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European Integration and Industrial Relations: Multi-Level Governance in the Making

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Following the book's theoretical examinations of the process of developing deep smarts are sections in which the authors skillfully draw out direct and practical implications for managers and employees. Many of their key points and suggestions are directly applicable to human resource management practices used within organizations.

While I certainly enjoyed reading this book and wholeheartedly recommend it to others, it has several limitations related to the sample used. First, while many insights can be gleaned from an examination of companies that operate in highly uncertain and evolving conditions, it is not clear whether, or to what extent, these insights are applicable to more established, larger, or more stable organizations. Although the authors are careful to include examples—ranging from NASA and General Electric to emerging and very young companies—that span a wide range of circumstances, most of the discussion focuses on innovation related to the Internet economy. Second, although the authors note that deep smarts may exist at all levels of an organization, not just among top managers, the respondents who provided data for this study were predominantly top managers and their coaches (venture capitalists, industry mentors, and the like). Not all of these high-level workers were seasoned and well established in their positions, but even young CEOs and managers in start-up ventures play organizational roles that obviously differ from those played by, for example, blue-collar workers or professional employees whose jobs are not focused on the overall strategic direction of the company.

These limitations, however, do not seriously detract from the value of this book. Using tools from a wide range of academic disciplines, the authors have trenchantly analyzed real world examples of deep smarts and provided a framework for understanding both their nature and how to cultivate and transfer them. Given the growing importance of employee, and organizational, knowledge as a critical component of organizational functioning, business strategy, and competitive advantage, a book focusing on deep smarts is certainly timely. For anyone interested in knowledge management, this book is a great resource and a pleasure to read.

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International and Comparative

European Integration and Industrial Relations: Multi-Level Governance in the Making. By Paul Marginson and Keith Sisson. Basingstoke, Hampshire and New York: Palgrave Macmillan, 2004. 360 pp. ISBN 0-333-96866-2, \$65.00 (cloth).

Some books and articles get known for the bold and extreme nature of their arguments, arguments that more often than not are unsupported and simplistic. This book gets it right by doing just the opposite. With a fine attention to detail, Marginson and Sisson describe the complex nature of the evolution of industrial relations in integrated Europe. Their method is institutional industrial relations at its best. The data derive from a series of thorough company- and sector-level studies conducted through a number of projects and with the help of various teams of researchers. A "governance" perspective is used to analyze how industrial relations are evolving at workplace, company, multi-company, sectoral, national, and European-wide levels.

Given the wealth of information and subtle analysis the authors provide, I am tempted to stop here and merely state that to know what is going on in European industrial relations you should read this book. If you need further convincing, then continue to read as I summarize the authors' key findings, but recognize that my summary will not do justice to the quality of the analysis.

On one side of the great debate regarding Europeanization are those claiming that European industrial relations is in the death-grip of an Americanization involving de-unionization, decentralization, and the fatal weakening of union power and social democratic regulation (what might be called the Euro-pessimist position). On the other side are those who see a movement toward, or at least still hope for the possibility of, a leveling-up to a social Europe through the emergence of an active and social democratic European level of social regulation and industrial relations (the Euro-optimist position). Marginson and Sisson see developments in both directions, and what is most striking is that the seemingly contradictory tendencies are shown not to be inconsistent. Marginson and Sisson clarify, for example, how it could be that while on the one hand there is a spread of decentralized collective bargaining, replacing previous multi-company or sectoral

forms, there has also been a spread of social pacts and meaningful European-level initiatives, such as European works councils. To see how both centralization and decentralization can be occurring at the same time and in a manner that is not contradictory, you will have to read the book.

Marginson and Sisson also argue that how changes are occurring is as important as the outcomes of change, both because the process of adjustment matters for its own sake and because choices made by the parties regarding process ultimately affect outcomes. One way the authors make room for process in their analysis is by adopting a governance perspective in which industrial relations is viewed as a multi-level system involving mixed motives (that is, shaped by both distributive and integrative interests).

In addition to analyzing various levels of industrial relations, Marginson and Sisson focus on the role of multi-national corporations (MNCs). They see MNCs as a key force promoting diversity in workplace employment practices and corporate industrial relations strategies. Developments at MNCs also matter because it is those firms that are bound by the European Works Council Directive, and that have thus become (in the authors' words) a "focal point for the Europeanization of industrial relations" and (in my words) in some ways also a centralizing force, even though they are simultaneously bringing more variation to industrial relations practices within countries. Here again Marginson and Sisson provide a coherent logic to explain what might at first glance appear to be contradictory and inconsistent tendencies.

While the process of change in labor-management-government interactions matters, Marginson and Sisson are attentive to employment outcomes as well. They focus in particular on wage developments and observe a movement toward "convergence without coordination." While I find their comparative analysis of national wage, price, and productivity trends insightful, here is a rare case in which I have doubts about the accuracy of the data. Specifically, I wonder if aggregated data reported by country truly capture wage or productivity developments. Those national data must be measuring something, but I am not sure they reflect industrial relations outcomes, since bargaining primarily occurs at company and sectoral levels. I would like to know what company or sectoral wage and productivity data show.

I cannot emphasize enough the wealth of

insight provided by Marginson and Sisson. They provide a truly comparative analysis organized around thematic issues rather than the much too common country comparisons. Anyone interested in what is going on in European industrial relations—indeed, anyone who wishes to learn how to study industrial relations anywhere—should read this book.

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Nonstandard Work in Developed Economies: Causes and Consequences. Edited by Susan Houseman and Machiko Osawa. Kalamazoo, Mich.: W. E. Upjohn Institute for Employment Research, 2003. 520 pp. ISBN 0-88099-264-6, \$70 (cloth); 0-88099-263-8, \$26 (paper).

Flexible Work Arrangements: Conceptualizations and International Experiences. Edited by Isik Urla Zeytinoglu. New York: Kluwer International, 2002. ix, 298 pp. ISBN 90-411-1947-7, \$150.40 (cloth).

Increases in flexible work arrangements have become a global phenomenon in the past two decades. These two edited volumes successfully describe the features of this growth, its causes, and its labor market implications in developed economies. The editors and contributors focus on core concerns associated with proliferating nonstandard work arrangements, including whether such arrangements spread job insecurity, low pay, lack of various benefits, and reduced career prospects; why some types of arrangement are more widespread than others in a given country; and whether these arrangements affect some groups more than others within a country.

Houseman and Osawa's *Nonstandard Work in Developed Countries: Causes and Consequences* addresses these questions with rich information and rigorous analyses. Through empirical and legal research, the contributors examine the roles of labor market performance (such as the level of unemployment) and institutions (for example, tax and welfare policies and protective provisions for standard and nonstandard workers) in determining both the job quality of nonstandard work and the prevalence of these arrangements.