

## Relations industrielles Industrial Relations



*Strategy, Organization and the Changing Nature of Work* edited by Jordi GUAL and Joan E. RICART, Cheltenham: Edward Elgar, 2001, 250 pp., ISBN 1-8406-4713-2.

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description of policy-making without much attention to the emerging sense-making by the actors and the dynamic exchanges which result in the construction of a particular regime. More importantly, while chapter 3 emphasizes that its purpose is not to present the “right” perception of the issues involved in the opposing claims concerning a social clause, chapter 5 does not match that position in its analysis of the Indian unions, which are criticized for short-sighted opposition to a social clause and for not taking the social clause debate very seriously in any other way than as a threat. The point here is not the criticism as such but the lack of explicit critical reflection on the researcher’s own assumptions for such a critique.

The concluding chapter restricts its focus to the social clause debate. It would have been interesting if Roozendaal had used her findings for

a general theoretical reflection on the concept of “global governance,” which figures prominently in the title of her book. Indeed, “governance” is a hot topic, but political science and international relations literature understand the concept as public governance and have a government-bias, while business studies concentrate on corporate governance issues. In the debate on economic globalization, the elaboration of the concept of governance from the point of view of civil society and non-governmental organizations, including the trade unions, would be very welcome. Having said that, Roozendaal’s study will no doubt be appreciated for its contribution to our knowledge of the highly relevant issue of economic globalization and labour standards.

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***Strategy, Organization and the Changing Nature of Work***

edited by Jordi GUAL and Joan E. RICART, Cheltenham: Edward Elgar, 2001, 250 pp., ISBN 1-8406-4713-2.

In contrast to the sustained economic growth that took place from the 1950s to the early 1970s, the subsequent period has been marked by endemic instability, characterized by technological and cultural change, increased mobility of investor capital, and heightened global competition. Whilst this may have, in certain cases, encouraged the development of more innovative functionally-flexible forms of work organization, it has also led to an increased emphasis on numerical flexibility, above all on the ability of organizations to readily upsize or downsize their staffing. This edited volume represents the outcome of a conference on employment, organized by the University of Navarre’s IESE Business School, focusing on the changes taking place in modern business as a result of new technology and heightened competition. The opening chapter provides a brief introduction to the

following eight contributions. However, it never really goes beyond summary; the reader is left uncertain as to the contribution of the volume as a whole, and the underlying coherence of the remaining set of eight chapters.

The second chapter, by Joan Ricart and Carlos Portales, looks at the role of new forms of strategic HRM in underwriting the competitiveness of firms. The authors highlight the mutuality of exchanges underlying the employment contract. They underscore the dangers posed by short-term contracting and high staff turnover rates; whilst the latter may make for an immediate competitive advantage, it is likely to reduce organizational commitment over the medium and long terms, and instill a culture of fear in the workplace. As a possible alternative, they suggest a movement towards an “organizational

employability model," whereby individual contracts allow for high levels of job rotation, involvement, and associated benefits. In effect, an internal labour market is used as a source of skills; individuals forgo security in return for the possibility of competing for more interesting tasks and greater decision-making power. Again, the engendering of non-workplace based forms of social support, such as professional associations, may make job security less important to individual employees. Whilst there is little doubt that this chapter does highlight certain basic truths, it is marred by a tendency towards rather simplistic and flashy solutions, and an over-reliance on some of the more vulgar popular managerial literature.

In the following chapter, Carlos Sanchez-Rudde provides an overview of existing work, and a possible future agenda for research on new employment relationships from a strategic HRM perspective. This most authoritative overview is of great value both in highlighting existing themes and schools of thought and in its strong emphasis on the need to develop more critical approaches transcending the mainstream, U.S.-centric research agenda. Key issues for future research include the embeddedness of HR practice in both institutional and cultural terms, and the specific mechanisms linking HR practice with performance.

Chapter four, by Sumantra Goshal, Peter Moran and Christopher Bartlett, looks at the relationship between job security, employability and competitive advantage. They note that whilst there is a growing trend for companies to abandon long-standing policies regarding job security, there have been few new alternatives to replace it (p. 79). In response, the authors suggest a new approach, founded on the recognition that, whilst employees will tend to have skills that are marketable outside the firm, much managerial knowledge is specialized to the enterprise. This represents a

reversal of usual conceptions of management as generalists, understanding all aspects of organizational processes, and employees as only commanding limited, specialized skills. This reversal will necessitate firms reviewing their internal labour markets, and a reassessment of the manner in which external labour markets are structured.

