

## REVIEWS

Szakats, A. *Introduction to the law of employment* (second edition), Wellington, Butterworths, 1981, pp. li and 522. Price: \$30.00.

The second edition of a book which has now become the classic text on individual employment relationships is most welcome. New Zealand industrial law is as changeable as its weather, and it is most important that we have the necessary tools to keep up with these changes. With such a small market for law books Butterworths also deserve our gratitude.

The second edition is in many ways an improvement on the first in any event. Dr Szakats notes in his preface that the book's contents have been changed so that it more closely matches New Zealand requirements, and his hope that the order of contents is now more logical is justified. It is also true that some infelicities of language in the first edition have been lost in the process of revision.

The book remains an impeccable academic work, in its detail, accuracy, comprehensive coverage and impartiality, and will obviously be of great value to students, teachers, lawyers, unionists and employers. But for the very reason that it is an academic work, to some extent it describes an unreal world – or rather a world in which middle management may live, but most wage workers do not.

Thus, Dr Szakats firmly asserts that "The legal basis for employment remains, and cannot be anything else than, the contract of employment". Though legally this may be correct, it is also true that, in the working life of most union members and officials, the contract of employment has virtually no meaning. The award, and its enforcement through the Department of Labour and the Arbitration Court, are paramount, and to this extent the notion of status is more apposite than that of contract freely entered into by parties of equal bargaining strength. For most workers the question of intention, as it relates to specific contract terms, is also quite irrelevant, as employers increasingly make use of standard "contract" documents which have the blessing of their central organisations. The prospective employee can only take them or leave them in their entirety.

Again, the common law rules about dismissal are discussed at length, but a very brief analysis is given of the concept of unjustifiable dismissal as it has been developed in grievance committees and by the Arbitration Court. But workers and their union representatives very seldom find themselves in the ordinary courts arguing the finer points of, say, the duty of fidelity. If a dismissal dispute is not settled by action on the job (as many frequently are), or by discussions between the union and the employer, then the personal grievance procedure provides a very acceptable method of bringing the employer to the negotiating table. A very small proportion of such cases find their way to the Arbitration Court. Dr Szakats, in making a comparison between the Section 150 victimisation procedure and a personal grievance, misses the point that Section 150 takes one straight (but not necessarily quickly) to the Court, thus by-passing the opportunity to demand recognition and negotiations with the employer, usually in a matter of days.

A detailed analysis of the Wage Adjustment Regulations is given in the chapter on redundancy. These regulations impose certain limits on the amounts of redundancy settlements, and provide that no worker with less than one year's continuous service with the same employer shall be entitled to any payment. Yet most redundancy agreements cover such workers, and most also weight the compensation scale in favour of the first year. This may be contrary to the philosophical underpinnings of redundancy payments, which

should strictly give the greatest benefits to the longest serving employees, and it may also be illegal. But it is what happens, and perhaps deserves a mention for that reason.

Perhaps the impartiality that academics must practice is the trap. Dr Szakats' firmness in ignoring, for instance, the economic sanctions of direct action, or the likelihood of it, as the real reason why employers honour redundancy agreements, or other unregistered collective agreements which give above-award benefits, does create an air of unreality.

These comments cannot however be fair criticisms of a work which was never intended to be about industrial relations, but only industrial law, and at this level Dr Szakats' book is an excellent one.

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Stephenson, G.M. and C.J. Brotherton *Industrial relations : a social psychological approach* Chichester, Wiley, 1979, pp.xii and 412. Price : \$82.80.

Geoffrey Stephenson and Christopher Brotherton are not the first to point to the potential contributions which psychology as a discipline can make to the study and practice of industrial relations, nor are they the first to stress that, to date, this potential has been unrealised. However in editing this volume, which contains sixteen original essays and reviews from seventeen authors, they have produced an important book, one which is intended to focus particularly upon social psychology and its relevance to industrial relations.

