

Comparing Employee Relations in Great Britain, Sweden, and South Africa

Yue Zuo, Haixuan Zhang, Jiao Li

Central iron & steel research institute Co,LTD, Beijing 100081, China.

Abstract: Building positive employee relations can attract and retain employees, improve employee productivity, increase company loyalty, and exert other positive effects on business organizations. This essay compares welfare states and labor laws in Great Britain, Sweden, and South Africa. Several studies have compared welfare states, statutory working-time regulations, employment protection legislation, statutory pay minima, and statutory work councils across various regions. Here, we define and compare employee relations with industrial relations in addition to our comparison of welfare states and employment laws in three countries; we outline the factors affecting the development of employee relations accordingly. The constructs of welfare state and employment law developed in this study may have a noteworthy impact on future research.

Keywords: Employee Relations; Welfare State; Labor Law; Business Performance

1. Introduction

Competitiveness among business organizations has intensified in today's era of economic globalization. To a certain extent, employee relations affect development potential. For companies, building positive employee relations can attract and retain a strong work force, improve employee productivity, increase company loyalty, and exert other positive effects on the organization. Previous researchers have compared the specific aspects of employee relations, which differ substantially in various countries. This essay will compare several aspects of employee relations in Great Britain, Sweden, and South Africa.

First, we compare the definitions of industrial relations and employee relations. Second, we analyze the welfare policies of Great Britain, Sweden, and South Africa. Third, we outline the labor laws in those three countries and the factors which impact the development of employee relations. We go on to discuss how managers seek the optimal business performance in their distinct employee relations context and develop relevant conclusions. We argue that significant differences exist in several aspects of employee relations in Great Britain, Sweden, the United States, and South Africa including conflicts between organizations and individuals. It is difficult for managers to optimize business performance in certain employee relations contexts.

2. The definition of industrial relations and employee relations

Industrial relations represents an interdisciplinary field encompassing various employment-based relationships ^[1]. Industrial relations are the foundation of employee relations. According to Kaufman ^[2], there are three aspects to industrial relations: Science-building, problem-solving, and morality. Some scholars believe employee relations are similar to human resource management ^[3]. One possible implication of employee relations is a complex relationship between owners, executives, managers, and workers. Indeed, employee relations are dependent on their social environment and the basic perceptions of employees. Employee relations contain statutory regulations on working time, welfare policy, statutory work councils, employment protections, and more. Compared with industrial relations, employee relations is a more general concept that is less focused on unions and collective bargaining. According to Ogilvie ^[4], the biggest difference between employee relations and industrial relations is that employee relations target problems for non-unionized employees; industrial relations center on the difficulties (e.g., conflict) faced by unionized

employees. Industrial relations also cover various employment situations, however, and are not confined unionized workforces.

3. The welfare policy in Britain, Sweden and South Africa

The welfare programs available to Swedish employees primarily manifest in the country's unemployment insurance system, which includes basic insurance and voluntary income-related insurance. Basic insurance is conditional; it covers individuals who meet basic work conditions such as earnings of 320 SEK per day, age over twenty years, and seeking work via the employment office. Voluntary income-related insurance requires that employees take part in one of the 36 independent unemployment funds. According to Lundgren ^[5], unemployment insurance requirements include that individuals work a minimum number of hours each week and actively seek new positions.

The welfare system of Great Britain is “liberal” by definition; its purpose is to enhance health, education, employment, and social security ^[6]. In South Africa, up to 25% of individuals receive some manner of government welfare grant and the number is higher for female citizens than males ^[7].

South Africa and Sweden provide different types of welfare. The primary purpose of welfare is to provide individuals with working opportunities rather than distributing money to them directly. In South Africa, non-governmental welfare organizations and religious organizations tend to provide more assistance to citizens ^[7]. The South African government also prioritizes welfare for families over individuals. Per its national cultural values, the South African government encourages family members to care for elderly relatives rather than relying on welfare policy. As a result, welfare in South Africa rarely benefits the elderly.

