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[See table of contents](#)

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Managing Competitive Crisis: Strategic Choice and the Reform of Workrules

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This book asks how economic crisis and strategic choice by managers affects the pattern of formal rules and informal practices within workplaces. Much has been written on this subject since Kochan, Katz and McKersie's path-breaking work in the mid-1980s. One feature that distinguishes Martyn Wright's book from others in this field is the unique empirical data that underpins his analysis.

The study utilizes semi-structured interviews with managers to examine fifty highly unionized British workplaces at two points in time, 1979 and 1991. These dates were selected firstly to bracket the economic crisis that coincided with the early years of the Thatcher government. They were also selected because of the availability of data. As it happens, an empirical study of British compulsory unionism took place in 1979 during which the investigators (Dunn and Gennard) collected evidence from a hundred workplaces relating to their markets, work organization, management policy, and other matters. Because this interview material was broad enough to satisfy the data requirements for a study of management strategy and work organization, Dunn and Wright were able to compare it with new data gathered in 1991 when they revisited a panel of fifty of these firms.

The outcome is a unique longitudinal study.

Such data is especially valuable for those who seek to identify strategic responses to economic pressure over a lengthy time period. How else can one discover the events that shaped the plan, how much the organization has changed, and whether strategies have been implemented? However, gathering longitudinal data is difficult. Researchers are ill-advised to depend on the memories of contemporary managers if they want an accurate record of events spanning a decade, and documentary evidence may be inadequate. Comparisons across such a period may require the researcher to walk in the footsteps of a previous investigation. Few examples exist of this kind of research.

From his data Wright constructs a rich and detailed account of changes in collective bargaining, union security, work organization, employers' associations, competitive pressures, and management industrial relations policy. Perhaps the dominant theme to emerge is diversity. Some firms actively pursued de-unionization while others did not. De-collectivization was also more likely for white-collar than manual workers. But such patterns can be detected from the periodic British Workplace Industrial

Relations Surveys, as can other familiar trends such as the collapse of job hierarchies. What new insights can Wright provide?

Perhaps most thought provoking is his treatment of the effects of uncertainty on management decision-making. Facing economic crisis and heightened uncertainty, managerial "frames of reference" become pivotal in directing the activities of those "policy groups" of managers who shape the pattern of workrule reform. These elements are formed into a model of strategic choice, which highlights three opportune moments when managers make key decisions. Those forks in the road occur firstly where managers interpret environmental signals, secondly when they assess their room for maneuver and, thirdly, when they act within the self-prescribed limits of their policy agenda. As Wright observes, Kochan et al. say little about "how choices come to be made" (p. 130). His model goes further in explaining the process of strategic choice. Thus, those choices may occur when a policy group of managers, guided by their frame of reference, interpret the firm's environment as threatening, perceive that union weakness enlarges its scope to act, and develop a wider policy agenda to achieve workrule reform.

Wright's model of strategic choice has strengths and weaknesses. One strength is his categorization of different management frames of reference/

policy groups (inert, conservative proceduralist, consensual innovators, aggressive proceduralists, and radical innovators). This typology is firmly grounded in observation and helps the reader map the diverse choices and actions of the firms. The principal defect of the model is the absence of any explanation as to why managers adopt one particular management frame of reference rather than another. Ultimately, we do not know why one management group is inert and another a radical innovator, and so we lack a principal cause for the diversity that Wright reveals. The mainsprings of management action remain elusive. As a result, his accomplishment is to give a better general description of the process of strategic choice rather than to explain the particular choices of the firms in his panel between 1979 to 1991.

Notwithstanding this difficulty, Wright has produced a good book on an important subject. It is also a well-produced and readable work marred by only a handful of annoying faults. For example, readers will be misled by the title of Chapter 5 into thinking its subject matter is confined to employers' associations and will be surprised by the inclusion of sections dealing with union security and density. Also, has the word "manuals" become an accepted abbreviation for manual workers (p. 119)?

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