Again it is not the first to adopt such a focus; earlier writers have also opted for behavioural perspectives (Walton and McKersie, 1965) or more specifically, social psychological ones (Warr, 1973; Rubin and Brown, 1975 and Morley and Stephenson, 1977). Unlike those books, each of which had as its primary concern, bargaining and negotiation behaviour, Stephenson and Brotherton's present volume covers a much wider range of subject matter, and takes an approach more in tune with contemporary organisational psychology, than did the others.

With this book Stephenson and Brotherton set out to do two things. First, they attempt to substantiate their earlier view "that psychology is applicable at all levels of the industrial relations system (although not to all phenomena within it) and that social psychology in particular has much to offer both theoretically and methodologically to the study of human relations" (p.xi). Second, they attempt in this book to counter-balance alternative perspectives by content "concerned more with behavioural issues and rather less with political and institutional aspects of industrial relations" (p.xi). I believe that in very large measure they have achieved these aims.

The book, which had its genesis in a series of symposia on psychology and industrial relations held at the Universities of Warwick and Nottingham is organised around eight general sections each with a brief introduction from the editors, and each containing one to three essays or reviews. Along with the predictable attention to bargaining, are included sections on systems perspectives, conflict, pay, participation (both direct and indirect), third-party intervention, government policy and the social psychology of industrial relations, and finally one which serves as an overview or commentary on the major theme of the book.

It was inevitable, given its origins, that the volume would have something of a British bias. Eleven of the seventeen authors were at the time of publication employed in the

British Isles, three in France and three in the United States. However the literature cited shows a good sampling of North American, British and in some essays, European literatures, and only three of the papers are markedly orientated to the United Kingdom, one dealing with collective bargaining, a second with conciliation mediation and arbitration and the third with government policy. It was also inevitable that the book would have an academic rather than a practitioner bias; this is apparent in the material presented and the authorship with fourteen of the sixteen essays being contributed by academics. Finally, given the theme of the book it is not surprising that two-thirds of the contributors are psychologists.

As one would expect in such a book, the essays and reviews vary somewhat in quality, although most are relatively long and detailed and with each containing on average approximately 70 references to the literature.

The editors' brief introduction on the concept of the system as applied to industrial relations is followed by a general perspective of psychology and industrial relations by Kenneth Walker and a cross-cultural perspective by Claude Faucheux and Jacques Rojot. Walker emphasises the psychologists' neglect of industrial relations, and outlines a modified systems view and an individual model for analysing both worker and manager behaviours. He concludes with a listing of priority areas for psychological research in industrial relations, stressing in particular the goals of participants, organisations of workers and processes of actor interactions. Faucheux and Rojot point very clearly to the importance of accounting for cultural variables in industrial relations research, and see that this should be directed to obtaining not only an understanding of industrial relations systems per se, but of industrial society at large. Not surprisingly they regard this broad perspective to be one which requires multi-disciplinary research, but that "such scientific ecumenicism is compatible neither with the present structure of most academic institutions nor with the epistemologies within social science" (p.47).

Three chapters on conflict follow, each with a progressively narrowing focus. Eric Batstone deals with the organisation of conflict, its pervasiveness in society, its significance and how it is institutionalised. He includes an important section, where he emphasises that the process of institutionalisation merely regulates conflict rather than resolves it. Martin Skinner's brief theoretical review of intergroup conflict deals with both individual level and group level analyses and contains little reference to industrial relations research or practice. Finally Robert Farr reviews experimental gaming studies which focus on the highly controlled and contrived laboratory games derivative of game theory, and points out the limitations of this approach as a means of explaining real-world conflict phenomena.

Two chapters on pay follow. William Brown examines its social determinants, shows that the economic theory of price has had limited success "in accommodating what statistics are available on pay and the labour market" (p.116) and goes on to state that broader social and historical factors such as notions of fairness and state intervention, also need consideration. George Delafield's chapter on social comparisons and pay draws heavily on the related social psychological reference group, social exchange and equity theories which are derivative of the cognitive consistency views popular in the 1950s and 1960s.

