

REVIEWS

Boston, Jonathan, *Incomes policy in New Zealand : 1968-1984*. Wellington, Victoria University Press and the Institute for Policy Studies, 1984, ix and 334p. Price: \$19.95

It is tempting to describe this book as containing everything one might want to know about incomes policies in New Zealand in the period covered. The author would not agree, for he claims that "limitations of space and time prevent anything approaching a definitive enquiry". Price controls, public sector wage-fixing, and changes to industrial law are touched on but not investigated in detail. Wages policy in the private sector is the major focus, but Boston says he is unable to accurately assess the impact of incomes policy on pay differentials, non-wage labour costs, and industrial unrest, and laments that it is quite impossible in the space available to provide a detailed narrative of all the major events. But anyone who has plowed through the 6 chapters of chronological narrative of just under 200 pages can only wonder what greater detail one might want!

In other words, the book is as comprehensive as one could reasonably expect within the boundaries defined. Its origins are in a document written while the author was working for Treasury in 1978-79 and 1980. It was designed initially for internal use, but a "sanitised" version was available for use by students in the Master of Public Policy programme at Victoria University between 1981 and 1984. The chapter dealing with the period from 1978 on was cut out completely, and various other sections were removed physically or covered with intriguing white sticky paper, segments of which could be seen through with difficulty when holding the page up to the light. The reasons for the deletions were obvious given Boston's unimpeded access to virtually all relevant material, including Cabinet minutes. For the published version of the book Boston has been able to take advantage of his access to the material, but only under the conditions that official documents could be neither quoted nor cited, and that the advice of individual public servants or departments not be disclosed unless already public knowledge. Despite these limitations, there is no shortage of insight into the decision making process, particularly with respect to the roles of the key political actors.

While the book remains shaped by its origins in a document designed for internal departmental reference, its publication is nevertheless most welcome. The mass of detail can be mined by those interested; and there are also useful areas of analysis and commentary. The arguments are complex, and are often hard to glean out of the detail; but they merit attention. They are also well illustrated with a rich variety of comparative information, particularly from western European experiences. Boston's expertise in the area of incomes policies in Britain is brought to bear with particular effect. As one would hope for in a document with its origins in a government department, arguments from various points of view are stated in most cases fairly and with balance, although there are certain lacunae. But the "on the one hand and on the other" approach will frustrate those who are looking for clear and simple answers to the problems posed, unless they are prepared to accept the proposition that there are no clear and simple answers to them.

The major strength of Boston's approach is its grounding in political economy. Thus he shows that incomes policy in New Zealand from 1968 onwards has been increasingly shaped by a transition in Treasury thinking from Keynesian to monetarist economics, and, as a result, by increasing bureaucratic scepticism, particularly since 1977, about the effectiveness of direct state intervention in wage determination. Since 1968 with the breakdown of the old arbitration system under pressures of inflation and demands for

free collective bargaining, incomes policy has been in flux. A major problem has been that the key central organisations of capital and labour, the Employers' Federation and the Federation of Labour, are relatively powerless to control their constituent bodies compared to comparable bodies in Sweden, Austria, and Norway, where tripartite bargaining is well established. Given this low potential to deliver on any agreements made centrally, a form of liberal or "bargained" corporatism would be hard to establish in New Zealand. The union movement has also resisted such tendencies, although in the 1980s an influential group within the FOL has sought to move in that direction.

Boston takes the story up until the election of the fourth Labour Government and the statement of understanding on wage fixing of September 1984 which prepared the way for some reforms and, in particular, the establishment of formal tripartite consultations prior to the beginning of the annual wage round. In the aftermath of the 1985 wage talks, the word "formal" takes on greater meaning. The book gives little evidence to suggest that a corporatist rather than market forces strategy could have emerged out of this arrangement or anything like it, despite some support for that alternative in sections of the union movement and the Labour Party. But as a background to the present incomes policies Boston's book is essential reading. It may prove somewhat indigestible for all but industrial relations specialists, social scientists, and economists in the public service and the education system; this is unfortunate, as it contains much that should be the subject of wider public debate.

