (Relationships of employers and groups of employees, especially employer-union relationships)

Yoder's argument is, so far as the scope of IR is concerned, not so much differed from the previous views; say, a consolidation and systematization of the latter. But a particularity lies in that his approach is made from the angle of manpower, which constitutes the fundamental of his theory. It may be called an important progress that he has distinguished the realm of outside-business relations, i.e., employment process of *social* manpower, and that of inside-business relations, i.e., utilization of *employed* manpower; and further that he has put a consolidation on the wide scope of IR by dividing the manpower management into the personnel management referring to individuals and the labor relations referring to groups. And furthermore on the problem of concept he has given a definition as following, "The whole field of relationships among people — human relationships that exist because of the necessary collaboration of men and women in employment processes of the modern industry," (ibid., p.4) and pointed out that (1) the relations have arisen by the moment of employment relations and (2) the relations are not simple groundless ones but human relations born from the necessity of cooperation among people. These are unique points and deserve to call a progress as compared with the past arguments that were almost lacking in clear definition of the concept.

However, Yoder has given little explanation about how the said "government's behaviors," which the above cited R.A. Lester's book included in the

scope of IR already in 1951, are to be woven into his theory. In other words he has not directly answered the question of "actors or parties" of IR, which later has been taken up by Dunlop, Richardson and others as will be observed below. And, although Yoder has consolidated the scope of IR in the form of distinction between outside versus inside business and individual versus group, he has not touched the problem of "level of IR", that is to say, on what a level the IR is formed. It is to be highly esteemed, however, that he has tried a systematization on the scope and concept of IR, which, expanding itself through historical fluctuations, is still staying in confusion. Yoder's systematization has been rendered more precise and minute by Dunlop, *"Industrial Relations System,"* 1958.* Before going into Dunlop, however, a brief survey shall be made on British literature on IR, which bears features somewhat different from American views corresponding to the differences in social background, labor organizations and so forth.

II. *The Current of Study on Industrial Relations in Great Britain*

As has been mentioned in the foreword, in Britain the term IR came into use in the 1920's, but in the above referred *"Survey of Industrial Relations,"* it was used to include labor-economic backgrounds and the mechanism of industrial bargaining (shop committee, joint industrial council, national conference on industry and economy, and voluntary bargaining and agreement). Such a way of thinking with focus on organized labor relations is influential in Britain as is seen, for instance, in the item of IR in *"Everyman's Encyclopadia"* which defines them as "relations between employers' and employees' organizations," and gives historical descriptions on related regulations by the state alone.

In Allen Franders and H. A. Clegg, ed, *"The System of Industrial Relations in Great Britain,"* 1st ed. 1954, while no conceptual definition being given, the contents of IR have shown a further step out of the customary boundary of previous literature to include not only organizational labor relations but also affairs of personnel management and human relations, and besides to describe legal frameworks of government. These elements are treated, however, as social backgrounds; the focal point is placed on organizations of labor and management, collective bargaining and joint council system, exhibiting no substantive change from the customary British way of thought. This applies also as to the Ministry of Labor, *"Industrial Relations,"* rev. ed., 1961, in which are described, besides organizations of labor and management and collective bargaining, also the mechanism of joint negotiation in private and nationalized industries as well as the national measures and systems on labor-management relations such as mediation, arbitration and fact-finding by the state. A note-

*A germ of theorization is seen, beside Yoder, in F. H. Harbison, R. K. Burns and R. Dubin, "Toward a Theory of Labor-Management Relations, in *Insight into Labor Issues*," ed. by R. A. Lester and Joseph Shister, 1948.

worthy point is a chapter titled "Industrial Relations at the Place of Work" in which problems of personnel management and bargaining mechanism at level of work-place or company are mentioned. In short, in Britain the customary idea of placing the trunk of IR on the relations between organizations of labor and management has been followed, to which, however, after the War have subsidiarily been added matters of personnel administration and governmental measures.

