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Presidential Address: Lauching a Renaissance in International Industrial Relations Research

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New Models of Negotiations, Dispute Resolution and Joint Problem Solving

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Presidential Address

Launching a Renaissance in International Industrial Relations Research

THOMAS A. KOCHAN

I am honoured to address you today at our 10th World Congress of the International Industrial Relations Association and to serve in the footsteps of the distinguished past Presidents and Officers of this Association. It has been an exciting and fulfilling three years since our last splendid and invigorating world congress in Sydney. We have tried to use the time in between to begin the process that I ask us all to take up in our discussions and interactions over the next several days, namely, to launch what I truly believe can and will be a renaissance in international industrial relations as a field of scholarship and innovation in public policy and private practice.

I urge us to take up this challenge with all the energy we can muster because we have both an historic opportunity and responsibility to promote change and innovation at this particular juncture in our history. We meet today in a profession that is in profound crisis. If we fail to change we risk becoming an historical artifact identified with past traditions, ideas, and policy solutions that either no longer work or are not relevant to the workforces and economies our profession serves. But we are not alone. No other discipline or group of professionals has clear and workable answers to the challenges facing the parties to employment relations today either.

Herein lies the opportunity before us. As our congress agenda and discussion will show, I believe we are well on our way to inventing the institutions, policies, and practices that can meet the full range of concerns

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of the diverse parties we find at our workplaces today and tomorrow. Our challenge is to promote innovation, learn from our experiences, communicate those lessons forcefully and clearly to each other, and then help adapt these innovations to different settings. This is the key challenge of our time. That is why we have chosen for the theme of this congress: "Learning From Each Other." And the central question we want to ask over the course of our deliberations is: How can we best transfer innovations across cultures that have demonstrated their value and make them work in different settings?

In these introductory remarks I would like to focus on how we might go about meeting this challenge. First I will note briefly the perspective that I bring to the process of cross-national learning and transfer of innovations in employment practices. Then I will discuss some of the substantive challenges and developments in different parts of our field that will not only form the core of our agenda here at the congress but also provide the intellectual foundation for the policy debates which engage us in our daily activities. And, finally, I will end with some personal thoughts on what it will take for us to meet successfully the crisis we face today and to lead the process of innovation and improvement in the performance of our industrial relations systems.

But in case there is any doubt about the need for change, let me note some of the signs of our current crisis. Ours is a crisis of commitment and identification with institutions and ways of thinking that are in decline and in need of fundamental renewal. Labour movements are in decline around the world — some more than others. In some countries the decline is manifested in declining membership, in others in reduced influence in political and social affairs, and in still others in declining relevance to the fastest growing segments of today's diverse workforce. Our most cherished instrument, collective bargaining, likewise has experienced difficulty in adapting to the changing issues and requirements of employers and employees facing an internationally competitive economy. On the other hand, the simple alternative of human resource management as taught in most business schools and practiced in organizations has proven ill-equipped to replace the democratic values, economic functions, and the power needed to drive innovation provided by collective bargaining and other independent forms of worker representation over the long course of history.

In previous periods of crisis, new government policies have been introduced to address the limitations of private institutions. But we live in a period where traditional roles and strategies of labour market and labour relations policy are viewed by many as equal disreputable. The "command and control" mentality of traditional labour standards enactment and enforcement is being challenged not only within advanced industrialized coun-

tries of the European Community, North America and Japan, but is increasingly seen as an unenforceable model for promoting the twin goals of democracy and economic development in the newly industrializing countries as well. A new model for the role of government as a catalyst and enabler of private sector innovation and self-governance is being called for in international forums on labour standards and in national debates over labour and employment policies.

All of these pressures affect our academic programs. Traditional industrial relations programs and courses are experiencing declining enrollments in the United States and we are being challenged by our colleagues from other disciplines to justify our existence. The best way to do so is to look to the future, not to recount past achievements, and to demonstrate that we have the values, concepts, and ideas that will shape future employment relationships. How then, can we go about this task?

