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[Review of the Book *The Evolution of the Modern Workplace*]

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[Review of the Book *The Evolution of the Modern Workplace*]

Abstract

[Excerpt] Taken as a whole, *The Evolution of the Modern Workplace* can be seen as fulfilling two different, but equally important roles. The first is as a compendium of information and data on key aspects of workplace employment relations. One could imagine it serving as an excellent assigned reading for a graduate seminar on British employment relations as well as a useful reference guide and handbook for researchers in this area. At the same time, the contributions to the volume also combine to provide a picture of employment relations system change that should shape thinking in this field and inspire future research. The volume fills this second role in part because it captures the evolution of workplace employment relations during a period of major transformation of the system. Most notably from an industrial relations perspective, this era saw a major decline in union membership levels and in collective bargaining coverage. Attendant to this shift were a series of other, interconnected changes: the increased legalization of employment relations; the increasing influence of the EU on the UK; the decline of manufacturing and rise of private service sector employment; the rise of human resource management and high involvement work practices; and the growing influence of foreign ownership.

Keywords

employment relations systems, workplace, union membership, Great Britain

Disciplines

Labor History | Labor Relations | Unions

Comments

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The Evolution of the Modern Workplace Edited by William Brown, Alex Bryson, John Forth and Keith Whitfield. Cambridge University Press, Cambridge, UK. 2009. ISBN 978-0-521-51456-9.

The British Workplace Employment Relations Surveys (WERS) represent the best source of data on the evolution of any single country's industrial relations system and workplace employment practices. What is unusual about the WERS surveys is that they provide both a series of snapshots of workplace employment relations across three decades and a great breadth of information that allows examination of a wide range of workplace issues with authoritative data sources. The strengths of the WERS are evident in this volume, which includes chapters investigating a wide range of different subject matter, written by a veritable who's who of leading British industrial relations scholars, drawing on evidence from the 1980 through 2004 WERS surveys (or WIRS as the early versions were designated).

Taken as a whole, *The Evolution of the Modern Workplace* can be seen as fulfilling two different, but equally important roles. The first is as a compendium of information and data on key aspects of workplace employment relations. One could imagine it serving as an excellent assigned reading for a graduate seminar on British employment relations as well as a useful reference guide and handbook for researchers in this area. At the same time, the contributions to the volume also combine to provide a picture of employment relations system change that should shape thinking in this field and inspire future research. The volume fills this second role in part because it captures the evolution of workplace employment relations during a period of major transformation of the system. Most notably from an industrial relations perspective, this era saw a major decline in union membership levels and in collective bargaining coverage. Attendant to this shift were a series of other, interconnected changes: the increased legalization of employment relations; the increasing influence of the EU on the UK; the decline of

manufacturing and rise of private service sector employment; the rise of human resource management and high involvement work practices; and the growing influence of foreign ownership.

The first key theme running through a number of contributions to the volume is the declining reach of collective representation, with only 38 percent of workplaces in the 2004 WERS recognizing unions compared to 64 percent of workplace in the 1980 WIRS. This has led to a general weakening of union bargaining power. In chapter 3, Blanchflower and Bryson document the diminished economic impact of British unions, such as the relatively small 5-6 percent union membership wage premium. Interestingly, they find that this weak union wage effect has been accompanied by a decline in negative union effects on employment growth such that union employment effects disappear after 1990. What this appears to be capturing is a general phenomenon that as the ability of unions to extract unusual above market advantages for their members, so also some of the more negative impacts of collective bargaining on economic outcomes are also disappearing. Unions may produce less goods, but also fewer harms. Why has this happened? In chapter 2 of the volume, Brown, Bryson and Forth argue that increased product market competition was a key driver in the transformation of British labor relations. They provide a convincing array of evidence that competitive pressures were a major factor. Most noteworthy is the especially steep decline in unionization levels in industries that were suffering declining profit levels over this period.

The declines in British union membership and weakening of union power are dramatic. However, just as striking, and more unusual from a comparative perspective, is the degree of shift in employment away from manufacturing and towards the service sector. Table 1.1 of the book shows this dramatic change from a situation in 1980 where 38 percent of employees were

in private manufacturing compared to only 26 percent in private sector services to a situation in 2004 where only 15 percent of employees were in private manufacturing and fully 56 percent were in private services. By comparison with other major economies during the same period, neither Germany nor Japan suffered such a dramatic drop in manufacturing employment, while the United States already had a much higher proportion of private service sector employment in 1980. Thus it is worth remembering when reading the subsequent discussions of the major changes in British labor relations over this period that this is occurring in the context of an economy undergoing a relatively high degree of transformation in focus and character.

