

# Dunlopian Industrial-Relations System: A Myth or Heuristic Device?

Oladejo Abiodun Omotayo  
Department of Sociology, University of Port Harcourt  
[abiodun.oladejo@uniport.edu.ng](mailto:abiodun.oladejo@uniport.edu.ng)

ALLWELL OME-EGEONU (PhD)  
Department of Sociology, University of Port Harcourt, Rivers state, Nigeria  
[allwell850@yahoo.com](mailto:allwell850@yahoo.com)

## Abstract

This paper looks at the industrial-relations system popularized by John Dunlop with a view to answering the poser – “a myth or heuristic device? Attempt is thus made to conceptualise myth and heuristic, and the conclusion drawn from that is that myth hardly depicts the industrial-relations model postulated by Dunlop. It is argued that nonetheless the weaknesses and inadequacies of Dunlopian model; it is still a veritable medium for explicating the nature and dynamics of the phenomenon of industrial relations. Also, the paper holds that Dunlop’s theory laid a foundation for scholarly discourse on employment relationship by actors in industrial relations and the theory still remains relevant till date especially now that its failings are being addressed by neo-Dunlopian thinkers.

**Key words:** Myth, heuristic, industrial relations and industrial-relations system.

## Introduction

The realm of economic activities is an overly important aspect of social life. The production, distribution and consumption of goods and services constitute a wide spectrum of structural activities which engender employment, profit maximization and socio-economic relationships in any given society (Oladejo, 2014). As argued by Marx, productive activities are not carried out in vacuum, but in the context of social relationships because man links up not only with nature but also fellow men in the process of social production (Ntete-Nna, 2004). Consequently, a panoply of social relationship, which Marx terms “social relations of production”, results. The gamut of interests between parties in this relationship is an object of multi-disciplinary discourse; hence, various scholars have attempted theoretical examinations of industrial system. One of such scholars is an American scholar, John Dunlop. He was 14th United States’ Secretary of Labour under President Gerald Ford between March 1975 and January 1976 (Wikipedia, 2014). He came to be recognized in the post-war United States as the most influential figure in the field of industrial relations. According to him, industrial relations system consists of three agents – management or its agents, workers and formal/informal ways they are organized and government agencies. Dunlop’s approach to industrial relations was based on the then fashionable sociological theory of social systems of Talcott Parsons (Rogowski, 2000). It is his theory of industrial-relations system that this paper is aimed to evaluate.

## CONCEPTUAL ISSUES

### Myth

Epistemologically, myth derives from a Greek word “muthos” which literally means the word of mouth. It can be likened to oral tradition of passing information from one generation to the other. Myth or oral tradition is most associated with pre-literate societies (Ifeanacho, 2001). Another thing about myth is that it is largely unreliable and can hardly scale through scientific enquiry.

### Heuristic Device

Heuristic is an English word derived from the Greek word “heuriskein” and it means to discover (Encyclopædia Britannica, 2012). It also connotes an aid to learning and problem-solving by experimental and especially trial-and-error methods.

### Theory

According to Ekpenyong (2008), theories are a set of interrelated generalizations which are combined in such a way that they explain why things happen, predict what is likely to happen under certain conditions and generalize beyond specific data at hand. Theory is the outcome when the prediction that is inferred from a set of premises is confirmed to be true (Anikpo, 2006). Ekpenyong earlier cited identified three functions of a theory:

- (a) It explains observed events in a systematic manner.
- (b) It predicts the outcome of events and relationships.
- (c) It systematically summarizes existing knowledge.

Finally, Jary and Jary (2000) defined theory as “any set of hypotheses and or propositions linked by logical or mathematical arguments, which is advanced to explain an area of empirical reality or type of phenomenon.”

It is important to evaluate the relationship between myth, heuristic and theory as this is critical to the understanding of how to classify Dunlop’s analysis of industrial relations. It is clear from the foregoing that they do not mean the same thing but what they all have in common is that they are used for explicating realities.

### **Industrial Relations**

Canadian Task Force on Labour Relations (cited in Anderson and Gunderson, 1982) defined industrial relations as “the complex of market and institutional arrangements, private and public, which society permits, encourages or establishes to handle superior-subordinate relationships growing out of employment and related activities.” The kernel of industrial relations is multi-variate interests that are organized into productive activities and how these interests are managed. Industrial relations will cover such aspects of work organizations as determination of wages and benefits, disputes, collective bargaining and organizations of employers and employees.

### **Major Themes of Dunlop’s Theory and its Critique**

Dunlop’s theory of industrial relations was presented in 1958 in his book entitled, *Industrial Relations Systems* (Anderson and Gunderson, 1982). Dunlop argued that the industrial-relations system comprises three sets of actors – government, employees and their association, and employers and their associations – who are bound together by a common ideology. For Dunlop, the patterned and recurrent interactions of these actors produce the main output of the industrial-relations system, a “web of rules” of the work place and the work community (Anderson and Gunderson, 1982). Dunlop posited that the actors exist within the technical, market, and power contexts of the system which are considered as the determinants of the web of rules, each context having a selective impact on a subset of rules (Anderson and Gunderson, 1982). Dunlop’s theory has certain building blocks and they are discussed below.