AN INTERNATIONAL ADAPTIVE LEARNING PERSPECTIVE

It is fitting we take up these issues in an *international* congress. The growing interdependence of our economies requires an international perspective toward research and the transfer of knowledge. There is also growing interest and openness among practitioners and policy-makers to learning from and considering the adoption of practices that work in other countries. This is what the practice of global "competitive benchmarking" that is widely practiced by businesses today is all about. And it is why labour union leaders from Australia went first to Europe and more recently to North America to explore the relevance of alternative structures and processes of collective bargaining, work organization and economic restructuring. It is why the labour movements in Poland and South Africa were able to lead their countries to democratic transformation and continue to explore lessons from others here at our congress. And it is why American labour movement has opened up to learning from both Asian and European practices and institutions. In the case of Asia, the lessons came in the form of the need to support informal and direct worker participation and flexible work systems. From Europeans, American labour leaders are now learning about the value of works councils and other means of participating in enterprise governance.

But these innovations do not transfer automatically or easily since each is embedded in its own institutional and cultural mosaic. In the past, this realization has discouraged many from considering the adoption of "foreign" practices. But more recently we have learned how to transfer practices in a sensible way. We have come to call this an "adaptive learning" perspective (Westney 1987; Cole 1989). It requires starting with a solid

understanding of the areas most in need of improvement in our own system. The second requirement is that we obtain a deep understanding of how practices that work in other countries fit into their respective industrial relations systems. This is where it is essential to draw on the deep expertise of researchers and practitioners from the country of focus. The third step is to experiment with the practice in our local settings, making adjustments to fit the local context and adjusting related practices as needed. The result over time is not simply imitation but further innovation and adaptation of our overall system. This adaptive learning is exactly what we are engaged in at this congress.

THE SUBSTANTIVE CHALLENGES AND OPPORTUNITIES

Human Resources: A Holistic Perspective

The place to start updating our perspectives is to take a holistic perspective toward the workforce and employment relationships found in today's economies. More than three decades ago, Clark Kerr and colleagues (Kerr, Dunlop, Harbison, and Myers 1960) reminded us that the central focus of our field should be on the structuring of the labour force, i.e., the full range of policies and practices governing employment relationships. His group suggested that the field was focused too narrowly on unions, collective bargaining, and strike activity. Yet we have been reluctant to take up this challenge, remaining instead focused on more familiar paradigm of dividing employment relationships into two groups: labour and management.

More recently the Kerr et al. view has been echoed by many of us who have suggested the need to break down the artificial distinction between human resource management and industrial relations. Indeed, human resource management is currently a major growth area for industrial relations research. Yet, as John Purcell noted at our last world congress (Purcell 1994), if we are to make a distinctive contribution to this literature and be true to our values and perspective, we must do more than simply replicate the research and paradigms used by management experts and industrial/organizational psychologists who focus on the optimal choice and design of human resource strategies and personnel policies for individual firms. An industrial relations perspective leads us to consider human resource practices from the point of view of all the stakeholders to an employment relationship. We must not only look at the effects of practices on firm performance but also beyond the boundaries of individual firms to ask what effects these practices have on macro-economic performance and democratic values. That is, we must consider both the private and public interests at stake in the choice of alternative human resource practices.

Judging from the interest and quality of the research submitted to this and other recent IIRA congresses, we are making good progress in this area. Moreover, I see at least three aspects of the work presented here that reflect the distinctive normative and analytical traditions of industrial relations.

First, our work stresses the importance of viewing employment relationships as composed of a wide diversity of individuals and groups. Second, it argues that human resource practices should not be seen as isolated techniques, but as systems of interdependent activities that are tightly linked to the production and competitive strategies of the firm and its environment. Third, we raise important questions about the effects of globalization of corporate activity on the relative power of the various parties who share an interest in shaping employment relations practices.

As Rosalie Tung notes in her rapporteur's report on the human resources track, diversity in race, gender, culture and other personal characteristics arises from both international and intra-national sources. Globalization of economic activity heightens the cultural diversity present in employment relationships. Recognizing and valuing diversity in the labour force is a logical extension of the values underlying industrial relations as a discipline (Barbash 1984). Industrial relations recognizes differences in interests as a natural and legitimate feature of employment relations. However, we have traditionally tended to think of employment relations as being divided into two distinct interest groups: labour and management. Nearly all of our laws and institutions use this premise as a starting point.

