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Book Reviews

The Mutual Gains Enterprise: Forging a Winning Partnership among Labor, Management, and Government

by Thomas A. KOCHAN and Paul OSTERMAN, Boston, Harvard Business School Press, 1994, 260 p., ISBN 0-87584-394-8 (cloth).

The Mutual Gains Enterprise addresses the question as to why various innovative workplace practices are so difficult to establish at the micro level and so difficult to diffuse across the economy at the macro level.

After an introductory chapter setting out the issues involved, the authors discuss an overview of the macro economy during the past decade with an emphasis on the major concerns of workers, firms, and national policy makers. Chapter 3 presents a model for what they call the mutual gains enterprise and Chapter 4 explores the extent to which workplace innovations have been diffused across the economy. The following four chapters discuss in turn, the role of financial markets; labour representatives; and a national employment and labour management policy in bringing about the needed workplace reform. The concluding chapter discusses the practical implications their proposals have for the academic and professional communities.

From a macro perspective, the authors reiterate the much discussed problems of the U.S. economy over the past decade. These are identified as stagnating real wages, increased inequality in income distribution, diminished job security, and the inadequate supply of good new jobs. They believe the solution to these macro problems can be found only if we improve the micro level performance of our human re-

source system. How do we improve the performance of this system? Their recommendation is a win-win system which they term a mutual gains strategy.

Much of the remainder of this volume is a discussion of this strategy which is based on the experiences of a variety of companies that have been successful in meeting the competitive global challenges. It is these challenges which have contributed to many of our macro problems. This strategy is called a mutual gains enterprise because for it to be effective there must be a mutual gain for all stakeholders in the organization and, consequently, its success is dependent on the cooperation of all stakeholders, including the government.

From management must come a commitment to a long run strategy. This would involve the willingness to (1) invest in employee training and development, (2) provide human resource managers and employees an opportunity to participate in strategy making and governance, (3) staff the enterprise based on employment stabilization and (4) provide compensation that reinforces cooperation, participation and contribution.

It is the authors' position that as long as management is under pressure to maximize the short run price of the firm's stock, it will be impossible to bring about the above changes in the human resource policy, as the positive results yielded by such changes are long

run in nature. Therefore, from the shareholders must come a willingness to lengthen the time horizon for results.

From unions or other forms of worker representation must come a willingness to cooperate with management to bring about the needed changes to improve productivity and, thus, better compete in the global economy. Examples are given of such cooperation and include, among others, the United Auto Workers and GM at NUMMI and Saturn; the Communication Workers of America and AT&T; as well as various efforts involving the United Steelworkers, and the Amalgamated Clothing and Textile Workers Union. As the authors appropriately point out, such union cooperation is impossible without the willingness of management to provide worker "voice" and job security.

From the government must come support for an improved employment and training policy, as well as a reconstitution of our labour laws and industrial relations framework. In the latter instance, it is the authors' contention that current U.S. labour law which often promotes adversity between the parties, should be changed to encourage cooperation.

Lastly, to facilitate the advancement of the above changes, the authors suggest that the academics involved in this area of study need to reconstruct the

multidisciplinary networks envisioned some half century ago when the Industrial Relations Research Association was first organized. Indeed, one can't help noting the authors' disdain for the overly technical and narrow orientation of current teaching and research in this area.

As a believer in the need for cooperative labour-management relations, this reviewer is in agreement with both the analysis and prescription for success. "On the other hand," as we economists are prone to say, providing the prescription won't make it so. Convincing both labour and management to relinquish various prerogatives and to embrace the necessary trust in their counterpart is only the beginning. All parties to the relationship will need convince the nay sayers in their respective organizations of the need to cooperate and of the necessity of some short run costs to allow for long run success. As experience has indicated, this will not be easy. Lastly, the mid term elections in the U.S. would not give one much optimism that the government is likely to play the prescribed role. Nevertheless, as Kochan and Osterman indicate, unless we as a nation of vested interests are willing to sit down and work cooperatively with each other, the prospects for the future leave much to be desired.

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Droit de l'arbitrage de grief

par Rodrigue BLOUIN et Fernand MORIN, Cowansville, Les Éditions Yvon Blais, 1994, 694 p., ISBN 2-89073-977-5.

Il s'agit de la 4^e édition de cet ouvrage, publié pour la première fois en 1975. L'édition précédente portait le titre de *Arbitrage des griefs* 1986. Le nouveau titre apparaît plus éclairant, puisqu'il s'agit bien, comme l'indiquent les auteurs dans l'avant-propos, d'un ouvrage sur le droit de l'arbitrage de grief et non sur l'interprétation et l'application du

contenu de la convention collective par l'arbitre. Cet ouvrage insiste sur les aspects institutionnels de l'arbitrage de grief dans le contexte du régime général des rapports collectifs du travail; les règles propres à certains secteurs particuliers et à certains secteurs dérogatoires y sont étudiées sur une base comparative et à titre complémentaire. L'objectif