Against the background of these achievements, a systematization of the studies has been performed by J. Henry Richardson in his *"An Introduction to the Study of Industrial Relations,"* 1954. He says:

It (IR....writer) is concerned with relations between parties in industry, particularly with the determination of working conditions.... The emphasis, however, is upon "relations," human relations in the processes of production. (ibid., p. 12)....Such relations existed between the master and craftsman in the medieval age, between workpeople and employer or capital owner after the industrial revolution, and in the nationalized industries as well. (pp. 12-14.)....In the modern society the parties of industry are workpeople and management. (p. 13.)...."IR can conveniently be divided into four parts: that is, (1) Relations within the undertaking. (2) Collective relations, (3) The functions of state, (4) International aspects." (p. 19).

Thus he has taken up the problem of the levels of IR formation, and made a distinction between the direct parties and the state. This makes a difference as compared with Dunlop to be observed later.

In short, the current in Britain of the study on IR is largely centered on organizational labor relations and legal regulations by the state. Some writers such as Flanders & Clegg or Richardson have observed the problems of personnel administration and those of human relations (here *human relations* seem to be used in a wide sense, not one implied in Mayor's study). However, the conceptual definition is not clear, excepting Richardson, and the scope covered is not so manifold as in America, being grasped as relations between parties at respective levels and state's regulations upon them. And the contents of "relations between parties" are not fully analyzed. American way of grasping—that is, relations between union and employer, or between employee and management, or between employee as individual or group and management—can hardly be seen. And the position of personnel management, if mentioned, is not clear; whether it is identical with employee-management relations within enterprise or at work place, or it denotes managerial activities on the side of enterprise. (This seems to reflect relative backwardness of the study on personnel management in Britain.) On the other hand, the problem of the levels of IR, which has been neglected in America, is clarified to some extent, supposedly reflecting relative advance in the institutionalization of labor and management organizations in Britain.

as compared with America. This makes a contribution to future study.

In the above I have made a glimpse of major literature of IR study in America and Britain. Between the two countries differences of nuance of studying are recognizable, but after all in either country incompleteness may be pointed out in the fulfillment of conceptional contents and in the systematization of internal nexuses inside the realm. It is permissible, however, to see step-by-step progresses in the study, if still incomplete, toward materialization and clarification of the points in question. It may be said that Dunlop has attempted theorization and systematization on the ground of these past studies. So in the following sections a summarized comment on his "*Industrial Relations Systems*" shall be presented, and further on an overall examination of the problem will be made on the base of these works.

III. Outline of John Dunlop, "*Industrial Relations Systems*"

As this Dunlop's book has already been introduced, and put on critical comments, by a number of writers in Japan,* and most of our readers may have had a perusal on it, in this essay explanation of details will be omitted and only essential points will be described for an overall examination of the problem.

First, he writes on the definition of IR:

"Thus, industrial relations are problems of a general type of workers and managers. The relations among these workers and managers, and their organizations, are formally arranged in the industrial society outside the family and distinct from political institutions, although the family and political institutions may in fact be used to shape or control relations between managers and workers at the industrial work place." (*ibid.*, p. 4).

A point to be noticed here is that he has introduced the relations between workers and managers, in addition to those between respective organizations which were the sole subjects in most previous arguments. One could say this does not deserve special mentioning since it is observed already in Yoder and Richardson, but I should like to stress the difference from old views with focus on relations between organizations.

Second, in the above definition Dunlop maintains that the problems of IR are not limited to modern industrial society, but pose themselves alike in pre-modern society and irrespective of political form. (He says they are possibly born even in socialist countries, and shows an analysis of the case of Yugoslavia in the book.) This idea is based on the thought of industrialism,

*Hideaki Okamoto, *Rōmukanri to Rōshikankei*, (Personnal Administration and Labor-Management Relations) in *Nihon Rōdō-Kyōkai Zasshi*, No. 100; Mikio Sumiya, *Rōshi Kankei Ron* (Industrial Relations) in ditto ed., *Nihon no Rōshikankei* (Industrial Relations in Japan).

in which the meaning of managers and workers is abstractly solved into that of managing persons and working persons. Such a view is observable also with Richardson. Indeed such a relation can exist in the abstract sense, but in the real world what are existing are obviously the workers and managers being concretely conditioned by respective system of free enterprise or public enterprise or socialistic industry. I think it acceptable, however, that in every society workers and managers exist if with particularities corresponding to respective industrial or political forms.

