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### Chaykowski, Richard P. and Anil Verma, eds. *Industrial Relations in Canadian Industries*

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*Industrial Relations in Canadian Industry* est donc une contribution majeure à la connaissance du système contemporain de relations industrielles canadien et il sera apprécié tant comme lecture de base pour les cours portant sur la négociation collective que comme lecture complémentaire pour les cours portant sur la théorie des relations industrielles.

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**Industrial Relations in Canadian Industry**, by Richard P. Chaykowsky and Anil Verma eds, New York, The Dryden Press, 1992, 491 p., ISBN 0-03-922877-0

*Industrial Relations in Canadian Industry*, edited by Richard P. Chaykowsky and Anil Verma, analyzes the transformation (or nontransformation) of industrial relations in ten Canadian sectors, using Kochan, Katz, and McKersie's strategic-choice model. The book thus supplies a hitherto missing link between industrial relations theory and practice at the industry level, which industrial relations academics and practitioners alike will appreciate. Furthermore, the application of a common framework of analysis facilitates meaningful comparisons among sectors in the extent and nature of their transformation toward new systems of industrial relations. A sectoral focus also highlights the importance of industry-level public policies, actor relationships, and external pressures in shaping common industrial relations outcomes. The book thus accurately portrays the pluralism within the national system of industrial relations during the economic upheavals of the last decade.

The book is subdivided into twelve chapters. The first chapter describes both the theoretical tools for analyzing the different industries and the social, economic, and industrial relations developments at the national level which serve as the background to the industry studies. Chapters two through eleven specify the pressures for change in the auto, steel, mining, construction, clothing, textile, public service, education, airline, and telecommunications sectors, the coping responses of strategic decision-makers, and their implications for industrial relations. Chapter twelve categorizes the experiences of these ten sectors as differing stages, within a modified strategic-choice framework, in the transformation away from a traditional adversarial system of industrial relations toward several potential new alternatives.

In chapter one, Richard P. Chaykowsky and Anil Verma expound the virtues of Kochan, Katz, and McKersie's strategic-choice approach as a method of analyzing industrial relations in the ten sectors studied. They argue that industrial relations developments are best understood within the wider context of strategic decision-making in marketing, production, and finance rather than in the narrower context of collective bargaining alone. For this reason, the authors describe the national context of industrial relations in terms of, for example, trade, productivity, labour costs, and public policies, while leaving the authors of subsequent chapters to describe industry-specific characteristics relevant to industrial relations.

In chapter two, Pradeep Kumar and Noah Meltz discuss how the recession of the early 1980's and the import penetration of low-cost, high-quality Japanese cars prompted different industrial relations consequences in the auto industries of the United States and Canada. In their view, American management has reoriented industrial relations away from labour relations with its emphasis on collective bargaining and toward human resource management with its focus on productivity and quality improvements through, for example, profit-sharing, pay-for-knowledge, multiskilling, and work teams. In contrast, the Canadian Auto Workers have successfully resisted management's agenda, while retaining a willingness to participate as an independent partner in joint initiatives such as General Motor's Quality Council.

In chapter three, Anil Verma and Peter Warrian describe the responses of Canadian steelmakers and their unions to the decrease in steel demand caused by the 1981-2 recession and to the loss of market share engendered by the rise in the Canadian dollar after 1987. However, as of the time of writing, no new strategic directions are identified in the evolution of management-union relationships. Most changes, in, for instance, job classifications and gain-sharing, are perceived as small adjustments to traditional collective bargaining.

In chapter four, Richard P. Chaykowski examines the impact of low-cost competition from overseas producers and of structural and cyclical changes in mineral demand on declining union fortunes in the mining industry. The role of production strategies involving technological changes are seen as important in restoring competitiveness to this industry and in weakening unions through the reduction of members.

In chapter five, Joseph B. Rose explores the evolution of management dominance within construction industry industrial relations, as facilitated and encouraged by declining construction activity in 1982-4 and changing public policies less favourable to unionization. New opportunities for operating double-breasted in Saskatchewan or for subcontracting to nonunion firms in Alberta are purportedly the product of changes in labour law. The net effects of this swing to nonunion operations are reported as deteriorations in the terms and conditions of employment, particularly in wages.

In chapter six, Michel Grant relates how new management strategies emphasizing outsourcing and homework are employed to lower labour costs and circumvent union pay levels in a desperate attempt to cope with rising import competition from foreign clothing manufacturers. Grant implies that these changes portend the collapse of collective bargaining in women's wear and its complete replacement by a management dominance strategy based on increasing exploitation of marginal workers. Nonetheless, the absence of section work in men's wear is perceived as a major obstacle to increased subcontracting in this subsector of the clothing industry.

In chapter seven, Terry Thomason, Harris L. Zwierling, and Pankaj Chandra report on the gradual erosion of union bargaining power in the textile industry with the influx of cheaper fabric from overseas producers following the 1978 removal of global quotas originally established under the 1962 Long-term Cotton Agreement. Differences between American and Canadian industries in their

strategic reactions to the same external pressure are stressed. The authors indicate that American companies have boldly adopted new technologies and complementary human resource management techniques emphasizing team-based work, pay-for-knowledge, and broadened job classifications. Conversely, Canadian companies are perceived as cautious, seeking minimal changes, such as, for example, wage restraint, through traditional collective negotiations.