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Economics: a workers' education manual, Geneva, International Labour Office, 1983, x and 160p. Price: not stated.

This is a valuable addition to the library of worker-education material. A standard problem in this area is that the level of education among potential students varies widely. This creates real problems in finding the level at which to pitch the exposition of material, some of which is inescapably technical in nature. It is to the credit of the (unnamed) authors that they have managed to cover the main themes of direct economic interest to workers in the space of 160 pages. In addition the style is clear without simplifying to the point of distortion.

Given the international nature of the publishing organisation, it is refreshing to note that the authors have managed to deal with politically contentious issues (e.g. the multinational corporation or different economic systems) without evading the crucial questions that such phenomena raise. In this context chapter 13 (Economic Planning) is a useful clarification of what is meant by that much confused term "planning".

At the pedagogic level, the book is structured as a teaching manual with suggested exercises and ideas for group study at the end of each chapter. It also contains a short glossary of economic terms used in the text. Since it seems to be presumed that the book will be used by a teacher with some background in technical economics, the lack of diagrams may not be a major handicap. However, if being used by an individual worker as a guide, the present reviewer feels that some diagrams, particularly in chapters (6) Prices and Markets, (10) Wage Determination, and (15) Demand Management would help clarify the text. The last comment apart, this is a manual to be recommended to teachers and workers alike.

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Child, J and Partridge, B *Lost managers: Supervisors in industry and society*. Cambridge University Press, 1982, xiv and 241p. Price: not stated. (Paperback).

The purpose of this volume is to present data from a series of studies conducted by the authors in 2 British manufacturing organisations between 1974 and 1978. Child and Partridge note that, while investigations have devoted considerable attention to the question of leadership styles, there is little previous research focussing on what supervisors actually do and where they stand in organizational hierarchies. The studies reported here were conducted to redress this imbalance and to provide a more applied perspective to the understanding of supervision. Some of the material contained in the book has also been presented in earlier publications (Child, 1980 a, b; Child, Pearce & King, 1980).

An interesting introductory chapter examines the historical transformation of the role of supervisors in industrial organizations. Child and Partridge argue that the emergence of the scientific management approach, coupled with the development of formal organizational bureaucracies, has curtailed the extent of authority and influence which supervisors command. In addition, the increasing utilization of personnel departments for training and development functions within organizations has further diminished the control function of supervisors. Nevertheless, the supervisor should not be regarded as a dinosaur, since "supervisors can either serve as important catalysts for change or they can provide a focus for resistance to developments aimed at increasing productivity" (p. 12). The authors believe that much can be gained from a reanalysis of supervisory roles and reappraisal of the potential contribution of people occupying this position.

Chapter 2 outlines the methodology employed in this longitudinal research project. After preliminary explorations, 2 manufacturing plants (1 engineering, 1 food) in Birmingham were selected as the sites for the investigation. A lengthy rationale for the selection is given and a warning that, while the studies were designed to address issues which are of general interest, the findings should not be taken as necessarily representative. The sample included 156 supervisors (nearly all males) and their immediate superiors. Interviewing of these personnel was the primary data gathering technique, with direct behavioural observations being utilized to supplement the interview data.

Chapters 3-6 of the book outline the findings concerning supervisors' perceptions of their roles and the tasks they perform, as well as highlighting views of management. In particular, there is a detailed description in Chapter 3 of the extent of authority and influence which both supervisors and management attributed to the supervisory role, with a clear difference emerging between the 2 groups. It was evident that supervisors' responsibilities exceeded the authority invested in their role, but there was also variation among supervisors themselves in the amount of influence and control they felt they possessed.

Child and Partridge next explore the relative effects of technology, organizational structure and personal factors on supervisory authority and influence (Chapter 4). Overall, they conclude, none of these factors explains a large proportion of the variance in supervisors' levels of control, although technological uncertainty, formalization and individual flexibility may be contributing factors. The authors note, however, that interviews are limited in their capacity to obtain data critical to a full understanding of the potential impact of these variables. It is fair to say that the treatment of individual differences in this research is meagre.