**The web of rules** – His argument is that employment relationship in any industrial system culminates into a set of rules and regulations which will govern the relationship. The rules and regulations define and specify rights and obligations of actors in the industrial system. Dunlop gave two types of rules – substantive and procedural, in industrial system. Substantive rules will include general work conditions, welfare package and remuneration considerations. Procedural rules have to do with the methodology adopted by industrial actors to ascertain substantial rules. These will include collective bargaining, grievances, promotion, transfer or layoff. Web of rules are standard, expected behaviours of actors in the industrial-relations system (Anderson and Gunderson, 1982).

**The actors** – In Dunlop’s view, industrial-relations system is a tripartite relationship involving three actors, government, employers and their associations, and employees and their associations. Government as an actor in the industrial-relations system may have dual posture. It could be a regulator establishing both substantive and procedural rules that govern industrial relationship, and it could also be an employer of labour. Web of rules essentially is a consequence of actions of these actors.

**The contexts of industrial relations** – For Dunlop, industrial-relations system exists within the framework of environmental or external economic, technological, political, legal and social forces that impact employment relationships. He, in fact, adopting Parsonian system analysis, considered the industrial-relations system as an analytical subsystem of an industrial society (Dunlop, 1958). Dunlop also argued that the type of substantive and procedural rules as well as the degree to which they are more or less favourable to one set of actors is largely dependent on the nature of the context in which parties interact (Anderson and Gunderson, 1982). The contexts – market, technical, and power, within which industrial-relations system subsists, has the capacity to shift balance of power between the parties, increasing the probability of favourable outcomes to one of the parties.

**The role of ideology** - This has to do with common sentiments or understanding that actors in industrial-relations system have that make for establishment of substantive rules and enforcement of procedural rules. Collective bargaining is one of such mechanisms subscribed to by actors in industrial-relations system that helps to fashion and implement substantive and procedural rules.

Dunlop’s theorizing has received much critique because of its inadequacies. Rogowski (2000) has criticized Dunlop for considering the industrial-relations system as an analytical subsystem of an industrial society on the same logical plane as an economic system. This, according to Rogowski, deviates from Parsonian view in which

industrial-relations is a subset of the economic system. This criticism holds because Dunlop leveraged on Parsonian social system analysis while developing his theory.

Another criticism of Dunlop's work was on the basis of applicability or inapplicability of Dunlop's industrial-relations system. This according to Anderson and Gunderson (1982) is problematic because the theory did not provide unifying framework sought for the field of industrial relations, and hence it did not have as pervasive an impact as was hoped. They also argued that the most critical position against Dunlop's theory is that it is only a taxonomy which has resulted in descriptive rather than exploratory research. Arguing further, they posited that while the industrial-relations system identified a number of components of the system – context, actors, rules and ideology – the linkages between these components were, in large part, left unspecified.

### **The Falsification Test**

Jary and Jary (2000) defined falsification as the “empirical disproof or refutation of a scientific hypothesis or proposed law. Karl Popper popularized this methodological position and it is concerned about how theories are formulated. For Popper, what makes a theory scientific is that its predictions are precise and confirmed by test (Haralambos and Holborn, 2008). Popper suggests that scientists must vigorously test their theories and maintain objectivity. The crux of Popper's falsificationism is that an inductive universal generalization can never be finally verified, given the ever-present possibility of new and potentially refuting evidence, a single non-supporting occurrence can refute a hypothesis (Jary and Jary, 2000). For him, “falsifiability” rather than “verifiability” is what makes a theory scientific or not. So, scientists must continuously try to falsify their theories, and the ability of the theories to stand the test of falsification is critical for ascertaining and concluding that they are scientific (Haralambos and Holborn, 2008). He argued that natural sciences have developed laboratory experiment to attempt the falsification of earlier postulated theories.

The question here is that, has Dunlop's industrial-relations system passed falsification test? The answer is not farfetched in the face of very many damaging criticisms against it. But what is key here is that nonetheless the failings of the theory or the contention as to whether or not it is a scientific theory, it is an aid to learning which has provoked intellectual inquiries into the nature and dynamics of industrial relations. It is also noteworthy that science – whether natural or social – has also been accused of internal contradictions, complications and biases. Even falsificationism, as a methodological approach, has received many criticisms too, in that it is considered as failing to fit the past and present of science, and if used strictly would likely cripple it (Jary and Jary, 2000). So, Dunlop's model is closely related to scientific theory or at least, it is a learning aid – heuristic - and cannot be said to be a myth – oral tradition. It is important to summate that the weaknesses and inadequacies of Dunlop's industrial-relations system have been taken care by neo-Dunlopian scholars who have attempted the modification of Dunlop's model to suit realities that Dunlop did not predict.

### **Conclusion**

It is not debatable that there is no absolute truth. If there had been absolute truth, man would have ceased looking for knowledge or expanding the frontiers of already existing ideas. So, it is a given that dialectically an idea may not stand infallible for a long time, but what one thing one must not lose sight of is the capacity of such an idea to explicate realities and engender further debate. It is on this premise that Dunlop's industrial-relations system is largely considered a heuristic device and not a myth. The relevance of the theory cannot be justifiably thrown away because it dominated industrial thoughts for a long time and it is still useful for the analysis of industrial system till today.

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