

BOOK REVIEWS

Employment with Human Face: Balancing Efficiency, Equity, and Voice by John W. Budd. ILR Press, an imprint of Cornell University Press, Ithaca and London, 2004, xiv + 263 pp., ISBN 0 8014 42087, US\$39.95/ £22.95.

Most readers of this Journal would probably agree with Budd's basic proposition that the contemporary principles and practice of industrial relations (IR) are in need of reform, but any such consensus would quickly evaporate when it comes to suggesting what needs to be done. Budd, however, is not concerned with describing an optimal employment system, but rather the development from first principles of a framework within which analysis of the current scene and future options can be conducted. This means that it starts with a scholarly and excellently researched review of abstract concepts and ideas before turning to the more familiar discussion of historical and contemporary developments in the field.

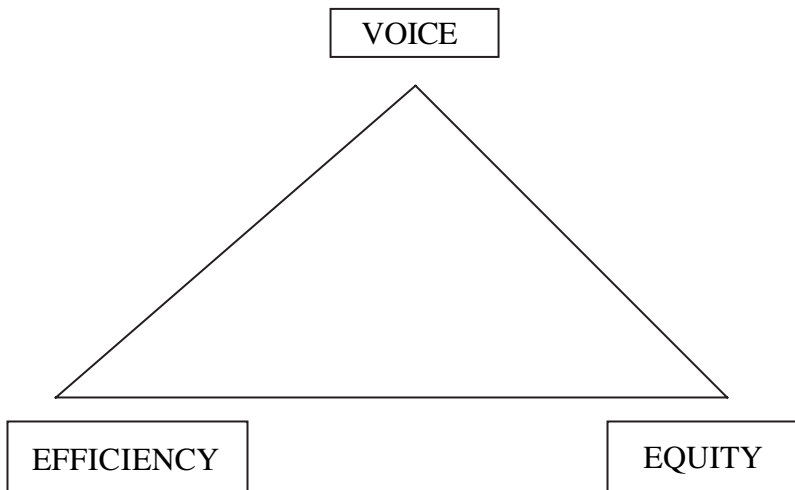
The key to the book is Budd's argument that the fundamental goals of an employment system in a democratic society *should* be to deliver the objectives of employers, employees and society in general, which can be defined in terms of efficiency (the employers' touchstone), equity and voice (the employee and social interests). Little reflection is needed to recognize that striving to satisfy all these interests will lead to tensions and conflicts between them, and many would accept that in recent times at least the economic influence, efficiency, has tended to dominate the other two. However, before even beginning to think about how balance among them might be better achieved, Budd needs to re-examine the basic principles underlying these concepts. This takes us on a demanding journey, with a strong theoretical and philosophical line of inquiry, into the underpinnings of efficiency and the economic paradigm, and of equity and voice, seen as labour rights as a subset of human rights, with strong ethical implications. This is indeed a much broader and richer canvas than is normally encountered in the contemporary IR field. The analysis is handled meticulously and methodically, with human rights (the clash between property rights and labour rights), the employment relationship environment and the ethics of the employment relationship, each in turn being subjected to a detailed breakdown, gradually unveiling the conflicts and tensions among the components. Chapter 4 in particular deserves careful reading because it tackles the role of ethics in determining employment outcomes — a perspective that is seldom adopted in contemporary IR work — and an array of ethical standards is considered: utility, duty, liberty, fairness, virtue and care, each with different implications for the outcome of the employment relationship.

From the basic principles, we move back to more usual territory, that of workplace governance. Again this is dissected, using in turn the lenses of the free market and

common law paradigm, statutory government regulation, human resource (HR) management, worker control, independent employee representation and corporate governance. Budd is now able to apply his insights on the basic principles to the real life application of alternative forms of governance, revealing both their advantages and shortcomings with respect to balance across the triple goals. The historical perspective on the shifting parameters of US New Deal policies and institutions is complemented by a broader review of comparative IR systems, including voluntarism, co-determination, social partnership and sectoral bargaining. The role of unions is brought into the picture, specifically in the context of the need for American unions to move away from job control and business unionism, seen as reactions to a context of mass manufacturing and management's emphasis on the right to manage, and contributing little to the voice and equity goals, which would be better served by alternative union strategies. One can easily see parallel issues for British and European unions at the present time. Finally, the pressures acting on the employment relationship as a result of globalization are reviewed, raising the question who should govern the global workplace and what are the available alternatives.

In developing his analysis, Budd uses a simple geometric device, which works remarkably well. Essentially it does no more than place the three goals at the corners of a triangle, as shown in Figure 1. Thus we might see the employment relationship today as dominated by efficiency (biased towards the left corner to the detriment of equity and voice), while a more balanced relationship would have a more central tendency. What is intriguing about this, however, is that it enables us to locate different institutional arrangements and employment relationship patterns within the triangle, showing how they combine efficiency, equity and voice. In each of his central chapters, Budd is able to demonstrate how the different facets of the abstract concepts, or the different configuration of institutional and organizational arrangements, contribute to or detract from balance, which lies in the central ground of the triangle. Having started from a slightly sceptical view of this device in the early chapters, I finished

FIGURE 1



being much impressed by its power, both as an aid to analysis and as an effective aid to teaching.

In his final chapters, Budd refrains from trying to detail his ideal model for reform — his focus is on providing a framework for thinking about what we want to achieve and exploring broad alternatives for achieving the desired balance between efficiency, equity and voice. Instead, he points to some of the challenges within the current system, the need for responses from unions, employers and governments to the challenges posed by policy failures at national and international level, corporate governance deficiencies and making explicit the underlying and often ignored ethical issues in contemporary business. In his epilogue — ‘the late middle ages of industrial relations’, he poses a challenge for the future participants in the field of IR — is it to be renaissance or reformation? And, reflecting the breadth of view adopted here, will it continue to be sufficient to address the key questions from the relatively narrow standpoints of the most prominent disciplines (economics, sociology, psychology and political science, each of which has its own corner within the triangle)? Or do we need to redefine the boundaries of IR and HR and the skills and knowledge needed to understand and shape the systems and employment relationship patterns of the future?

There is no doubt that Budd sets himself a formidable and daunting task, and he demands a lot of the reader, but remains always clear, orderly in thought and signalling where we are in the argument and how each piece adds to the whole. His perspective, though predominantly based on US experience and institutions and case material, never becomes parochial, the general principles are expressly intended to be universal (and generally achieve this) and there is much in the latter chapters that is equally relevant to UK, European and Pacific contexts.

Because of this, it is a book to be read right through and savoured, not just dipped into — there is so much of value and fresh insight that would otherwise be missed. It has the capability to inform future research, both theoretical and applied or policy related, and it offers stimulus to those teaching in and being taught about industrial relations *and* human resource management (IRHR) which on this approach can be legitimately viewed as an inclusive field rather than as competing paradigms or uncomfortable bedfellows. With these virtues, it is certainly required reading for dedicated IR specialists, but deserves to be read much more widely — one would hope by policy makers and corporate leaders, as well as academics in related fields of inquiry.

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Workplace Justice Without Unions by Hoyt B. Wheeler, Brian S. Klaas and Douglas M. Mahony. W.E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, 2004, xii + 229 pp., ISBN 0 88099 313 8, \$40.00.

This book examines one of the most important issues in contemporary industrial relations in the United States: the provision of workplace justice to the vast majority of American workers who lack union representation. In contrast to nearly all other countries, employment in the United States is governed by the default rule of employment-at-will under which workers can be fired without notice for any reason, good or bad. Exceptions to this rule are limited to specific contractual or statutory protections