Chapter 5, dealing with the tensions and pressures experienced by supervisors and their methods of coping with stress, illustrates some of the major conflicts and problems encountered. Lack of promotion opportunities is suggested as a major source of concern, along with work overload. This chapter is less well presented than most of the others and contains some inconsistent arguments, especially concerning the relationship between job satisfaction and presumed sources of job stress. The data obtained in this research

simply do not warrant the conclusions drawn.

Assessment of supervisors' performance is the subject of Chapter 6. A lack of agreement was found between supervisors and managers in their ratings of supervisors' performance levels. Child and Partridge devote considerable time to exploring reasons for these differences and their practical implications. While the chapter becomes a bit congested in places, it provides a good integration of the research findings.

In Chapter 7, the authors explore the issue of social class identification. It may not be immediately evident how this is relevant to consideration of supervisors' roles, but Child and Partridge cogently argue the necessity of viewing the occupational role in the larger social context. They provide some interesting data on supervisors' interactions with colleagues, subordinates and managers, as well as groups with whom they identify. The chapter highlights the heterogeneity of outlooks among supervisors, even though most appeared to identify more with their subordinates than with their superiors.

Union membership is the theme of Chapter 8, but is not well linked with the remainder of the book. Approximately half the chapter is devoted to outlining the historical process of unionization in the 2 plants; comparatively less attention is given to explaining the social significance of the information collected from interviewing respondents.

Child and Partridge conclude their book with a chapter entitled, "Lost managers – will they be found?" While this title may be ambiguous, the implications of the authors' research are clearly spelled out. They provide a very useful discussion of different approaches or models of supervisors' roles and offer suggestions for clarification of the position of supervisors in the organizational hierarchy. Although their conclusions may not be specific enough for management and supervisors to implement directly, they certainly stimulate critical thinking.

Overall, therefore, while some of this material has appeared previously in other places, the empirical findings and conclusions presented here are informative and challenging. More cognizance could have been shown of the limitations in these studies, especially the problem of generalization – to other settings, other types of supervisor and perhaps even other time periods – but the authors have achieved their objective of presenting a different perspective on an issue of continuing importance. Should other investigators follow the example set by Child and his colleagues, incorporating statistical data, observations and case studies into a balanced theoretical/applied framework, research on leadership and supervision may receive a wider forum and greater utilization in organisations.

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References

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- Child, J (1980b). The meaning and process of supervisory unionism. University of Aston Management Centre Working Paper, No. 172.
- Child, J, Pearce, S, and King, L (1980). Class perceptions and social identification of industrial supervisors. *Sociology*, 14:363-399.

Dunn, S and Gennard, J *The closed shop in British industry*, London Macmillan, 1984, xii and 181p. Price: \$33.50

In 1964, Dr W E J McCarthy published *The closed shop in Britain*, a classic text, relied upon in Chapter XI of the report of the Donovan Royal Commission in 1968. Dunn and Gennard have expressly, and quite successfully, built on McCarthy's work, with a well-produced replacement volume, 20 years on. Their theme, like McCarthy's, is the purpose and influence of the closed shop in the relationship between trade unions and management. Their approach is pragmatic and descriptive — not for them the ideological barbed wire of pure individualist libertarianism, on one side of the trenches, or dogmatic collectivist solidarity on the other.

The book has much to offer New Zealand readers, not only owing to the intrinsic interest of the subject matter and its geographical *situs*, but also because of the empirical results that arise from legal changes as labour and non-labour parties revolve around, in and out of, the Treasury benches, a process in which New Zealand is very much *in media res*.

In chapter 1 the authors set out their terms of reference, their objectives, a brief review of the statutory changes 1971-1982, and their terminology. The arguments against the closed shop they set out here as the principled ground of individual choice, and the distortion of the market by "restriction of output, resistance to technological change, retention of outdated skill differentials, shortage of skilled labour, embargoes on the goods and services of non-union firms and damaging use of the strike weapon". The arguments in favour are the equity of "common obligation" (the anti-free rider argument) and the more pragmatic "aid to achieving orderly well-regulated industrial relations to the benefit of industry and workers". The latter argument postulates employer acceptance based on simplicity, discipline, and the increased formality of industrial relations.