The following three chapters which each deal with aspects of bargaining form arguably the strongest section of the book. Kevin Hawkins contributes a chapter on the institution of collective bargaining, written largely from a British perspective. Among other things he concludes that the collective bargaining at the workplace is likely to increase, but that its growth is unlikely to be revolutionary, in that it will probably continue to evolve within a framework of state regulation. John Magenau and Dean Pruitt, two American academics, provide an excellent literature review in a well-structured chapter on the social psychology of bargaining. The authors describe four types of negotiation strategy (breaking off negotiation, conceding, persuading the other to concede, and seeking mutually satisfactory outcomes), and then proceed to discuss the factors which determine the choice of strategy

in terms of three major variables, the strength of one's current demand, the motive to reach agreement, and trust i.e. the expectation of co-operation from the other bargainer. Finally they present a model of strategic choice which incorporates these three social psychological variables. The section on bargaining concludes with Ian Morley's review of behavioural studies of industrial bargaining. In this very detailed essay Morley emphasises the importance of the psychological component in the bargaining process, and concludes that the experimental methods and analytical techniques of small group research have a distinctive contribution to make to the study of industrial relations. The three papers produce a most interesting and worthwhile section.

The next two chapters deal with participation and work restructuring. Derek Fatchett presents a very succinct discussion on the form of participation, and by drawing particularly from British and European examples, suggests that the predominant form of participation will continue to be indirect (Lammers, 1967) in character and effected largely through the institutions of trade unionism and collective bargaining. In his second paper in this volume Ian Morley attempts a critique of direct participation and in particular job enrichment and job enlargement. This is an impossible task to accomplish in the space of twenty-five pages, in spite of the large number of references to the literature which are cited. Morley's chapter emerges as a concise and quite conventional (albeit slightly pessimistic) review of some of the traditional theories of motivation and job design.

Chapters thirteen and fourteen cover third party interventions. Linda Dickens' survey of the systems of conciliation mediation and arbitration in Britain notes their roles as backup services for collective bargaining and concludes with the injunction, "The state can make provision for such services to be available; the parties must be left to decide them" (p. 306), a caution which politicians in New Zealand should note. Janette Webb's review of behavioural studies of third party intervention is more research-based and she notes that the psychological research on this topic (particularly dealing with arbitration) is limited in extent and not easily generalised to field settings.

The paper by Francis Butler deals with government policy in Great Britain and the social psychology of industrial relations. This essay, the only one to focus primarily on the interface with government policy, gives a "positive although qualified" (p.335) assessment of the value of social psychology in the policy domain. Not surprisingly given its topic the paper contains an odd mixture of content and draws considerably on earlier analyses by Bain and Clegg (1974) and Brotherton and Stephenson (1975).

George Strauss contributes an interesting final essay in assessing whether social psychology can contribute to industrial relations. It is a readable and a cogent analysis and one which avoids the geographical and disciplinary myopias apparent in some of the earlier essays. Like the majority of the contributors to this volume Strauss emphasises that the potential contributions of social psychology are greater than the achievements. In conclusion he offers three models for interdisciplinary research aimed at bridging the gap, the first where scholars from two or more disciplines simply work together, the second where scholars from one discipline work on problems of the other, and the third which would involve training scholars in both disciplines so that a genuine interdisciplinary approach becomes internalised.

The overall balance of the book is generally sound. Each of the sections is well chosen and in most cases each offers one essay which deals with the topic from a systems and social institutions perspective, and one or two essays which review behavioural literatures relevant to that topic. The section introductions are disappointingly brief. The reader is left with the feeling that these two editors could have provided better integrating material than is contained, for example in looking for linkages and inter-relationships among the organisational development, industrial relations and direct and indirect participation perspectives. Only Strauss really attempts this with a brief passage on organisation development approaches to conflict resolution.

