

Labor-Management Relations

What Workers Want. By Richard B. Freeman and Joel Rogers. Ithaca, N.Y.: ILR Press (an imprint of Cornell University Press), 1999. 226 pp. ISBN 0-8014-3883-8, \$39.95 (cloth); 0-8014-8563-0, \$17.95 (paper).

Sigmund Freud once remarked that the question he could not answer was "Was will das Weib?" (What do women want?). Samuel Gompers declared that what "labor" wanted was "more" social justice. Had Freud lived today, he might well have pursued his quest with a poll. Gompers, too, might have taken a survey before elaborating on his "vision statement." And, indeed, in this volume Richard Freeman and Joel Rogers use survey methodology to determine what workers want. They polled employees (including managers) in firms of 25 or more workers to determine what they wanted in employee participation. But they did not ask what else workers might want, a point I take up below.

The Worker Representation and Participation Survey (WRPS) was conducted in two waves in 1994-95. Preliminary findings were provided to the Dunlop Commission, giving the survey early publicity. *What Workers Want* contains the survey instruments and documentation on how the survey was conducted. Undoubtedly, WRPS data will be the basis of numerous studies on worker participation; anyone planning such research should start with this book. The authors hope their findings also will affect public policy "someday." They close with reference to the votes politicians could gain by championing latent employee demand for influence in workplace affairs.

Chapter 1 previews the major findings and the motivation for the study. The old Wagner/Taft-Hartley framework no longer works, with only a tenth of the private work force unionized. But WRPS suggests a desire for more worker participation than currently available. The problem is that what workers want is a cooperative relationship with management, which they often do not get. Many employees want something like the old pre-Wagner company unions, that is, representative committees with some

independence from management. If you dislike the (now-illegal) company union analogy, you can say alternatively that what workers want is something like European works councils.

With regard to traditional unions, the authors find that the private unionization rate would be similar to the public sector rate (40+%) were it not for management resistance. To the charge that what workers want is irrelevant due to "death of the job," Freeman and Rogers point out that multiyear spells of employment still characterize the bulk of American workers. And to the charge that tight labor markets will resolve worker discontent through "exit," they note that quitting often entails potential economic loss. Anyway, public policy should be made in accord with what workers want, not what elite groups of "insiders" prescribe, according to the authors.

Chapter 2 is a review of methodology, including a description of employee focus groups used to formulate the basic questions. Focus groups often featured a dynamic process in which participants came away more discontented than initially. When the moderator of one group asked if there were any last thoughts, an employee responded, "I've realized how much I mistrust my employer, and I don't think about that on a regular basis."

Chapters 3-7 provide a review of key findings summarized in simple tables or charts. Two of these contain confusing errors and could have used more editing, but overall the style of presentation is very accessible. A third of workers are dissatisfied with their situations, but the flip side is that two-thirds say they "usually look forward" to going to work. (They have not read the standard economics textbooks in which leisure is a "good" and labor is a "bad"!) Dissatisfaction is highly correlated with a sense of non-participation in workplace decisions.

Union members are highly supportive of unions, although they feel that management cooperation is very important. Similarly, employee involvement schemes are strongly endorsed by those workers who take part in them. The gap between the influence workers want and what they have is wider at the bottom of the wage, education, and occupational status distributions. Preference for unions also rises toward the bottom. However, Freeman and Rogers

were "flooded" (p. 56) to find that even union workers favor a jointly run form of workplace representation, that is, including management.

Obviously, my summary cannot cover the many interesting findings. So let me point to three concerns. First, it would be interesting to know how the measures of discontent and non-influence would compare with similar questions addressed to the political sphere. Workers can vote without retaliation for local, state, and federal candidates. Do they feel disempowered nonetheless? We do not have a benchmark of discontent against which to judge the study's results. Second, the two-wave methodology may introduce some bias. Initial responses that "flooded" the authors were probably more likely than others to trigger probing questions in the second wave.