The rather brief chapter 5, by Peter Capelli, argues that the consequences for firms of low job security and high staff turnovers remain uncertain. However, it may encourage firms to spread operations between radically different employment systems; a particular level of staff turnover may best facilitate specific activities. A rather weightier chapter 6, by Carlos Portales, looks at overall business strategy versus employment systems adopted by firms operating in Spain, based on a survey of 218 firms. The study revealed considerable variability in practice within a single national context; indeed, many of the employment models followed by Spanish firms were similar to those in use in radically different social contexts. This important chapter underscores the difficulties in categorizing nations in terms of national business systems; under close examination, key defining features may prove elusive.

Chapter 7, by Andrew Pettigrew and Silvia Massini, looks at the adoption of new organizational forms by European and Japanese firms in the 1990s; it draws on the findings of two major multinational surveys, conducted in 1992 and 1996. They conclude that the speed of organizational change is often overestimated; new forms of organizing often supplement, rather than change, existing structures and practices. Nonetheless, important reforms have already taken place in Europe; these include a trend towards decentralization, horizontal linkages and strategic alliances. This interesting contribution is followed by a jargon-filled chapter by Rafael Andreu and Sandra Sieber, which, apparently,

looks at “impacts on employment of new forms of organizing.”

The final chapter, by Paul Sparrow, argues that generally declining security of tenure is likely to have far-reaching social consequences. Few firms seem willing to even recognize, let alone rise to, the challenges posed by the “after-shocks” of downsizing. The consequences are likely to be negative in terms of personal well being, and organizational citizenship behaviour; a likely trend is towards heightened levels of passive resistance. Sparrow concludes that firms and societies face the stark choice of rebuilding employment systems to deal with a rising “trust no one” generation, or try and reengage individuals and reconstruct trust.

The sum of the parts of this book seems greater than the whole. On the one hand, many of the contributions provide important insights into key questions surrounding the possible

convergence of practices and the implications for this within and between firms. Two chapters in particular contain a wealth of empirical detail, which sheds new light on often overly theoretical debates on the changing nature of employment systems. On the other hand, this book is marred by the rather lightweight nature of certain other contributions, and seemingly limited editorial direction. The extensive use of strategic HRM theory is both a strength and weakness; it allows for a more applied approach than typically found in the mainstream socio-economic literature, but, again, makes for a certain shallowness and eclecticism. Nonetheless, this volume is likely to be of considerable interest not only to students of HRM, but all concerned with the consequences of a global trend towards diminished security of tenure.

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***Helping Working Families: The Earned Income Tax Credit***

by Saul D. HOFFMAN and Laurence S. SEIDMAN, Kalamazoo, Mich.: W. E. Upjohn Institute for Employment Research, 2003, 245 pp., ISBN 0-88099-254-9 (cloth), ISBN 0-88099-253-0 (paper).

This book is an update and expansion (which more than doubles the original length) of Hoffman and Seidman’s 1990 Upjohn Institute monograph on the U.S. federal earned income tax credit (EITC) program. Given that much expansion of the EITC program has occurred since 1990, this new version is welcome.

The book opens with an introduction and an overview in Chapter 1 of the history and basic working of the EITC. The EITC program began in a modest version in 1975, whereby a household with at least one child received a ten percent supplement on wage earnings up to four thousand dollars (for a maximum credit of \$400), followed by a phase-out range up to a household income of \$8000. By comparison, the maximum credit for 2002 was \$4140 and the maximum

phase-out point was \$34,178 (for a married couple with at least one qualifying child). Major expansion of the program occurred in 1990 and again in 1993, and the Economic Growth and Tax Relief Act of 2001 continued the expansion by, in particular, increasing benefits for married couples, for a rise in the total amount expended on this refundable tax credit (both refundable and foregone tax income) from \$1.3 billion in 1975 to a projected \$30.7 billion in 2001. In addition, about a third of the states have an EITC program, generally “piggybacking” onto the Federal EITC eligibility provisions and giving an additional percentage back of the EITC amount off state income tax (generally also refundable).

Chapter 2 discusses the characteristics of the beneficiaries of this program