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ILRReview

Volume 57 | Number 2 Article 81

1-1-2004

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Labor-Management Relations

Industrial Relations to Human Resources and Beyond: The Evolving Process of Employee Relations Management. Edited by Bruce E. Kaufman, Richard A. Beaumont, and Roy B. Helfgott. London: M. E. Shape, 2003. xxi, 532 pp. ISBN 0-7656-1205-4, $89.95 (cloth).

This book is the latest in the series *Issues in Work and Human Resources,* edited by Daniel J.B. Mitchell. The chapters are selected from the 75th anniversary symposium of *Industrial Relations Counselors, Inc.* (IRC) held in September 2002. IRC has been in existence since 1926, when, in the wake of workers' unrest, John D. Rockefeller established it as part of his support for appeasement policies aimed at *managing* labor-capital conflict. The chapters in this book are in a direct line of descent from that early purpose and orientation.

Co-authored by the editors and thirteen other contributors, the fifteen chapters in this collection are in three sections. The first section is concerned with the early stage of welfare capitalism, which witnessed the birth of IRC and human resource management (HRM); the second section, with the history and development of HRM; and the third section, with HRM in the twenty-first century.

An overview of politics and economics in the 1920s is provided by Roy Helfgott in the first two chapters and serves as an introduction to industrial relations (IR). This is followed by Bruce Kaufman's discussion, in "Industrial Relations Counselors, Inc.: Its History and Significance," of capital's need for cooperative labor-management relations in the early part of the century. Employers became aware only by degrees that Taylor's *Scientific Management* was not the last word on workers.

In the next chapter, which opens the book's second section, Kaufman argues for the essential unity of interests between labor and management. I disagree with Kaufman's apparent acceptance, in this chapter, of the view that people can be reduced to "human resources." Also objectionable, in my opinion, is the characterization of workers' revolt against poor working conditions, a high rate of industrial accidents, poverty, and life in ghettos or labor camps as a romanticized "epic struggle." For Kaufman, the conflict between labor and capital is *naturally* dissolved through gain-sharing forms of compensation, the articulation of formal labor policies, and provisions for employee benefits, ending in "today's concept of high-performance organizations" (p. 7).

In the next chapter Sanford Jacoby shows how HRM grew out of the problem of high turnover rates. High turnover rates were not seen as indicating workers' dissatisfaction with existing working conditions, but rather as a *problem* that HRM could solve. Chapter 6, by John F. Burton, Jr., and Daniel J.B. Mitchell, discusses the rise of employee benefits and social insurance. In the absence of national health insurance, the authors emphasize, trade unions bargained for health-insurance coverage with employers, and many non-union firms followed suit.

In Chapter 7, "Incentives and Structure: Development of Pay Practices in the Twentieth Century," Mitchell analyzes how social and economic factors, business, and trade unions have influenced industrial compensation programs. These influences have led to four basic types of compensation: time-based wages, social welfare benefits, incentive plans, and risk-sharing with employees (p. 224).

The title of the following chapter, "Advancing Equal Employment Opportunity, Diversity, and Employee Rights: Good Will, Good Management, and Legal Compulsion," is itself suggestive of a paradox implicit in HRM practitioners' view of business in the 1970s. Why should the law have to play an important role if "good will" and "good management" are the norm? Jonathan Leonard, the author of this chapter, perhaps inadvertently underscores that paradox when he writes, "The law was needed to help [employers] do what they knew was right" (p. 292).

Essential to the correction of management's continuous failure to do what is right—and, a cynic might say, of its "good management" and "good will"—has always been workers' voice in the workplace, which is the subject of the next article, by Daphne Taras. Taras optimistically concludes that "today, when North American industrial leaders turn their attention to people matters, they are inclined to think about performance-based compensation, individual systems on input, and employee involvement" (p. 325). One wonders what the employees of Enron and WorldCom might say to that.

Industrial relations issues outside North America are discussed in Morley Gunderson and Anil Verma's chapter, "Industrial Relations in the Global Economy." The authors see globalization as IR's most pressing challenge and its greatest opportunity. Based on their consideration of the rationale and role of labor standards, the ILO, codes of fair competition, and international labor federations such as the International Confederation of Free Trade Unions, Gunderson and Verma conclude that international legislation for collective bargaining is unlikely. They expect international industrial relations to be shaped by an interplay between market and social forces, as the three core actors in IR (the union, the state, and employers) negotiate the changing status quo.

Internationalization is also a theme high on Paul Adler's agenda in "Towards Collaborative Interdependence: A Century of Change in the Organization of Work." Adler argues that a trend toward collaborative interdependence is evident in the progress from welfare work to scientific management, human relations, system rationalization, employee involvement, and, finally, the current stage of Business Process Re-Engineering. Adler observes, however, that "[there is a] gap, often a huge one, between the rhetoric of work organization as expressed in management literature and the reality of work organization as experienced by workers" (p. 392).

The third section starts with Richard Beaumont, Carlton Becker, and Sydney Robertson's "HR Today and Tomorrow: Organizational Strategy in Global Companies." This study of nine multinational corporations addresses the question of how HRM adds value to the business. The authors urge the HRM field "to work out if and when it needs to be an employee advocate, the conscience of the institution, provoker of modified managerial behaviors, a sociological soothsayer predicting the effects of external forces on the business, or some combination of all these" (p. 416). The two remaining chapters in the book's third section, both discussing a wide range of HRM issues, are William Brown, Geoffrey Latta, and Roderick Mullett's "Selected HR Issues" and Richard Beaumont's "Challenges and Balance."

In the final chapter of the collection, "Transiting from the Past to the Future," Richard Beaumont identifies several stages in the development of labor relations over the 75 years since the inauguration of IRC, outlines present conditions, and makes recommendations for the future. His historical summary sketches the conflicts between labor and capital that led to the Ludlow Massacre, a key event that resulted in a changed approach to the "labor problem"; the professional "humanistic" approach that subsequently took shape; the achievement of a balance of power between management and labor; and the shift in focus, in recent decades, from conflict to integration and interest alignment. Despite the broad trend away from conflict-prone practices, Beaumont observes, some managers still follow short-term goals with little concern for workers. He acknowledges that HRM must support business goals, but calls for continuing efforts to achieve a balance between business and employees. IRC, he says, has played a vital role in this development.

The considerable space devoted in this volume to examination of how two management support functions, IR and HRM, have developed over the past 75 years contrasts with the brevity of the authors' attempts to predict the role of HRM in the 21st century. The last two chapters, both by Beaumont, concern themselves less with prediction than with admonition: Chapter 14 outlines ten challenges to HRM, and Chapter 15 draws lessons from the past. Perhaps the apparent reluctance to play oracle is attributable to the underdevelopment of theory in IR and, even more so, in HRM. In both fields, John Dunlop once said, "mountains of facts have been piled up on the plains of human ignorance" (*Industrial Relations System,* 1958, pp. vi–vii). The mountain-building continues.

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Economic and Social Security and Substandard Working Conditions

Low-Wage Workers in the New Economy. By Richard Kazis and Marc S. Miller. Washington, D.C.: Urban Institute Press, 2001. 360 pp. ISBN 0-87766-705-5, $32.50 (paper).

Welfare reform, which culminated in the passage of the Personal Responsibility and Work Opportunity Act in 1996, represented a dramatic shift in public policy away from an income support approach toward a work-based approach to poverty reduction. Coupled with a strong economy in the late 1990s, welfare reform re-