Third, the features and composition of this book are summarized by the words in its title page (introduction) as follows:

“Professor Dunlop sets forth the concept of Industrial Relations System. A new approach to the field of IR, this theory presents the IR systems as a dynamic unit composed of four basic factors; three groups of actors — workers, managers and governmental agencies; a complex of rules — agreements, statutes, orders, decrees, regulations, awards, policies, practices and customs — which define status and govern conduct; An environmental context comprised of the existing technology, markets and budgetary constraints, and the power relations and status of actors; and ideology which is shared by the actors.”

These words summarize the theoretical structure of the book. A unique point is that IR are grasped not as simple relations between employees and managements, but as a system of “dynamic unit” of formal and informal rules that represent concrete shapes of “environmental context” and “relations”, and actors’ ideology. Items of IR, which in most books have been grasped as a plane-plate realm, are now systematically posited as environmental context or rules. And another new element is the actors’ ideology, which has been hardly mentioned in any book. A further particular point is that governmental agencies are added to one of the parties side by side with workers and managers, whereas in previous literature such agencies have been taken as a restraining or controlling power placed upon the parties of workers and managements. This makes, however, a debatable point as will be observed later.

Fourth, in this book managers and workers, the subjectives of IR, are taken to imply respective hierarchies. The hierarchy of workers includes not only labour unions but also shop committees, political parties and clubs as well as unorganized workers. The hierarchy of managers includes owner-managers, managers of private, public enterprises or mixed (e.g., Tennessee Valley Authority) bodies. Thus hierarchy differences are taken into account on both workers and managers, to find out correspondence with varietifulness of the nature of IR. One might say this is only natural, but it has been left untouched.

Fifth, in this book (1) technology, (2) market, (3) budgetary constraints and (4) relative distribution of social power in the larger society are referred

as the factors of "environmental context." Among them the former three are taken to exert influence on the character of the side of management through business scales, location, distribution of factories and degree of competition, while the last named relative distribution of social power works on both sides of labor and management. If so, we must at once present a question whether the major factors influencing on the characters of labor and management should be confined to the illustrated factors. Obviously therein must be taken up such issues as the character of labor-supply market—we have much praise-worthy performances on this subject thanks to studies in social policy—or the influences worked by technological structure on manpower structure. And further considerations should be made on the fact that the character of capital market defines the hierarchy and nature of managers, as well as on the patterns of enterprises that have connection with personnel policies of individual enterprises.*

Sixth, the "set of rules to govern the actors" majorly regards to rules at work place and in work community (*ibid.*, p. 7, 14), but formation of IR systems is discussed also with respect to levels of firm, industry, nation and inter-nations. Among them, formation of national IR systems is analyzed in detail, especially with the point that it is determined by the steps of economic development of the country and world-historical features of the time (Chap. 8). In other words, it seems that Dunlop has in mind IR systems on every level of firm, industry, nation and inter-nations. It is worthy to note that he has taken up the problem of level, since it has been ignored except some remarks by Richardson.

Seventh, his concept of "relations" in IR is not always clear as has been stated already, but, it seems, he is not on the same view with Yoder or Richardson or I. Nakayama (in *Rōshikankei Ron*) who have defined them as "human relations" in "employment process of modern industry" or "production process" or "industrialization." But in view of his words:

"It (IR...writer) has been a crossroads where a number of disciplines has met—history, economics, government, sociology, psychology, and law. Industrial relations requires a theoretical core in order to relate isolated facts, to point to new types of inquires, and to make research more additive. The study of I.R. systems provides a genuine discipline," (*ibid.*, p.6)

It seems to be a logical necessity to introduce the results of studies on human relations in sociology and psychology. Hence it remains to be a question whether the problem of "human relations" can be left untouched.