Third, economists usually ask "what's it worth to you?" rather than whether you want something, but these authors did not ask respondents whether they would take, say, a 10% wage cut in order to obtain some desired instrument of participation. Such methodology is used in environmental investigations; for example, would you support an X% increase in your taxes if it would save the whales or clean the air? The closest Freeman and Rogers come to that issue is asking whether respondents would volunteer a few hours to engage in participation. But their question asked for little sacrifice and appeared mainly to determine if more participation would be feasible.

In short, I question whether the votes Freeman and Rogers think could be mined by politicians advocating workplace participatory change really are there. If judged by the political process—in which employees can participate, however imperfectly—what workers want is job security and protection of benefits. They want political leaders who will "save Social Security" and keep their employer-sponsored HMOs from rationing care too tightly. As the Dunlop Commission experience demonstrated, restructuring the American employment relationship is not on the political agenda, even of fringe candidates. This fascinating book is a good starting point for those who see participatory change—ranging from union-advocated labor law reform to the management-preferred TEAM proposal—as an important public policy issue. But lack of political interest also tells you something about what workers want. Doesn't political inaction speak louder than surveyed words?

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Industrial Relations, Politics, and Government

Disparaged Success: Labor Politics in Postwar Japan. By Ikuo Kume. Ithaca, N.Y.: Cornell University Press, 1998. 242 pp. ISBN 0-8014-3364-9, \$42.50 (cloth).

Many scholars are pessimistic about the prospects for labor unions as they become increasingly decentralized in an era of global competition. In this analysis of the experience of Japanese enterprise-based unions, however, Ikuo Kume flatly insists that there is a way for even decentralized labor to strengthen its power.

Japanese labor, Kume points out, has won public policies favoring labor as well as high, standardized wage increases. For example, after the first oil shock, private sector-led unions pursued an employment security policy package, and their effort resulted in special measures for employment security in 1977 (pp. 169-73) that provided seriously damaged firms with various financial incentives to retain their workers and to offer laid-off workers new jobs. Ten years later, Japanese labor scored a signal victory against management by winning, through revision of the Labor Standard Law, a reduction in the legally set work week from 48 hours to 40 hours (pp. 197-203).

Kume concludes that success in gaining favorable public policies is not the product of unified, centralized labor power, but of intra- and inter-class politics among labor, management, parties, and bureaucrats. With the "political opportunity structure" approach, Kume convincingly accounts for Japanese labor's influence on public policy making through intra- and inter-class politics; in contrast, orthodox scholars, using the "resource-centered" approach and focusing on the degree of centralization as an indicator of labor's strength, often fail to properly evaluate decentralized labor's power.

Kume's approach supposes that some political actors actively seek compromise with others in response to their differing political interests. According to Kume, it is the institutionalized labor accommodation within enterprises that prompts such political actors as the Liberal

Democratic Party (LDP) and management to pursue compromise and cooperation with labor at the macro level. In the early postwar period, workers were considered to be legitimate members of enterprises, and labor unions succeeded in gaining a voice not only regarding working conditions but also regarding management policy. In spite of a strong management offensive led by Nikkeiren (the Japan Federation of Employers Associations) in the 1950s—a campaign well described in this book—“moderate” Japanese labor unions have maintained their say and their legitimacy within enterprises, both because of workers’ deeply developed firm-specific skills, which make them difficult to replace, and because of unions’ internal political dynamics, which have kept leftist groups out of union leadership.

Does Kume succeed in describing Japanese decentralized labor’s strength and the sources of that strength? My answer is mixed.

Kume successfully depicts and analyzes Japanese labor’s influence on public policy-making and thereby effectively rebuts those who claim that industrial relations have been guided by “corporatism without labor.” He also disproves the argument that decentralized labor is doomed to weakness. He greatly contributes to the development of Japanese industrial relations research by showing Japanese labor’s influence at the macro level in more detail than have any other scholars, Japanese or non-Japanese.