4. The labor law in Britain, Sweden and South Africa

Labor law arbitrates the relationship between employees, employers, employing entities, trade unions, and the government. Employment protection legislation is, arguably, a procedural obstacle hindering employers from terminating their employees ^[8]. Collective bargaining agreements are based on the Swedish model of self-regulation, which plays a significant role in regulating employee relationships in Sweden. Kjellberg outlined workplace issues such as working time, statutory pay minima, and other legal rights that are in accordance with the Swedish model of self-regulation.

In Great Britain, employment laws serve to adjust relations among employees, employers, and trade unions. Today, these regulatory functions are similar between Great Britain and Sweden. The Factory Acts and the 1823 Master and Servant Act were the first laws regulating employment relations in Great Britain. The Equal Pay Act of 1970 began to protect the legal rights of female workers, particularly pay equality. In addition, since 1997, British labor laws began to protect maternity and paternity leave. Employment rights (e.g., health and safety), working time, child care access, occupational pensions, income tax, insurance, and other protections currently exist under British labor law. Workplace participation such as trade unions, collective bargaining, direct participation, and other factors are also protected. Equality, as an essential part of employment law, protects against discrimination and atypical working conditions; job security also plays a significant role in labor law including protections against unfair dismissal, redundancy, or unemployment.

As for South Africa, there numerous labor-related issues such as conflicts between employees and employers. There are specific and clear labor regulations in South Africa, including those implicitly stated in the Constitution. There are boundaries between implicit and explicit labor regulations, the latter of which are specific to each category of job. Implicit regulations include the Labor Relations Act 66 of 1995, the Basic Conditions of Employment Act 75 of 1997, the New Employment Equity Act 55 of 1998, and the Skills Development Act 97 of 1998.

5. The factors which impact on the development of employee relations

It is difficult for managers to optimize business performance in certain employee relations contexts. Various factors may impact the development of employment relations. Communication is an important such factor, as failure to clearly communicate between employees and employers creates conflicts that negatively impact working efficiency. Positive, effective communication improves employee relations and minimizes conflict to enhance operational efficiency while bolstering employees' trust in the business. Leadership style also affects employee relations: If employees do not support or understand their managers' leadership styles, they will (indirectly, perhaps) begin to suspect their managers' motives. Certain leadership styles also place undue pressure on employees which

negatively affects their performance.

The conflict factor itself also plays a key role in employee relations. Conflicts in business organizations are created by differing views, needs, desires, interests, and demands. Internal conflicts can occur between employees and employers or vice versa. Enterprises must avoid or resolve conflicts to improve employees' performance. Whether companies treat employees fairly is an important factor influencing employee relations. For employees, "fairness" not only includes their treatment at work but also whether they receive equitable salaries and benefits in comparison to others.

Employee-relations management is problematic for several reasons. First is a lack of common pursuit – for example, where employers seek company profitability while employees seek personal salaries. The pursuit of short-term profits may positively impact the standards for managing internal employee relationships. An imperfect incentive system may reduce employees' motivation and thus affect employee-relationship management.

Managers can indeed optimize business performance without sacrificing favorable employee relations. For example, they may take special measures encouraging employees to agree understand their leadership style and the long-term vision of the company. An effective incentive system including reasonable salary increases, comprehensive training, and regular promotions can improve employees' working efficiency and motivation, thus regulating the relationship between employees and employers. As argued by Collins, a good leader has the qualities of consistency, perseverance, integrity, and positive leadership style.

6. Conclusion

This essay analysed the welfare states and labor laws of Great Britain, Sweden, and South Africa. Though there are substantial limitations and shortcomings in current employment relations, managers can better regulate the relationships between employees and employers using targeted and well-informed approaches. Several previous studies have compared welfare states, statutory working-time regulations, employment protections, statutory pay minima, and statutory work councils in various regions. Though the present essay has limitations, we have defined and compared employee relations with industrial relations, as well as welfare state and employment law contexts across Great Britain, Sweden, and South Africa. We outlined the factors affecting the development of employee relations and provided suggestions for managers seeking to optimize business performance while improving employee relations. The constructs of welfare states and employment laws developed in this essay may have implications for further research.

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