Clearly, this premise requires rethinking. Workplace conflicts involving issues such as discrimination, sexual harassment, work and family policies or cross-cultural communication breakdown do not conform well to the labour-management division and, therefore, are not easily resolved through the formal systems of negotiations, grievance handling or legal enforcement procedures that assume a clear labour-management dividing line. The challenge of diversity is therefore to develop new processes and institutions for legitimating differences arising from personal diversity and resolving conflicts and solving problems that arise out of this diversity.

We have much to say and to learn from each other on this issue. A number of the special seminars will explore the use of new approaches to negotiations, problem solving, and alternative dispute resolution (ADR) procedures that can be useful for addressing these concerns. The challenge is to extend the use of these tools beyond the traditional labour-management arena to address issues of concern to the full range of workplace participants. ADR procedures are the newest of these tools. Whether they can deliver due process and fair systems of conflict resolution that complement other private and public institutions and legal structures is an open ques-

tion. This could be one of the most important areas of research and public policy debate to come along since the introduction of various employee participation and involvement programs in the 1970s and 1980s.

An industrial relations perspective to ADR adds value by viewing ADR not just from the standpoint of an individual firm seeking to reduce exposure to litigation or to resolve problems within its organizational boundaries but to see it as another component in the larger private and public systems for delivering due process and regulating employment relationships. The better we are at resolving differences within organizations, the fewer public resources that need to be devoted to this task and the more we contribute to organizational self-governance and democracy, goals that are deeply embedded in the value systems of our field. But we must look at these systems from the perspectives of all the parties – individual firms, individual workers and societies.

We must also be careful not to view diversity simply as a problem to be solved or a challenge to be met. We know that diversity can also be the source of new knowledge, creativity and learning to individuals and organizations that see differences as an asset rather than as a problem to be managed. An industrial relations perspective, therefore, encourages us to draw on the power of diversity to promote social and economic progress.

I will only briefly mention two other analytical contributions that I believe are hallmarks of an industrial relations perspective on human resource practices. Each will feature prominently in the seminars and workshops of this congress. The first is that we see individual human resource practices as tied together in systematic ways (Dunlop 1958). The total effect is greater than the sum of its parts. The work measuring the effects of human resource practices on economic performance in industries as diverse as automobiles, steel, telecommunications, apparel and airlines all document this important point and I commend those involved in this work for the important breakthroughs in knowledge they have generated from years of intensive fieldwork and data collection.

The second is that we recognize the role of power in human resource decision making in both individual enterprises and national policy making. Power varies enormously depending on legal, financial and governance structures of corporations and the power of labour as a political force in society. This brings a certain realism to the study of human resources that is often lost in much of the rhetoric and writing in the human resource management profession. Our challenge, therefore, is to find ways to increase the power and influence of all the voices (i.e., human resource professionals, employee representatives and employees themselves) that speak for and promote human resource and employment practices inside corporations and in national policy-making circles.

The Future of Worker Representation

No issue is closer to the heart and soul of industrial relations than the question of how workers are represented in employment relationships and in national political affairs. No issue is more open to debate at the moment. As already mentioned, unions around the world have been in crisis for much of the past two decades. Yet the examples of Poland and South Africa demonstrate that our deep values – the notion that strong, independent institutions for providing voice to workers are vital to democracy – are as relevant today as they were in the past. The question that must therefore be at the centre of our debates and analysis is not whether, but, how to provide workers an effective voice in enterprise and political affairs.

What tentative answers does our research suggest regarding the viability of alternative forms of worker representation? Berndt Keller notes in his rapporteur's report that a wide range of different forms of worker representation and participation are now mixed together in different countries. This mixture includes, from the micro to the macro levels of industrial relations, such processes as work systems that embed employee participation into the job itself (or what he and others call "on-line participation"), "off-line" problem solving groups, union-management committees, works councils, collective bargaining at various levels (workplace, enterprise, industry, region, etc.), co-determination or other forms of representation on corporate boards, employee stock ownership arrangements and various forms of tripartite consultation.

This wide range of representative forums and processes seems appropriate, given the diversity of the modern workforce and the variety of employment arrangements that exist in a modern economy. No single model or process is likely to suffice. Keller also notes, however, that often these participatory and representative arrangements do not fit together neatly into a coherent "system." The most specific problem seems to be how they either complement or replace more traditional forms of collective bargaining and union activity. While collective bargaining will continue to serve as an important vehicle for worker representation, those labour movements that see collective bargaining as the sole or exclusive means for providing workers a voice in enterprise affairs will do so at their own peril. Everett Kassalow (1983) made this point in a paper prepared twelve years ago for the Sixth IIRA World Congress in Kyoto. It is an even more accurate prediction today than it was then.