In the above I have reviewed the contributions given by Dunlop's "Industrial Relations Systems" and some problems arising out from comparison

*In Japan the problem of capital-hierarchy has not been studied from a viewpoint of business pattern vs. manpower pattern, although it has been discussed in the form of big, medium or small business.

with other theorists. Limitation of space prevents me from referring to the views of Professors Nakayama and Sumiya, representative ones on IR in Japan, which will be mentioned in the next section of Conclusive Examination in so far as it is necessary.

IV. Conclusive Examination of the Studies on IR

In the above three sections I have described outlines of the studies on IR in America and Britain, and particularly with Dunlop, and tried some examination of them. A comparative consideration can present us some basic or principal points to be reexamined. In this section a conclusive examination will be made placing focus on debatable points, and the writer's views will be described.

(1) On the Shift of Study from Labor Relations to Industrial Relations

As observed already, the term IR was seen already in the 1910s and 1920s, but until the 1950s its conceptual focus was placed on the relations between organizations of labor and management, notably labor conditions; in other words the same concept with previous concept of Labor Relations, although some expansion of the concept was recognizable, with a little difference between America and Britain. In Britain progresses of study toward IR from LR were achieved through absorbing into its realm labor-economic conditions and national labor policies. In America, in addition to the problems of labor economy and national policies, already in 1942 D. Yoder (op. cit., 2nd ed.) stated: "IR are characterized by the inclusion of managerial behaviors, i.e., the realm of personnel administration, along with the social problems." Further in Aspley and Whitmore, ed., "*Industrial Relations Handbook*," while primary position being given to Labor Relations, an idea of stabilizing relations between enterprises and outside-enterprise social forces (employee, employee's family, the public, regional community, the press, government, etc.) was notably introduced into the scope of IR.

In short, the study in labor problems, which had been erected in the moment of striking development of labor union movement during a period from the end of 19th century to the early 20th century, made advance as kernel in labor relations, that place focus on the determination of labor condition between labor organization and employer, but by the 1910s there was in its context a new term of IR, a new concept different from previous Labor Relations, in accompany with institutional establishment of labor markets and national measures for regulation and institutionalization of labor relations. In the concept of IR there was still implicitly involved the thought of institutional order within industry centering on Labor Relations. And before a consolidated definition of concept was given to IR, the institutional order itself began to fluctuate and met a crisis following the beginning of the third step of general crisis of capitalism, from the end of the 1920s to the 1930s.

which resulted in decreased practical desire for IR study. Hence this period made a blank in the study.

In the postwar 1950s, however, the relative stability of capitalism under general crisis, together with the qualitative and quantitative establishment of socialism, again required study from a new angle on the relations between labor and management. The study meant a systematization of labor-management relations within capitalistic system on the one hand, and a general theory of relations taking socialistic system into consideration on the other. The latter said standpoint has inevitably come to combine itself with industrialism. Beginning in the 1950s, especially after its second half, the study was changed to one covering, beside the scope of relations between organizations of labor and management, relations between managers and employees, as we have seen in America and Britain. In the case of Dunlop a concept of IR has been formulated that grasps them as a structure of dynamic unit of formal and informal rules on the hierarchies of workers and managements being influenced by environmental conditions. Yoder has formed the concept of IR including outside-enterprise labor order and inside-enterprise one, that is, manpower marketing and manpower management. Within such orders of labor of both outside and inside enterprise, former Labor Relations, focused on collective bargaining, are posted as one of the relations, and in the inside-enterprise order management-employee relations, including individual bargaining, hold a high position.