The book is well presented with one exception. As with many books of readings or original essays the subject index is poor, an irritating feature in a quality publication which

covers areas drawing on very diverse literatures.

Who will buy this book? Not many people in New Zealand given the quoted price and that too is a pity as it is a significant addition to the industrial relations literature. The editors' expressed hope that the book will be useful to all of those who teach social psychology and industrial relations may be optimistic in the former but realistic in the latter case. It will be useful, even essential, for any academic who teaches courses where systems and behaviours in industrial relations are important components. For policy makers the direct utility of the book is questionable as Butler's essay perhaps unintentionally demonstrates. Finally those who carry out the tasks of bargaining and negotiation may read some sections with interest, they may learn some new terms or new names for familiar behaviours but I doubt that they will regard the material in its present form as readily applicable to their own situations.

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- Willmott, W.E. *New Zealand and the world: essays in honour of Wolfgang Rosenberg* Christchurch, University of Canterbury, 1980, pp.152. Price: \$8.00.

Books written by a group of contemporaries in honour of one of their number can be tedious, however this one is not. Published to mark Wolfgang Rosenberg's retirement as Reader in Economics at the University of Canterbury, it accurately reflects the range of his interests. From the foreword by Bill Rowling, to a discussion of the Asiatic Mode of production, the book presents a diversity of opinion on some important, and in other cases not so important, but nevertheless, interesting issues.

In his foreword, Bill Rowling states that it is crucial that the political left puts its views in a clear, well argued way. Almost all of the views put forward in this book are clear and most of them are well argued. The picture painted by the collection of the current state of the world and New Zealand in particular is rather gloomy. Wolfgang Rosenberg, in his own contribution to these essays, whilst reflecting on his long career as an economist in New Zealand, states "if one sees the nation as a nation destroyed by a conscious policy of creating growing dependence on others, sorrow invades one". For a man who left Nazi Germany in 1936 in search of a radically different society, recent developments in the economic and political scene in this country must be depressing. This book outlines some of those developments.

The broad economic context of our current troubles is set out in an excellent discussion by E.L. Wheelwright of the international division of labour in the age of the trans-national

corporation. He points out that we are entering a period in which there is taking place an international auction for capital and labour with different countries throughout the world competing to offer the most favourable local conditions for foreign capital. The implications of this for New Zealand are developed to a limited extent by David Evans who looks at external options for the New Zealand economy and discusses the "more market" response, much loved in forums such as the Industries Development Commission and those who are promoting restructuring in this country. He sees as essential elements in this strategy, an erosion of both real wages and a reduction in social services.

Jurgen Kuczynski, in a contribution which is too brief to really get its point across, looks at long run economic cycles, and Brian Easton takes up the question of the two earlier and the coming depression in New Zealand. He believes that New Zealand is now in the first "recession" phase of its third depression. He predicts this depression will come after the recessionary phase ends, its onset only being held off by New Zealand's ability to borrow. If, or rather when this ability to borrow becomes restricted, then the crunch will come. While he believes that actions could be taken to lessen the effect of the depression phase or even eliminate it, he thinks that political pressure is too entrenched and political leadership too weak to take the decisive actions needed.

Related to the subject of political leadership, W.C. Hodge looks at recent developments in civil rights in New Zealand. It is rather fascinating to read a review of the violations of civil and other rights which have occurred under the National Government over the last six years. These include the suspension of the *Superannuation Act 1974* by press release, random checks on Polynesians for overstayers, the political appointment of a Governor-General, the Moyle affair, the *Security Intelligence Service Amendment Act* and more. Hodge ends by saying "New Zealand is by no means a 'Fascist' or even a 'police' state, but, from a lawyer's point of view, the symptoms are becoming manifest and alarming".

Still on civil rights, Shirley Smith's look at trial by jury shows how the State has turned the right to stand aside jurors, initially established as a protection for the defendant, into a method whereby it can ensure a jury sympathetic to its point of view.