However, Kume does not carefully analyze the historical development of industrial relations at the micro level, and hence, I believe, his argument will not be persuasive to scholars who claim that Japanese labor is co-opted by management. I do not agree with those scholars, since in my view they neither logically demonstrate what kind of rent management can extract from labor by co-opting it nor empirically document such a pattern. Nevertheless, I believe that the development of industrial relations needs to be fully examined at the micro level if we are to understand Japanese labor’s achievements.

Kume properly pays attention to the idea of democratization at the company level, the importance of which was acknowledged in the postwar period by labor, management, and the government alike. The principle that “enterprises should be jointly run by labor and management” was widely accepted as a starting point. But my understanding, contrary to Kume’s analysis, is that this principle has not been smoothly translated into industrial relations practices in Japan.

First of all, as a result of the fierce, Nikkeiren-led management offensive of the 1950s, coupled with the abolition of the automatic renewal clause in collective agreements, labor unions lost their say at the micro level and had no choice but to accept management rationalization policy (that is, policy aimed at what is roughly equivalent to “restructuring”—movement toward leaner, meaner operations—in the United States). Most unions, especially in the private sector, had difficulty regaining the voice in management policy that they had secured before the management offensive.

Second, the Shunto, or Spring Offensive—in which Japanese enterprise unions each year submit a single list of demands (primarily wage demands) to management—has made decentralized, weakened unions concentrate their power on distributive issues. That is, the price for wage increases, in effect, has been unions’ abandonment of the anti-restructuring campaigns they waged once upon a time, and meek acceptance of schemes posed by management for rationalization of production and personnel administration. On the other hand, the Shunto did serve to gradually revitalize union activities at the shop-floor level, partly because it succeeded in bringing higher wage increases to workers. Moreover, unions’ concern that the loss of their voice in restructuring issues might open the way to massive dismissals and a dramatic worsening of working conditions proved exaggerated, as managers, in most cases, carefully implemented their rationalization plans to avoid such adverse repercussions.

Third, however, sometimes rationalization was accompanied by massive layoffs. Violent industrial disputes that were precipitated by such layoffs in the 1950s and 1960s alerted management both to the cost of massive dismissals and to the importance of employment security. While the industrial disputes were often fomented by leftist, militant unions, moderate unions also turned militant when confronted by massive dismissals. It is the militancy shown by the leftist and moderate unions that elevated employment security to high priority in bargaining and in managerial decision-making.

Fourth, it was only after the first oil crisis that private sector unions began to seriously participate in management. Before that, while some unions tried, usually in vain, to secure a voice in management, many others had little interest in doing so (as shown by numerous case studies and questionnaire surveys), and instead con-

centrated their efforts on obtaining higher wage increases. Neither workers’ firm-specific skills nor moderate unions are a sufficient condition for participation in management; also needed is will. Only after facing the oil crisis did unions push hard enough to secure an important voice in management—the quid pro quo being their cooperation with management on other matters.

Japanese labor’s “success” is now being threatened by neo-liberalism at the macro level, with a continuous decline in union density, a gradual spread of individualized wage systems, liberalization of labor market regulations, and so on. Meantime, labor at the micro level is searching for a new direction in labor-management relations. Kume does not treat these issues, which, I believe, demand attention from all scholars interested in the experience of Japanese labor.

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Income and Social Security and Substandard Working Conditions

Managing Major Hazards: The Lessons of the Moura Mine Disaster. By Andrew Hopkins. St. Leonards, N.S.W., Australia: Allen & Unwin, 1999. ISBN 1 86448 940 5, \$35.00 (paper).

It is perhaps a sad commentary on our age that the study of human-produced disasters is rapidly developing into an interdisciplinary field in its own right, complete with its own journal entitled, appropriately enough, *Disaster*. At one end of the spectrum, the field is marked by theoretically rich studies that seek to explain both the social consequences of risk and increases in the level of risk. These efforts reflect diverse streams in social theory. For example, Ulrich Beck in *Risk Society* (1992) argued that we have entered a new era in which the central problem is not the production and distribution of goods, but rather the prevention or minimization of bads. This transformation, argues Beck, creates new political possibilities, since there is no one-to-one correspondence between risk exposure and socioeconomic class. In contrast, the recent work of Frank Pearce and Steven Tombs, *Toxic Capitalism* (1999), locates these

disasters in the political economy of globalizing capitalism and the increasingly unequal power relations it has produced in the late twentieth century. Goods are disproportionately accumulated by the powerful, while harms are disproportionately visited on the vulnerable.