The above view of mine is not, I believe, a simply formal interpretation, for in a number of major books on IR published in the latter half of the 1950s, the motive to IR study, or its task, is stated as follows. For instance, Yoder in 1956 has written (op. cit., 4th ed.) "Industrial Relations is thus the designation of a whole field of relationship among people — human relationships that exist because of the necessary collaboration of men and women in the employment processes in modern industry," (ibid., p. 4) and he cleared that IR are a concept in the context of formation of collaboration between people under employment. In Britain, A.E.C. Hare has said "The starting point of the study of IR must therefore be the fundamental causes of the unhappiness of mankind at work," (*The First Principles of Industrial Relations*, 1958, (p. 2). Richardson has put in 1959 "The establishment and maintenance of satisfactory relations in industry is one of the main social and political tasks in a modern community." (op. cit., p. 12). Thus we could say that it is a historical inevitability that IR study, gradually expanding its contents from IR study in a narrow sense of the beginning of this century, has made a shift to a study of institutional social order of industry.

One thing must be mentioned here. Although such a shift of study from Labor Relations to IR has been a historical inevitability, various ways of approach are possible. While the most popular standpoint in America and Britain is to find the task in "establishing and maintaining" social order of

free society, it might not mean that IR study must always take the standpoint of "maintaining" such institutional social order. There might be standpoints that put objective analysis and find the possibility and limit, or find contradictions within such social order. What is meant here is only that study from this analytical standpoint has been few in foreign literature. On the other hand, the standpoint of Japanese study in labor-management relations from a viewpoint of conflicts of social classes, that has a long history in Japan, may be able to fulfill its substance on the ground of such structural and functional studies.

(2) *On the Parties of Industrial Relations*

Most of the researches mentioned above naturally have made reference to the parties, or actors, of IR. The problem of parties is most essential for any theory of "relations," whose grasp has no small influence on the sphere and nature of the relations. In the early stage of IR study, the parties were grasped as organizations of workers and employers as stated already. The sphere of such subjectives has been expanded mainly by Yoder, Dunlop and Richardson. Yoder has extended IR, besides organizations of labor and management relations between individual employer and labor union, between employee and manager or supervisor, between employees themselves, between union leader and members, and between unions. This is because he expands IR down to "human relations on employment process," hence, not only relations between hierarchies of labor and management but also relations within each hierarchy in a multi-dimensional way. It is doubtless, however, that he regards, among such multi-dimensional relations, those of employer to individual employee, group of employee and union as the most fundamental ones. In this respect it may be said rather questionable that organization of employers is not included, since such organizations of industrial or regional form really exist in America, although bargaining by individual enterprise is common. On the other hand he has advanced a step toward clarification in that he classifies workers into individual employees, non-union group of employees and labor union, along with his emphasis on management-employee relations. And, while taking up outside-enterprise vocational guidance and training, he has not made it clear whether government is to be included into the parties, and where it is to be posited. This is a point less clear than in Richardson or Dunlop.

Richardson mentions management and worker as the "parties in industry." The management means entire hierarchy of management, and the worker covers clerical workers, technical personnel, administrative staffs and operational workers (op. cit., p. 26). Labor union and employers' organization are also taken up. So IR include, it seems, relations between employers' organization and labor union as well as those between management and employee. It is noteworthy that he has spoken of "function of state," positing it not as the subjective of IR but as a regulator of relations.

In contrast to these two theorists, Dunlop has provided a chapter of "The Actors in a System" in his book, making three ones — hierarchy of management, hierarchy of worker, and government's specialized agency — the subjectives of IR system. This three-ones theory has been accepted to some extent in Japan, notably by Pro. Nakayama (*op. cit.*, p. 19). However, Nakayama differs from Dunlop in that, he maintains, labor union plays the "leading role" among the three, labor policies and enterprise's personnel administration filling mere "supporting role."

We see now that even on the problem of the subjective, that looks rather simple, opinions are not uniform. In my view it seems most reasonable to make them comprise the hierarchies of management and worker. For, in the real world where both labor and management are stratified in respective grades of organization as well as patternal structure, the term hierarchy looks most fitted. Excepting the case of nationalized enterprises where the state stands as the employer, in private industries the direct parties are truly employer and worker. Dunlop counts government into the subjectives, but in this context governmental agencies are observed from the angle of the "setter of rules"; direct parties of relations are made up of the former said two, as he himself clarifies (*op. cit.*, p. 9). So the position of government should be taken as an effective outside-regulating factor, say, "regulator or intervenor" as is expressed in many British literatures.