In his contribution, Keith Ovenden sets out to try to rescue the welfare state from its status as a cliché and provides some interesting commentary on current discussion about the welfare state in New Zealand. Warwick Armstrong looks at the question of where New Zealand and the other "dominion capitalist societies" like Canada, Australia, Argentina and Uruguay lie on the spectrum of capitalist development. Bert Roth has produced an interesting, if somewhat esoteric paper, on Michael Flurscheim, a German reformer in New Zealand at the turn of the century.

Apart from the fact that it was badly bound and started to fall apart after one reading, this is a good little book and one suspects that Wolfgang Rosenberg's influence is not going to be at an end simply because he has retired from economics.

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Williams, A. *Studies in conflict: cases in New Zealand industrial relations*  
Palmerston North, Dunmore Press, 1981, pp.112. Price: \$11.50.

This recently published little book is of timely assistance to the student of industrial relations in developing a sense for the legal principles and collective behaviours of the "essentially atypical" New Zealand experience.

The text features an introduction section on the current state of New Zealand industrial relations legislation followed by some twenty case studies each designed to underline

common themes and issues of industrial conflict in the work place.

The introductory section is a little disappointing for while it provides a concise explanation of important features in our industrial law, parts of the text are a little abstruse for those unused to the unwieldy style of legal language which the author occasionally falls into. Not only would this section have profited from the use of the admirably clear style of the case studies later in the book, but also from the inclusion of brief explanations of the *Industrial Relations Act 1973* relating to personal grievances (S.117) suspension of non-striking workers (S.128) and victimisation for union involvement (S.150).

The account of the controversial *Remuneration Act 1979* at the end of this section is excellent both in a descriptive sense and also for the insight it provides to the present government approach to wage-fixing. Overall the section serves to provide a background to the cases but students will need to consult both the main *Act* and other texts on New Zealand industrial relations.

The main body of cases is divided into three parts, the first (five cases) dealing with procedural and administrative aspects of the law, the second (10 cases) covering remedies available to the conflicting parties under the law and the third (five cases) raising the question of conflict situations not amenable to direct regulative procedures.

The first impression gained by the reader with a background in industrial relations practice is of the almost gripping realism of the case examples. No doubt the author's long contact with extramural students has sharpened his acute sense of our everyday problems, which he acknowledges. The whole gambit is covered from reluctant union members, margins for skill, recalcitrant immigrant workers and demarcation to the underpaying backwoods grocer. Throughout the author provides the all too typical background to the resulting disputes such as personality conflicts, restructuring of inefficient operations, sudden growth of small companies after export order coups and so on, again, everyday occurrences in the New Zealand industrial environment. Each case is followed by a set of thought provoking questions for the individual student and role playing exercises for the group which serve to develop a sound knowledge of the legal procedures and requirements as well as a sense for the issues.

Perhaps the only weakness in the author's approach lies in an underemphasis of "muscle" in industrial conflict as an important variable and a rolling stoppages case could have been presented to raise the question of when to suspend. However, the third set of cases goes some way to redress this with some good examples of the problems which so frequently are not easily solved by a mere legal approach.

Most emphatically it must be concluded that the author has achieved his purpose in producing a tool for use in the study of industrial relations, which can heartily be recommended to both teacher and student. Practitioners will also find the case studies most appropriate for use in their in-house education programmes.

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Sapsford, D. *Labour market economics* London, Allen and Unwin, 1981, pp.xi and 251. Price: \$19.75.