In chapter eight, Mark Thompson and Allen Ponak discuss the industrial relations implications of privatization and contracting-out in the public sector during the 1980's. They see these implications as being particularly limited for privatization initiatives, due in part to the successor rights provisions in labour relations codes. Subcontracting is regarded as a greater threat to the terms and conditions of employment for affected workers, but more so in some public-sector activities like garbage collection and janitorial work than in others.

In chapter nine, Bryan M. Downie describes how Ontario teachers and their unions negotiated greater control over their work during the 1980's, despite declines in both student population and teacher employment. The primary impetus for a proactive teacher role is attributed to the 1975 School Boards and Teachers Collective Negotiations Act (Bill 100). On the one hand, Bill 100 institutionalized collective bargaining and the right to strike, and so strengthened teacher influence over educational issues such as class size, the pupil/teacher ratio, component staffing, and curriculum development. On the other, it entrenched the power of existing unions and so limited management's strategic choices in subcontracting nonunion, private-sector teacher services.

In chapter ten, Edward Fisher and Alex Kondra provide a detailed account of how deregulation and privatization in the airline industry eroded union bargaining power and forced employers to pursue more aggressive, cost-reduction strategies during the 1980's. In production, these strategies involved major investments in containerization, laser scanners, conveyor belts, and new airplanes, and in marketing, integrated ticketing systems. However, changes in industrial relations are viewed as limited to union concessions on, for example, wage increases, two-tier wage systems, and lump-sum bonuses within the context of a continuing adversarial bargaining structure.

In chapter eleven, Anil Verma and Joseph M. Weiler describe the stability of paternalistic industrial relations in the heavily regulated telecommunications sector during the 1980's. Minor steps toward greater employee involvement, often within the context of introducing new production technologies, are documented for the Manitoba Telephone System, B.C. Telephone, and Bell. However, a rapid evolution in industrial relations, perhaps to a strategic alliance of capital and labour built on existing joint initiatives, is predicted, as gradual deregulation increases the pressures for change from nonunion competitors entering the industry.

In chapter twelve, Richard P. Chaykowski and Anil Verma relate the different experiences of the ten sectors by categorizing them on a continuum of distinct intermediate stages in the evolution away from adversarial industrial relations. In this modification of the strategic-choice approach, departures from the traditional system, once precipitated by a crisis, are expected to advance along one of several paths. One of these paths, along which construction, mining, and garments are said to have journeyed, leads to management

dominance of industrial relations in which unions are assigned an increasingly residual role. Another of these paths involves exist from the industry through, for example, bankruptcy or reestablishment in a new country. Yet another, along with auto manufacturing is allegedly headed, leads to joint labour-capital strategic initiatives at a higher level than conventional collective bargaining. These strategic alliances are the author's preferred route of evolution; one which they would like to see researched more thoroughly and supported by public policy. However, no overhaul of industrial relations is expected unless financial crises, as in steel, textiles, and airlines during the early 1990's, spur the search for alternatives to costly adversarialism. When no crisis occurs, as in education and telecommunications, the adversarial system continues to function, since both parties refuse to address innovations in their relationship which might alter the distribution of power to their disadvantage.

Chaykowski and Verma's refinement of the strategic-choice model is well grounded in the sector studies. The introduction of intermediate stages provides the strategic-choice model with a more dynamic character. Nevertheless, further elaboration of the intermediate stages may be necessary. For instance, human resource management (mining) and 'traditional' (construction and garments) forms of management dominance need to be distinguished, given their differing implications for industrial relations. In addition, the willingness of the actors to change their relationships (potential strategic alliances in telecommunications) in advance of expected crises (deregulation) should be recognized. Finally, the ability of the actors to prevent crises from occurring (non nonunion competition in education) should not be underestimated. However, these minor points do not detract from what is otherwise a valuable contribution to the literature and an accessible volume to all industrial relations specialists.

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**Unions and Economic Competitiveness**, Edited by de Lawrence Mishel and Paula B. Voos, Armonk, NY, M.E. Sharpe Inc., 1992, ISBN 0-87332-827-2 et ISBN 0-87332-828-0 (pbk)

La publication de *Trade Unions in the Production Process* par R. Freeman et J. Medoff en 1976 (traduit en français dans la *Revue économique* en 1979), a relancé le débat vigoureux qui oppose depuis toujours la vision institutionnaliste (plutôt positive) à la vision des économistes néo-classiques (plutôt négative), quant au rôle et à la contribution de la présence syndicale au fonctionnement du marché du travail et du régime de relations industrielles dans une économie industrialisée.

La contribution de Freeman et Medoff, cristallisée dans *What do Unions Do?* (1984), [*Pourquoi les syndicats?* (1985)], a été de fournir de nouvelles assises théoriques aux institutionnalistes, et d'en soumettre les prédictions à l'aune de l'analyse quantitative rigoureuse. Les articles rassemblés par Mishel et Voos dans ce volume collectif sont à la fois un prolongement et un élargissement de cet important et fructueux courant de pensée. Le champ de l'enquête est élargi de deux manières. La performance économique ne se limite plus à une