(3) On "Relations"

Now, what meanings should be given to the "relations" that are constituted between the parties or subjectives. Primarily the difference of position between worker and employer is formulated only through employment, namely transaction of manpower — an economic relation. So the base of "relations" of IR must be an economic relation, employment. Therein capitalist, who purchases manpower, and laborer, who sells it, make up the fundamental parties, yet the transaction can be performed on various levels, that is to say, between employer and individual worker (individual agreement contract), between individual employer and employee's union, between individual employer and trade union or industrial or regional labor union, or between industrial or regional employers' organization and industrial or regional labor union.

Once employment relation is agreed on certain labor conditions, the laborer as employee must engage in given labor, while the employer, by himself or by his agency, administrative hierarchy, faces the employee as the bearer of set of managerial tasks such as business policy, planning, organizing, control and merit rating. Here management-employee relations are born functionally. Activities for smooth formation and maintenance of such relations make the task of personnel administration. The management-employee relations are constituted on both levels of enterprise and work-place. And, since

the functions constituting such functional relations are beared by living man, these relations formulate social relations within enterprise at the same time. In other words, the employer-worker relations of IR are formed first as social relations grounded on economic relations, and then as social relations connected with specific functional (technical) relations, thus formulating two-dimensional or double relations.

A recent argument of this two-dimension theory is seen in the late Pro. Fujibayashi *Rōshikankei to Rōshi Kyōgi-sei* (Union-management Relations and the Joint Consultation Plan), 1963, Chap. 1. Pro. Sumiya has referred to this theory as a Fujibayashi's theory, (Sumiya, ed., *Nihon no Rōshi Kankei*, pp. 25-27), but, to beg a pardon for speaking of my own affair, I have still earlier expressed this view in an article, insisting that IR involves double relations, namely management-employee relations and employer-union relations (Mori, *Rōshi Kankei* (Employee-Employers' Relations) in "Labor Problems," (one of series on the fundamental problems in Business, Diamond-sha, 1953).

By the by, if the "relations" of IR are interpreted, as Yoder has done, as "human relations arising out from the employment process of industrial society," they must be very multi-dimensional, including not only employer-union and management-employee relations he has suggested but also relations between employees themselves, those between union and members, those between unions, as well as those concerning employment services, vocational guidance and etc, in labor markets. This may be a logical result of Yoder's interpretation. Indeed it might not be impossible to extend the concept of IR to these items if taken in a wide sense. Yet among these relations a distinction should be made between fundamental and subsidiary ones, the former being employer-union and management-employee relations, as observed above. One thing to keep in mind is that the said two-dimensional relations have respectively many levels and that there are various sectors of industry divided by the status of ownership (private, nationalized, mixed or socialistic industries) in which IR presents respectively different features. However, throughout them there exist common problems irrespective of political or economic system as has been pointed out by Yoder, Richardson and Dunlop alike, and I also agree with them.

Next, I wish to give a consideration briefly to the propriety of taking the meaning of "relations" as human relationships. As observed above, both Richardson and Yoder have defined IR as human relations, and also Pro. Nakayama, in his "*Rōshi Kankei Ron*," has stated "Employer-worker relations are reduced to *particular* human relations born in the modern process of industrialization." (p. 4). Indeed all social relations are ultimately nothing but human relations, yet the man in IR is a man under specified definition, incapable of being solved into man-in-general. Union leader, member and employee are alike "man", but are given *particular* definitions unable to abstract. If these definitions are abstracted, there are neither laborer nor

manager. Therefore I must suspect if the relations of IR could be abstracted to human relations.

