Editor's Introduction (Review Symposium on Converging Divergences: Worldwide Changes in Employment Systems)

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Abstract

[Excerpt] During the past two decades there have been significant changes in employment systems across industrialized countries. *Converging Divergences: Worldwide Changes in Employment Systems*, by Harry C. Katz and Owen Darbishire, examines changes since 1980 in employment practices in seven industrialized countries—the United States, the United Kingdom, Australia, Germany, Japan, Sweden, and Italy—with a focus on the automotive and telecommunications industries. Katz and Darbishire find that variations in employment patterns within these countries have been increasing over the past two decades. The increase in variation is not simply a result of a decline in union strength in some sectors of the economy; variation has increased within both union and nonunion sectors. Despite this within-country divergence, Katz and Darbishire find that employment systems across countries are converging toward four common patterns of work practices: a low-wage employment pattern; the human resource management (HRM) employment pattern; a Japanese-oriented employment pattern; and a joint team-based employment pattern. Significant differences in national employment-related institutions have resulted in some variation across countries in how these work patterns are implemented. Still, Katz and Darbishire find that there are "many commonalities in the employment systems of the seven countries and in the processes through which these commonalities have developed."

Keywords

employment systems, work practices, union, nonunion, human resources

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Comments

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REVIEW SYMPOSIUM

Converging Divergences: Worldwide Changes in Employment Systems, by Harry C. Katz and Owen Darbishire*

Editor's Introduction by George R. Boyer†

During the past two decades there have been significant changes in employment systems across industrialized countries. Converging Divergences: Worldwide Changes in Employment Systems, by Harry C. Katz and Owen Darbishire, examines changes since 1980 in employment practices in seven industrialized countries—the United States, the United Kingdom, Australia, Germany, Japan, Sweden, and Italy—with a focus on the automotive and telecommunications industries. Katz and Darbishire find that variations in employment patterns within these countries have been increasing over the past two decades. The increase in variation is not simply a result of a decline in union strength in some sectors of the economy; variation has increased within both union and nonunion sectors. Despite this within-country divergence, Katz and Darbishire find that employment systems across countries are converging toward four common patterns of work practices: a low-wage employment pattern; the human resource management (HRM) employment pattern; a Japanese-oriented employment pattern; and a joint team-based employment pattern. Significant differences in national employment-related institutions have resulted in some variation across countries in how these work patterns are implemented. Still, Katz and Darbishire find that there are "many commonalities in the employment systems of the seven countries and in the processes through which these commonalities have developed."

Converging Divergences is an important addition to the growing literature on comparative industrial relations, and in particular to the debate on whether globalization and the internationalization of markets is leading to a convergence of employment relations. The convergence debate began in 1964 with the publication of Industrialism and Industrial Man, by Clark Kerr, John Dunlop, Frederick Harbison, and Charles Myers. Kerr et al. maintained that one result of the spread of industrialization would be a convergence of industrial relations systems toward that which existed in manufacturing in the United States in the 1950s. More recently, other scholars have predicted that employment systems would converge toward Japanese-style practices,

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American-style flexible labor markets, or other systems. The authors of these convergence theories have been countered by other scholars, who contend that nation-specific employment-related institutions will continue to generate significant and persistent differences in employment systems across countries. In a 1992 article in this journal, Richard Locke turned the convergence argument on its head by contending that variations in industrial relations systems within countries were increasing. Locke called for scholars "to investigate the determinants of these diverse subnational patterns" of employment relations, and to compare the "seemingly analogous subnational models across nations." In Converging Divergences Katz and Darbishire take up Locke's challenge.

The editors of the *ILR Review* believe that the importance of this book and the topic that it addresses warrant an evaluation by several prominent scholars from different countries. We therefore invited David Marsden (London School of Economics), Paul Teague (Queen’s University, Belfast), Enrique M. de la Garza (Universidad Autonoma, Mexico), Wolfgang Streeck (Max Planck Institute, Germany), John Pencavel (Stanford), and Kazuo Koike (Hosei University, Japan) to contribute review essays that both critically analyze the book and take the book’s arguments as a point of departure for a discussion of the changing nature of employment systems in their country of specialization and in other parts of the industrialized world. The result is the series of thoughtful and wide-ranging essays that follows. We express our appreciation to these critics for an excellent commentary on an important book.

**Comment by David Marsden***

**Change in Employment Systems: Do Common International Trends Imply a Common Destination?**

Harry Katz and Owen Darbishire are to be congratulated on their meticulous and wide-ranging international study of changes in industrial relations. They have succeeded in combining a broad view of change in whole systems with a careful analysis of an enormous amount of detail on changing practices at the company and plant levels. Their evidence of growing diversity within national- and sectoral-level industrial relations institutions poses a serious challenge to the orthodox approach to comparative industrial relations, which places a heavy emphasis on country models. In addition, they find many commonalities across countries in the specific changes in work organization and work practices that are taking place—hence the title *Converging Divergences*. Their findings are all the more remarkable because of the diversity of the seven national industrial relations systems they examine: the relatively deregulated U.S. and British systems, the more corporatist German and Swedish ones, and the hybrid systems in Australia, Italy, and Japan.

Katz and Darbishire's study documents the declining influence of higher level, multi-employer industrial relations institutions, and the spread of "decentralization" and of non-union employment relations: a drift from national and sectoral toward firm-based systems. Non-union employment now represents more than 80% of the work force in the United States and nearly two-thirds...