The authors also include a useful survey of legal changes including both evolving acceptance by the House of Lords of trade union objectives, and the statutes of 1971 to 1982. I must say here, however, that the text would have been better had a lawyer vetted the legal analysis. For example, they cite *Reynolds v Shipping Federation Ltd* as having been decided by the Court of Appeal in 1924, when, in fact, it was decided by Chancery in 1923, and they refer to the *Crofter* case as being "18 years later", which it was, but 18 years after 1923, not 1924. They also mischaracterise *Rookes v Barnard* (as well as mis-spelling the name of the defendant as "Bernard") as being decided on the illegality of the closed shop, when, in fact, the grounds for Rookes' success was the threatened breach by the Association of Engineering and Shipbuilding Draughtsmen of an express no-strike clause in their written agreement. Nor is there any useful citation given to locate any of the cases.

Their summary of the state of legislative play, at pp. 8-11 is well done. They describe the opening shot by the Conservatives in 1971 (the Industrial Relations Act), the return volleys by Labour in 1974 and 1976 (the Trade Union and Labour Relations Acts), and the Conservatives' riposte in 1980 and 1982 (the Employment Acts). My personal preference here would have been for a bit more detail and precision, but that is probably a lawyer's quibble.

Chapter 2 describes the author's methodology and data collection, and gives the reader some very useful statistics on British closed shop coverage. McCarthy's figures, from the early 1960's, show some 3.75 million workers (16 percent of the workforce) in formal or informal closed shops, while figures from mid-1978 show 5.2 million workers (23 percent of the workforce) covered by such arrangements. Of great interest is the drop, of almost 20 percent, in numbers employed in the 5 hard-core, blue-collar, traditionally closed-shop industries — coal mining, iron and steel, engineering, shipbuilding, and printing. Those 5 industries had accounted, in 1962, for two-thirds of the closed-shop populations, but the losses were more than compensated for by growth in "new" industries (coal and petroleum by-products), nationalised industries, and white-collar employment.

We are also told that of the 5.2 million workers so covered, only 16 percent, or 837 000, were in pre-entry shops.

Chapter 2 also contains a clear presentation of data with numbers and trends since 1964. What we are not told in Chapter 2 is a bit disappointing. Although the authors make some educated guesses for "the future" in their concluding chapter, we are given no statistics — in a book published in 1984, received here in 1985 — past mid-1978. It would have been invaluable to consider the impact of the 1980s — the more hostile legislative environment, massive unemployment, and a continued decline, both in absolute numbers and percentagewise, of blue collar workers — on the closed shop tendency. Have those economic and legal forces resulted in unions circling their wagons in an ever-tightening laager or have the structures and organisation become looser and fragmented?

In chapter 3, the authors provide more in-depth analysis of the pre-entry closed shop, and present some dramatic findings which tend to substantiate the market distortion arguments presented in Chapter 1. Three industries are profiled: merchant shipping, dock-working, and printing. In each industry, the authors claim:

employers eventually tend to react to the loss of prerogative and the higher wage costs by seeking a new alternative workforce over which the existing pre-entry shop exerts no control. Such alternative workforces can be created or tapped by the introduction of new production techniques that undermine existing skills and jobs, and by 'runaway' to a location outside the jurisdiction of the pre-entry shop.

In merchant shipping they explain the drop in union membership from 62 500 in 1965 to 35 000 in 1982 by the flight of shipping to flags of convenience. In 1966 there were 2 319 merchant ships flying the British flag, and in 1982, only 919.

Similar developments in waterside work will be familiar to New Zealand observers. Capital-intensive production methods, and movement of labour-intensive work to non-waterfront areas meant a drastic fall in traditional waterfront labour. In 1967, there were 57 000 dock workers covered by closed shop arrangements. By 1982 this number had fallen to 15 000.

The printing industry has been staggered by new technology and the communications revolution, but perhaps the most poignant remark is that made involuntarily and unconsciously by the authors: their book, published by an established, highly reputed British publisher, was type-set, printed and bound in Hong Kong.