The papers to be discussed at this congress suggest a variety of hypotheses about what types of forums and processes fare best in today's environment. Work systems that embed participation directly in the design of jobs seem to have a greater chance of surviving over time and are

performing more effectively than off-line problem solving processes. Works councils that represent the full range of employees in an enterprise appear to have increased in importance relative to unions and collective bargaining in Europe (Turner 1991). Local unions and works councils that have been able to develop partnerships or joint governance arrangements with employers (Katz and Sabel 1985; Verma and Cutcher-Gershenfeld 1993; Rubinstein, Kochan, and Bennett 1993) have been more successful in adjusting to their changed environments than those that remain isolated or constrained by the standards or traditions of their national organizations. This suggests that innovations are likely to arise from decentralized, grass roots organizations that are both linked to the individual firm and horizontally to other groups in their community. Unions that provide valued labour market services and that can maintain the allegiance of workers as they move across employers and through different cycles of their careers are more successful than those in which membership is contingent on being employed at a particular workplace (Hammarstrom 1994). Unions whose leaders reflect the demographic make up of the membership do better than those with a leadership elite that does not (Eaton 1993). Unions that do not impose large economic costs on the employers with whom they bargain, relative to their non-union competitors, do better than those that impose a significant union-nonunion cost differential (Blanchflower and Freeman 1992). Unions that represent the broad interests of all workers in a society will contribute more to economic growth and welfare in newly industrializing countries than those who represent the interests of a narrow elite group of workers (World Bank 1995). Unions that provide a full array of services to members from individual representation in dispute resolution, training, and labour market assistance, to collective bargaining, to a voice in day to day and strategic decision-making will do better than those that promote only one or a subset of these activities.

Negotiations and Dispute Resolution

Collective bargaining has been and will continue to be the central tool for workers and employers to jointly decide the terms and conditions of work in many settings around the world. But given the changes in the labour force and in the institutional structures of worker representation discussed above, it is clear that a wide variety of structures and processes for negotiations, conflict resolution, problem solving and employee participation will be needed in the future. Moreover, as will be demonstrated in a number of the congress special seminars, the tools and techniques of state-of-the-art negotiations and conflict resolution are changing. These new techniques go by various names, such as interest-based bargaining, mutual gains bargaining, win-win negotiations, ADR, etc.

As Jean Sexton notes in his rapporteur's report, many of these new techniques are American innovations that are now being debated and tested in other national settings. All of these techniques essentially attempt to move away from the stereotype of American-style distributive bargaining–starting with a long list of extreme demands and whittling them down slowly until the threat of a strike produces a flurry of last minute compromises and eventually a settlement. We now have examples of their use in Eastern Europe, Australia, Israel, Ireland, South Africa, and Britain, among others. Obviously each country must adapt these techniques to fit its particular negotiating culture. However, it is clear that some of these practices are adaptable and transferable, as are some of their limitations. As several cases of interest-based bargaining in the U.S. have demonstrated, negotiating teams use these new techniques at their own peril if they do not educate their constituents on what they are doing. Intraorganizational pressures serve as constraints on the ability of negotiating principals to engage in anything other than the more visible symbols of hard bargaining.

Negotiations, dispute resolution and cooperative problem solving have served our field well as the means for translating our values into practice. If these techniques fail, industrial relations systems fail to add value to their societies and instead become costs that political leaders and the general public seek to minimize or suppress. So the stakes in developing and adapting these new techniques to fit the problems and employment settings of today are very high. For this reason, a number of special seminars are devoted to these issues and I propose that the IIRA make a special effort to develop international networks and groups to foster the study and dissemination of knowledge and skills on these topics.

Democracy, Development and Industrial Relations

Industrial relations scholars have historically argued that support for basic labour standards, freedom of association, free trade unions, collective bargaining and related institutions for worker voice both are necessary features of a democratic society and contribute to economic development in newly industrializing nations. These are bedrock principles that have guided the work of the ILO over its seventy-six year history. The conventional argument is that failure to adhere to these principles will produce or reinforce totalitarian societies and hold back economic progress for the working classes. The result will be an industrializing strategy that benefits only an elite group of investors, highly educated professionals and those exercising political power.