It must be admitted that the study in human relations beginning at Mayor's work was primitive in its early stage, detracting relations of classes and pursuing abstract human desires or general principles of human behaviors. But in later stages the study has advanced toward a direction of grasping human behaviors as a synthesis of rational behaviors of man-in-concrete, under realistic definitions of classes, occupations and etc., and irrational and emotional behaviors. In view of this, I think, the parties of IR should be none but employer and union leader or management and workers, being subject to real definitions; IR should not be solved into simple human relations for the reason that principles of human relations in general are reflected in such concrete social relations. At the same time it might be possible to say that IR is absorbing into itself the principles of human relations approach.

(4) On Internal Nexuses within the Scope of Industrial Relations

The studies on IR in America and Britain have more or less taken into view some subjects outside the realm of direct labor management relations, for instance, population, labor conditions, unemployment, job security, personnel administration system, government's labor policy, labor market and so forth. And Dundop has referred, as environment context, to technology, market, national budget, relative strength of social powers, rules in the society of work place and ideology. How should these related realms and environments be posted within IR in its direct sense, and in what internal nexuses be understood? These should pose a problem in the study of IR, which, however, has been discussed only by Yoder and Dunlop, at least directly if done by others indirectly. So lastly I shall refer to this problem briefly.

As stated above, Yoder has defined IR as "all scopes of human relations arising out from employment process" and systematized these into the outside-enterprise "Manpower marketing" and inside-enterprise "Employee relations," the latter being further divided into the personnel administration (individual employee-employer) and the labor relations (employer-union or employer-employees' group). In his arguments, however, it is unclear how labor policies, other than occupation policy, are woven into the whole scope, and the problem of levels of personnel administration and labor relations is left untouched. And as to personnel administration and labor relations — which mean direct labor-management relations — few remarks can be found with regard to the patterns of enterprise and worker, which produce differences by nations, industries and enterprises. Contrastively Dunlop has adopted a new concept of IR systems, in which systematization into dynamic unit of four fundamental factors has been made to grasp differences by nations or industries. This is

obviously worthy to call a big contribution, even though he seems to have borrowed some thing from other writers in the idea.

② He has not made clear, however, by what means the nexuses themselves, the center of IR, are to be grasped. He seems to have thought that the nexuses, abstract matters, can be brought to concreteness through rules, formal as well as informal. He sets five patterns of formulating such rules (*op. cit.*, pp. 12-14), which can be regarded as concrete expressions of employer-worker social relations. Often government participates or intervenes to rule-making, but the subjectives are to be management or labor or both, the government acting as helper or intermediary. It appears that Dunlop has thought that the environment factors work to define the characters of the two subjectives. Then, it must be said, there exist other factors defining their characters; the personalities or "ideologies" of nations; the nature of capital market may determine the nature and scales of enterprises — owner's enterprise or outside-capital enterprise or autonomous enterprise by self-financing — which affect enterprise's character side by side with technological structure. And as for the character of manpower, it may be decided by the actual structure of labor which is affected by technological constitution and the balance between the pattern of demand for manpower, to be determined by technological constitution and business scale, and that of supply of manpower, to be dependent on the nature of its market. And even in the cases where government, as legislator, apparently plays the role of rule maker, it acts as a reflector of the Dunlop's "social power relations within the larger society," that is, backing power relations between social classes such as political parties, pressure groups or public opinions.

In so far as the above view is justifiable, we must conclude that, even though the Dunlop's theory of dynamic unit of factors is plausible, internal structural nexus of his "four fundamental factors" is somewhat plane-some. However, such unclearness in the internal nexuses might be saved by thinking as follows: the subjectives of IR are hierarchies of both labor and management, each being divided into levels; the fundamental social relations (two-dimensional relations) between subjectives of each level are grasped concretely in the form of formal and informal rules, which are formulated under control or intervention by government's labor policies; the nature and behaviors of the two subjectives are defined by various environmental conditions and national personality, while those of government are subject to "social power relations of larger society." Thus Dunlop's plane-some "four fundamental factors" could be systematized into fundamental relations and controlling and effecting relations.

This paper provides only a naive dessan, leaving many debatable points uncleared. I wish readers shall take it as a trial, a dead stone, of mine for theoretical study on Industrial Relations.