Chapter 4 is the analytical and creative core of the book, in which the authors explain the rise of the post-entry closed shop since the early 1960s.

Again commencing with McCarthy's work, they characterise his approach, the so-called "hard theory" as follows:

[The closed shop is] a trade union weapon which, by offering unions significant advantages in organising and controlling the workforce, was likely to increase their bargaining leverage. Identified as such, the practice was likely to be accepted by the employer only under duress. [Its] spread was a matter of power. It depended upon union pressure, often in the form of strikes, or similar sanctions or the threat of them, forcing the employer to concede on the issue.

In contrast to McCarthy's "hard" theory, Dunn and Gennard present their own "soft" theory, which presupposes a managerial calculation that the introduction of a union membership agreement "would have little impact upon industrial relations, that the cost of concession would be trifling, and that resistance was unnecessary." Their soft theory characterises acceptance of closed shop as an incidental aspect of managerial behaviour once the union is recognised as a collective bargaining agent, and a comprehensive agreement is formalised. Whereas McCarthy's hard theory treated the closed shop as a practical instrument to achieve solidarity, the soft theory treats it as an expression of solidarity, more an effect than a cause. Advantages of the closed shop, as perceived by management, include the convenience of have one negotiating body, one set of procedures and one channel of communications, the elimination of free rider disputes, the elimination of inter-

union disputes, and the reliability of an established adversary with disciplinary powers.

Two quotes, allegedly from management interviewees, may illustrate this attitude: "The Union Membership Agreement became part of the furniture"; and "the closed shop is rather like the monarchy. It's not what it does, but what others might do if it wasn't there." (See also "Why Bosses Love the Closed Shop", by M Hart, in *New Society* of 15 February 1979 at pp. 352-4).

Of special interest to me, and something of a disappointment, was chapter 7, "The operation of the closed shop: the union and the industrial worker". As an example, I thought, before reading *The closed shop* from beginning to end, I might sample their treatment of *Young, James and Webster v UK* especially since a publisher's blurb on the back cover invited the reader to consider "How typical are such *cause celebres* as . . . the three railwaymen at the Court of Human Rights?" I was thus disappointed to be unable to find the case indexed under any of the parties' names, or under any of the references to conscientious objection. Nor does the book contain any case index. I eventually found the case, by reading the entire chapter, and can now record that the case was indexed under "European Convention". Their discussion never mentioned the parties' names, and the reader is given no information to facilitate the use of primary sources. To be fair to the authors, they did show that the problem of the conscientious free rider is not statistically great, and indeed their "soft" theory would dismiss it altogether. Still, conscientious objection, and freedom of choice, is of great importance politically, and deserves thorough treatment (and, probably to the authors' surprise, their publisher devoted nearly half of the blurb on the back cover to that issue. (For the record, the reader can find *Young, James and Webster v UK*, 1981, and notes on the case in the *Industrial Law Journal* of 1982 and in the *International and Comparative Law Quarterly* of 1982).

Their final chapter, "Conclusions and prospects", was of particular interest, since only there did the authors extend their analysis into the present. Their findings will make grim reading for trade unionists. Total employment by mid-1982 was down to 20 million, from 22.2 million in 1978. TUC affiliated membership fell from a peak of 12.2 million in 1979 to approximately 11 million in 1981. They noted that the growth of closed shop coverage was slowing dramatically by the end of the 1970s, and expected the numbers of workers so covered would have fallen from 5.2 million in 1978 to approximately 4.5 million by 1982. Noting the legislative obstacles in the 2 Employment Acts 1980-82, and surmising that management enthusiasm for the closed shop was fading, the authors conclude that "significant expansion of compulsory unionism into new areas is unlikely in the 1980s" and the survival of existing closed shop arrangements, such as that of British Rail, is at risk.

In spite of the legislative and cultural differences between the UK and New Zealand, I found this book to be of great comparative significance. It is a very professional product (except when dealing with purely legal analysis) and is heartily recommended to those who need information on the theory and practice of the closed shop.

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List of cases

Young, James and Webster v UK (1981) IRLR 408