Although a number of chapters do an excellent job of documenting the declining reach of collective bargaining coverage and weakening of union power, the current state of union weakness in the U.K. may also appear somewhat out of proportion due to the unusually high degree of British union power in the 1960s and 1970s. For example, in Figure 3.1 in the chapter by Blanchflower and Bryson on trade union decline, the authors compare unionization levels in Canada, the U.S., and the U.K. from 1900 to the present. As the authors note, unionization levels in the three countries followed similar patterns until the 1960s and 1970s, when U.S. unionization went into decline while British unionization increased to historically unprecedented levels. The decline in unionization in the U.K. after 1980 is steep, mirroring that in the U.S. However from around 1990 onwards, the British pattern starts to look a lot more like that of Canada than that of the U.S. More generally, throughout this volume there are indications that collective bargaining in the U.K., while substantially weakened from its dominant position in the post-WW II period, is beginning to stabilize into a state of a narrower but still substantial influence on the economy, more akin to the Canadian situation than that of more radically limited collective bargaining as in the U.S.

The story of British labor and employment relations captured by the WERS surveys is in many respects a tale of two eras. The period from 1979 to 1997 under the Conservative administrations of Thatcher and Major was characterized by the sharp decline in importance of collective bargaining and the steady weakening of the trade union movement. The subsequent New Labour era from 1998 to the present did not see a restoration of the ancien régime of labour centred voluntarism, but rather the rise of a new employment relations system characterized by increased legalization of the employment relationship, greater service sector employment, and more flexible labour market structures.

The divide between the Thatcher/Major Conservative administrations and the New Labour era under Blair is most clearly evident in the changing landscape of legal regulation of the workplace, as described by Dickens and Hal in their chapter on legal regulation of the workplace. From a period in 1979-97 of regulation primarily focused on limiting entrenched trade union power, the advent of New Labour in 1997 brought rapid change with the enactment of a minimum wage, working hours regulation and statutory union recognition within its initial three years in office. This reflects in part the growing Europeanization of British employment relations, following from the Labour government's shift towards a more positive stance in relation to the E.U. and greater acceptance of its social and economic agenda. However, as Dickens and Hall ably document, there is also an underlying continuity between the Conservative and New Labour eras evidenced in the continued juridification of British industrial relations and the lack of a privileged position for collective bargaining in setting conditions of employment under the New Labour agenda. The shift to an individual employment law focus is also evident in Dix, Sisson and Forth's chapter (ch. 8) showing declining rates of collective

disputes in the workplace combined with a rise in the rate of individual employment tribunal cases over the same period.

One of the key strengths of the WERS is that the breadth of the information gathered in the surveys allows the compilation of a picture of workplace employment that goes well beyond the concerns of traditional industrial relations research. This is evident in a number of interesting findings presented by contributors to this volume. In examining equality and diversity at work, Dex and Forth (ch. 10) reveal a picture of steadily expanding diversity in the British workforce that runs through, and arguably despite, the different eras of public policy. Wood and Bryson (ch. 7) show how the impact of high involvement management (HIM) practices in the British workplace are more complex than often portrayed, with HIM having mixed associations with productivity and performance. Similarly while HIM was associated with greater employee anxiety, the often related construct of work enrichment was associated with greater employee well-being, suggesting the importance of being careful about definitional and classification issues in examining these practices. More generally, Green and Whitfield's (ch. 9) findings of higher levels of work intensity from the 1990s onward combined with a decline in worker autonomy indicate the need to be cautious about panglossian perspectives on the evolution of modern management practices.

Sometimes it is the absence of effects that are most interesting. For example, Guest and Bryson (ch. 6) find that personnel specialists have less of an impact than might be expected. Similarly, one of the more surprising sets of findings, by Edwards and Walsh (ch.12), is how weak the effects of foreign ownership are. While there are some areas of significant difference between British and foreign owned businesses, the areas of relative similarity are more widespread. This suggests that simplistic stories of a strong influence of foreign management in

the UK are inaccurate. By contrast, MNCs may be exerting more complex influences, as illustrated by Edwards and Walsh's thoughtful explanation of how the growth of listing of MNC shares on multiple stock exchanges may account for the striking growth in profit-based variable pay schemes amongst foreign owned businesses.

Whereas foreign ownership appears to have made less difference to employment practices than might have been expected, differences between the public and private sectors have remained substantial and enduring. As Bach, Givan and Forth (ch. 13) ably document in their chapter on this topic, the public sector is distinctive in the continued strength of union representation and breadth of collective bargaining coverage. Even as the size of the public sector shrank during the 1980s and 1990s, an increasing proportion of the union movement came to be comprised of public employees, with 78% of public sector employees covered by collective bargaining in 2004 compared to only 25% of private sector employees. In this respect, British developments parallel those in other similar countries such as the U.S. and Canada, which have also seen dramatic shrinkage of union representation in the private sector relative to more robust collective bargaining coverage in the public sector.

An interesting general feature of this volume is that much of the data analysis is focused on describing the distribution of practices and behaviors in the workplace. The analytical techniques used are certainly sophisticated, but they are notably not devoted to the model building exercises that have come to dominate much of current academic journal article publishing. In this sense, the volume reveals the continuing value and distinctive contribution of academic book publishing. This book does not tell us whether one conceptual model or another is more convincing, rather it tells us what the modern British workplace is like and how it has changed over time. Arguably this is a more valuable contribution for the advancement of public

policy and understanding of the workplace. Indeed one of the most powerful lessons from this volume for an international audience is the immense value of the WERS to employment relations researchers. This is the sort of data source that American employment relations researchers dream of having!

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