As noted in Loet Douwes Dekker's rapporteur's report, these principles have not fared well either in most other theories of economic development

or in the policies of most newly industrializing countries. Instead, they have had to do battle with macro-economic development models that stress the importance of investment and that generally either ignore or are skeptical of worker rights and labour standards. These models and those who advocate them fear that unions distort labour markets by pushing up wages for an elite within the formal sector of the economy, and encourage over-expansion of the public sector, excessive subsidies to inefficient private firms, and labour-management conflicts that further discourage investment. Countries that allow this to happen tend to devolve into what has been described as an import substitution development strategy, i.e., a strategy that seeks to protect and develop less efficient domestic industries from international competition.

The alternative development strategy is to encourage exports by drawing on the comparative advantages of developing countries, particularly their labour cost advantages vis-à-vis more highly industrialized nations. To maintain comparative advantage on labour costs, those countries following export oriented growth strategies believe that it is necessary to hold down wages, limit or control unions, and suppress labour conflict to keep the economy attractive to foreign investors and customers. Education and training become important as an economy moves gradually from labour intensive to higher technology and higher value added goods and services. But promoting investment in education and training does not automatically result in greater democratization of labour market institutions and practices (Amsden 1989). Countries that have been especially successful using this model in recent decades, as measured by their rates of economic growth, include Singapore, Hong Kong, Taiwan, and Korea. These now serve as the models for their less developed neighbours, Malaysia, Indonesia, and even China and Vietnam.

Is there an alternative to these contrasting approaches to economic development and industrial relations? I believe that answering this question is the greatest challenge facing the study of industrial relations in newly industrializing countries around the world. The World Bank's titled *World Development Report 1995: Workers in an Integrated World* agrees with the need for an alternative strategy for linking labour and economic development policies. This report provides a useful starting point for development of a new model that might serve the goals of both increased market efficiency and worker welfare in ways that are consistent with our values. The report suggests that the way to link labour and development policies is to (1) identify and support those fundamental labour standards that, if violated, would be inconsistent with basic moral values (e.g., discrimination, forced labour, hazardous work, etc.), (2) recognize and support free trade unions that promote democracy and worker voice but do not become an

inside elite that represent only a small fraction of the population, (3) encourage development of workplace institutions that can allow workers and their representatives to monitor and enforce labour standards consistent with their particular needs, resources and stages of development, (4) encourage investment in education, training and programs that support and encourage transition from low to high productivity work, and (5) support open markets, free trade and mobility of capital and labour resources.

While the World Bank report is refreshing for suggesting the need to develop new ways of thinking about how to link development and labour policies, we must go further in identifying *how* this can be done effectively. The World Bank has little if anything to say about the types of institutions for worker representation and workplace conflict resolution that can perform the functions listed above. This is a task for industrial relations researchers. We do not lack for opportunities to take up this task. Four areas of the world – East Asia, Africa (especially South Africa), Eastern Europe and Latin America – provide laboratories for experimenting with different strategies for linking economic development and industrial relations policies. Each poses special challenges to industrial relations theory and practice. Our examination of these situations over the course of this congress provides an opportunity to explore how our field can take up the challenge where the World Bank and existing theories of economic development leave off.

Jobs, Labour Standards and Economic Policy

If the ultimate objective of economic policy is to improve living standards, then the ultimate contribution of employment policy to this goal lies in improving the rate of job growth *and* the quality of employment conditions. Yet, for too long those studying these issues have been divided into two separate camps: economists who view job growth as the key objective and view efforts to impose labour standards or improve working conditions as market distortions; and industrial relations researchers who favour labour institutions and standards designed to protect and improve working conditions. The papers prepared for this congress begin to suggest that a new analytical perspective may be emerging, one that is not a simple compromise between these two perspectives but that is based on evidence indicating that the record is more complicated than either camp would suggest. As Richard Freeman's rapporteur's report suggests, the emerging view is that future policy must be better informed by the changing nature of work and employment practices, and by the role played by institutions at the micro level of our economies.