At the other end, the field has generated a body of literature that often takes the form of textbooks offering practical advice on risk management for those involved professionally with the environmental and occupational health and safety hazards that are produced by modern industry. This work also offers theories of disaster causation, but it tends to focus on individual psychology or organizational behavior rather than on social or socio-economic structure. Rarely do these two approaches or levels of analysis meet.

Andrew Hopkins’s *Managing Major Disasters* is an exception to this generalization, and that is a source of the book’s many strengths and its few weaknesses. The book presents a case study of the 1994 Moura mine disaster in Queensland, Australia, in which 11 coal miners were killed in an explosion caused by spontaneous combustion and the build-up of methane to critical levels. Hopkins uses the disaster to examine the underlying reasons why workers were exposed to these dangerous conditions despite the fact that, in the previous 22 years, there had been five methane gas explosions in Australian coal mines resulting in the deaths of 67 miners. He also makes practical recommendations for the successful management of major hazards in the future.

Hopkins begins with a brief introduction to various perspectives on the causes of disasters. His principal focus is on the organizational literature, but he also discusses the safety-profit conflict analysis offered by political economists. He is particularly critical of Charles Perrow’s *Normal Accidents* (1984) for overstating the inevitability of accidents in complex, tightly coupled systems, but generally adopts a pluralistic approach that draws on the insights offered by organization theory and political economy to explain how the management system failed at Moura.

Hopkins’s pluralism, however, takes two different forms, one more successful than the other. In some chapters, the insights of organizational theorists are separated from those of political economists. This tends to produce insightful but largely technical accounts of the failures that contributed to the explosion at Moura. For example, in Chapter 3, Hopkins discusses the problem of communication breakdowns within

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ACKNOWLEDGMENTS

555

ARTICLES

Explaining Variation in Workplace Restructuring: The Role of Local Union Capabilities	<i>Ann C. Frost</i>	559
Centralized Collective Bargaining and the Problem of "Compliance": Lessons from the Italian Experience	<i>Lucio Baccaro</i>	579
Continuing Education, Job Training, and the Growth of Earnings Inequality	<i>Dave E. Marcotte</i>	602
Understanding Young Women's Marriage Decisions: The Role of Labor and Marriage Market Conditions	<i>Francine D. Blau, Lawrence M. Kahn, and Jane Waldfogel</i>	624
Hours of Work and the Fair Labor Standards Act: A Study of Retail and Wholesale Trade, 1938-1950.	<i>Dora L. Costa</i>	648
The Impact of Representation and Other Factors on the Outcomes of Employee-Initiated Workers' Compensation Appeals	<i>Douglas Hyatt and Boris Kralj</i>	665
When Can an Employee Refuse Unsafe Work and Expect to Be Protected from Discipline? Evidence from Canada	<i>Mark Harcourt and Sondra Harcourt</i>	684

COMMUNICATIONS

Comment on John Goddard and John T. Delaney, "Reflections on the 'High Performance' Paradigm's Implications for Industrial Relations as a Field"	<i>Thomas A. Kochan</i>	704
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BOOK REVIEWS

Labor-Management Relations		
<i>What Workers Want.</i> By Richard B. Freeman and Joel Rogers. Reviewed by Daniel J.B. Mitchell.		712
Industrial Relations, Politics, and Government		
<i>Disparaged Success: Labor Politics in Postwar Japan.</i> By Ikuo Kume. Reviewed by Keisuke Nakamura.		713
Income and Social Security and Substandard Working Conditions		
<i>Managing Major Hazards: The Lessons of the Moura Mine Disaster.</i> By Andrew Hopkins. Reviewed by Eric Tucker.		715