This, the ninth in the *Economics and Society* series edited by Colin Harbury, is the latest in what is becoming a long list of textbooks in the economics of labour. Like those it follows, it is addressed to undergraduate students reading the subject for the first time. Accordingly, it includes a survey of all the usual aspects of basic labour theory; individual labour supply decisions; the firm and industry demand for labour under perfect and imperfect competition in both product and factor markets; wage structures and differen-

tials; the nature and causes of unemployment; inflation; the economics of trade unions and collective bargaining. The theory is orthodox neo-classical, and there will be no surprises for those familiar with the text it is designed to displace in the English market, Albert Rees's *Economics of work and pay*. The level of analysis is similar, although Sapsford's inclusion of the odd simple mathematical model is a bonus. The difference between this and most other recent textbooks is precisely that it is written with the English student in mind and uses English data for its illustrations. This is, by itself, of doubtful benefit to New Zealand readers, since it can be argued that English and American data are equally relevant or irrelevant to New Zealand: contrary to popular conception the New Zealand labour market is not a carbon copy of its English counterpart. But the slightly greater emphasis on institutional factors in this as opposed to the more recent American labour textbooks is helpful in a country, like New Zealand, where institutional forces are dominant. One other thing which recommends this book over its American competitors is that it does take account of many of the issues of current "popular" as well as "academic" concern in the economics of labour, such as the adequacy or inadequacy of official unemployment statistics. In all other respect there is little to choose between these. All rehearse well established explanations of the causes and effects of individual, firm and union behaviour with a grim predictability. The strengths and weaknesses of *Labour market economics* are accordingly the strengths and weaknesses of the genre. It is undoubtedly a good example of its type: the references are more extensive than in most recent labour textbooks, while the presentation is clear and concise. Many of the more important journal articles to have appeared on the subject in the last few years are acknowledged, whilst little space is wasted on such sterile current concerns as search theory. The weaknesses of the book (and the genre) lies in its fixation with micro-economics of the labour market. The subject is defined as "the study of the pricing and allocation of the factor of production labour" (p.ix) and it is a definition which is given a very narrow interpretation. Issues crucial to a growth oriented economy, such as the distribution of income between wage and salary earners (low savers) and those who own capital (high savers) are simply ignored. In the real world, these issues are decided both in the marketplace, and in the political arena. It is thus unfortunate that the narrow economism which characterises both this and other recent labour textbooks is an increasing and not a decreasing phenomenon. We are once again reminded of the need for a study in the political economy of labour in New Zealand.

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Brown, W. (ed) *The changing contours of British industrial relations* Oxford, Basil Blackwell, 1981, pp.xi and 160. Price: \$13.50.

This book essentially presents the results of a survey of industrial relations in British manufacturing industry undertaken over the winter months of 1977-78. The survey was designed by a team from the Industrial Relations Research Unit, located at Warwick University. The only previous comprehensive survey was undertaken by the Donovan Commission between 1965 and 1968.

The principal objective of the survey was, in the editor's words, "to obtain a representative picture of the conduct of industrial relations in manufacturing industry, the sector of employment with which Donovan was primarily concerned, which would allow an assessment of the extent of change over the intervening decade". A secondary objective was to provide a basis for evaluating a range of theories and controversies in the industrial relations field.

The survey provides detailed information on trade union and employer organisations;



bargaining levels and structure; disputes procedures; industrial conflict; industrial relations management; and personnel and employment policies. The key results are drawn together in a useful conclusions section.

The main finding is that whereas 10 years previously multi-employer agreements dominated in Britain, the predominant pattern today is one of single employer agreements. Roughly two-thirds of the manual workforce and three-quarters of the non-manual workforce are covered by single employer agreements. Multi-employer agreements are now limited to factories with small workforces. Associated with this trend is that pay is increasingly determined by a single bargain for a single bargaining unit, and is more likely to be covered by job evaluation and work study techniques. In other words, there is little relationship between the centralised agreement and the single employer agreement. Formal disputes procedures at the place of work have become virtually universal, and the degree of industrial relations specialisation on the management side has increased significantly. These developments are consistent with the continued growth in the extent and authority of shop steward organisation, a growth promoted by active management support.