These papers lay out the problem quite clearly. Labour standards and rigid work systems associated with what Boyer and others have called the

Fordist mode of production and labour regulation are giving way, haltingly to be sure, to more flexible forms of work. Flexibility may foster productivity growth, but the growth in productivity has not produced the number of new jobs required to replace those lost and to absorb increases in labour supply. Moreover, the new jobs being created are bi-polar in quality. Productivity growth in manufacturing tends to be associated with losing "good" jobs of semi-skilled blue collar workers and middle managers whose best alternatives are lower wage service industry jobs. At the same time, technological changes, the changing nature of work organization and other forces are leading to increased demand for highly educated and highly skilled workers, professionals and managers. The net result is increased wage and income inequality and/or long spells of unemployment for displaced workers.

Different countries have experienced different combinations of results, with the U.S. producing the greatest inequality in wages, Canada and much of Europe experiencing higher unemployment, and Australia doing relatively poorly on quantity and quality dimensions. In short, labour markets have not performed well in responding to the structural and organizational changes in the world economy. Nor can we identify countries with policies and/or institutions that have performed well on both the quantity and quality of jobs' criteria. So it has not been a good decade for many of the world's workers.

Yet the threads of a new perspective in labour market analysis and policy are emerging among those who look carefully at *changes* in patterns of work and the *types* or *forms* of labour market institutions that can contribute to both productivity growth and improvement in quality of employment conditions. This work focuses on ways to link investments in education and training with wage determination (e.g., skill-based pay, gain sharing, profit sharing, employee stock ownership plans, etc.), work organization design, and private mechanisms (unions, works councils, labour-management committees, board representation, alternative dispute resolution systems, etc.) for enforcing employment standards in flexible ways. If this type of interchange and analysis between labour economists and industrial relations researchers is nurtured, the gap between economic policy and labour policy has a good chance of being closed. The IIRA can provide a venue for this type of interchange. The papers to be discussed at this congress are an excellent beginning.

LINKING RESEARCH TO POLICY AND PRACTICE

If we are to both be true to the best traditions of our field and lead the intellectual debates on the future of employment relations, we must be

proactive in using our research to inform debates over public policies and developments in private practice. This is one of the benefits of an association such as ours that explicitly mixes academics and professionals from all aspects of our field. Indeed, I believe we have a particular obligation at this stage in our history to become more proactive in using our research to shape the alternatives considered in policy debates. The reason is that in so many situations, incremental adjustments of existing policies or practices are not sufficient to meet the challenges of the day.

Allow me to draw on a local example and personal experience to make this point. In the U.S., we recently went through an effort to find a compromise between business and labour for modernizing American labour and employment law. The Commission on the Future of Worker Management Relations, ably led by its chairman, former Secretary of Labour and former IIRA President John Dunlop, laboured for nearly two years to develop recommendations for updating our laws to support employee participation, reduce conflicts over worker rights to join a union and encourage private resolution of workplace disputes. The result, at least to date, is, unfortunately, continued stalemate. Neither the organized interests of business nor labour were able or willing to negotiate compromises to improve the performance of the existing system. At the same time, neither the business nor labour representatives who testified and worked with the commission were willing to consider seriously any fundamentally new approaches or ideas for structuring worker-management relations.

As a result, the commission stopped short of proposing any fundamentally new alternatives to the current U.S. institutions, such as works councils, board representation, employee stock ownership, labour courts or various forms of individual or non-exclusive union representation. The issues of corporate governance and the weak role of human resources were not addressed since this would have opened a debate about the very nature of the objective functions of American corporations. The structure, governance and leadership of the labour movement were not critically analyzed, even though some of these features may also limit diffusion of innovations and invention of new models of representation. Nor could the commission vigorously critique the way in which labour policy is situated in economic policy making or in the political process, even though in our individual writings some of us on the commission have criticized U.S. labour policy for being marginalized as "interest group politics" rather than treated as an integral aspect of the nation's economic policy and strategy.

The point of this example is simple. Unless the research community is willing to address these more fundamental questions and bring them into the debates over policy and practice, new ideas will not be raised and the potential for using the international marketplace of ideas to promote

experimentation and adaptive learning will not be realized. Policy making within our respective countries will be limited to debates over incremental adjustments of existing practices and traditions, or worse, will remain stalemated until an economic or political crisis forces more fundamental change. Then the changes that will be imposed may not be those that we would prefer. Perhaps we in the U.S. are living through such an experience at the moment.

IS A NEW PARADIGM EMERGING?

Given the resurgence in research, policy debates and innovations in practices reviewed here, can we see the contours of a new paradigm emerging for international industrial relations? I believe we can, but whether it will eventually be described as a "renaissance" will depend on how well we nurture and develop it. Here, then, in summary, is what I believe the key features of this new paradigm are and what we must do to develop its full potential.

Theory

At the micro level the new approaches to theory building and testing lie in linking industrial relations and human resource practices to models of production and service delivery that emphasize flexibility, quality, speed to market and integration of cross functional activities. These models in turn need to be embedded in theories of the firm and corporate governance that pay attention to the power and influence of labour and human resource strategies and outcomes. Ultimately these models need to be tested for their effects on the economic performance of the enterprise and on the interests of workers and other key stakeholders in employment relationships.

At the macro level, both political science and economics offer opportunities for deepening industrial relations theory. Industrial relations needs to be linked to theories of competitive advantage and economic growth both in newly industrializing and advanced industrialized nations. For industrializing nations, debates over labour standards and free trade unions must be informed by the arguments supporting export oriented growth strategies and opening of markets, and building institutional capacity to compete and improve living and working conditions. A new growth model is needed that balances investments in human capital, collective bargaining, works councils or other institutions that can effectively enforce and adapt labour standards, and achieve a stable climate for investment if we are to discover a pathway to development that can achieve adequate economic growth and

is consistent with the democratic labour market and industrial relations institutions we value. In advanced industrialized countries, the macro challenge to industrial relations lies in demonstrating how a labour policy that promotes and supports democracy, innovation and learning among workers, labour representatives, and employers helps societies remain competitive at high and improving standards of living.

Methods

The emerging methods of the new international research are more varied, analytical and precise than the descriptive or broad classifications that dominated prior work in this field. Micro research, informed by the contextualized comparisons advocated by Locke and Thelen (1995) offers a new strategy for taking advantage of the best of both institutional and comparative analysis. To achieve maximum generalizability, this work needs to be well-informed and guided by the theoretical perspectives noted above. No single method is powerful enough to address all these challenges. Industrial relations researchers of the future will need to have the deep institutional knowledge required to place a problem or body of data in context and be skilled in using state-of-the-art quantitative and qualitative tools. Moreover, we need to be creative users of networks and teams in conducting research and communicating our results to each other and to our professional colleagues more quickly and at an earlier stage of the research process than has traditionally been the case. Experimenting with the use of modern electronic media is one promising way to do so.

Linking to Policy and Practice

If the new international industrial relations research is to reach its full potential we need to close the circle by more effectively using our findings to inform policy and practice. At this juncture in history, this requires a willingness to *challenge* prevailing practices and institutional positions more directly and aggressively than we have in the past. We need to encourage and support more experimentation with international "best practices" in ways that promote adaptive learning and institutional change. And we must study and work on the implementation of innovations to help in the process of adapting them and the institutions in which they are embedded to maximize their chances of success. This is the action-oriented aspect of our field that adds a dimension of practicality not often found in the disciplines that focus on pieces of the industrial relations puzzle rather than on the whole picture.

Finally, we need to be willing, from time to time, to step beyond the constraints of the interest group battles by calling for, when warranted,

more fundamental change in industrial relations policies, institutions and workplace practices. Now, I believe, is just such a time, as it was at the time of the giants of previous generations in our field — Marx, the Webbs and Commons. Our generation, like those before us, will be judged by whether or not we carry on this heritage with equal imagination, clarity, and consequence.

So I hope that we will use the venue of this congress not to dwell on the crisis that afflicts us at the moment, but on the opportunities available to us if we are truly open to learning from each other and putting that learning to work. I look forward to getting on with this process with you in the days ahead.

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L'ACRI est une organisation volontaire à but non lucratif. Fondée en 1963, elle a pour objectif la promotion de la recherche, les discussions et l'éducation dans le domaine des relations industrielles au Canada. Les membres se recrutent dans les milieux syndicaux, patronaux, gouvernementaux, chez les arbitres, les enseignants, les chercheurs, les conseillers et autres spécialistes de relations industrielles. L'ACRI organise son congrès annuel dans le cadre des conférences des Sociétés savantes du Canada. La cotisation annuelle à l'ACRI inclut l'abonnement à la revue *Relations industrielles/Industrial Relations,* organe officiel de l'ACRI.

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