It is tempting to draw comparisons with what on the surface have been similar developments in New Zealand. The trend towards "single employer" bargaining has been evident in New Zealand since the 1950s, especially insofar as rates of pay are concerned. The *Industrial Relations Act 1973* streamlined the procedures for registering such agreements, and as a consequence we have witnessed an upsurge in what are technically termed voluntary settlement collective agreements. Currently, approximately 60 percent of all documents fall into this category. There has undoubtedly been a trend towards increased specialisation of industrial relations function in companies involved in direct negotiations, and in some cases variations have been made to the model dispute procedures contained in the *Industrial Relations Act*.

However, to my mind, the contrasts between the two countries far outweigh the similarities. In the first place, research undertaken by Professor Young at the Industrial Relations Centre of Victoria University suggests that the proportion of workers covered by voluntary settlement collective agreements is much smaller than is commonly believed (the study does not include unregistered documents). Secondly, despite the upsurge in voluntary settlement collective agreements, the evidence suggests that the movement in minimum award rates is the principal determinant of actual rates of pay. Indeed, the collapse of wage drift in recent years suggests that the importance of the main central award is increasing rather than reducing. To put it another way, the wage-fixing system in New Zealand is more relativity bound than the British system, and has become increasingly so. Thirdly, the growth in shop steward organisation and authority in Britain has not, to any great extent, been a feature of industrial relations in New Zealand.

The main value of the book from a New Zealand perspective is that it provides an excellent basis for comparative research, and perhaps throws up certain options for New Zealand should change be contemplated. I would like to think that research of comparable quality would form the basis of any informed discussion on future directions of industrial relations in New Zealand.

One final point. A survey of this nature provides an excellent snapshot of the conduct of industrial relations in Britain at a given point in time. Should the current recessionary conditions continue in Britain 3-4 years hence, it would be interesting to see whether a further survey revealed a trend back towards centralisation. Recent experience lends credence to this, in that in one or two notable instances in Britain the management attitude toward the shop steward hierarchy has been anything but supportive.

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Thornley, J. *Workers' co-operatives: jobs and dreams* London, Heinemann, 1981, pp.216. Price: \$55.70.

What is the relationship between worker co-operatives, success, and market forces? Jenny Thornley's book addresses itself to this question. Forty co-operative case studies are used as a basis for the book's analysis. Ms Thornley discusses worker co-operatives in relation to each other, the market, the state and trade union and labour movements.

The ideological line of the book tells us that co-operatives (especially UK co-operatives) must develop towards attaining a socialist society. Co-operatives in France and Italy have aligned themselves with the socialist parties and have received state contracts and recognition of their importance to the economic development of these countries. In Italy, members of all socialist parties support a "co-operative movement". There are associations and federations of co-operatives that co-ordinate the lateral development and relative contributions of worker co-operatives. In France, co-operatives have their own bank and have received state contracts since the early 1900s, especially in the building trade.

What has happened in the UK? The book goes into great detail about the history of co-operative development in the UK. The basic question is, "Why have worker co-operatives in the UK not reached the level of growth and stability exhibited by those in Italy and France, which also operate in a capitalist economy?" Ms Thornley concludes that there are several interconnected reasons; the failure of UK co-operatives to get support from the trade union and labour sectors; their failure to convince the government of the importance of their contribution to the state economy; and their failure to get important state contracts. The main stated reason for the comparative failure of the UK co-operatives is that they have not formed into a "co-operative movement". This, in Ms Thornley's view can only be accomplished if socialism is accepted as the platform for co-operative growth and unity.

The book appears to be a challenge to those in UK co-operatives to review their own past and to compare themselves with the glaring success of co-operatives in other capitalist economies. Certainly UK worker co-operatives cannot claim the success of those in other countries, and any attempt to unravel the complex of historical, political, and economic factors contributing to this real and comparative failure is useful to those in UK co-operatives. Ms Thornley's attempt is a very well-researched, well-written, and worthy one.

There are as many different kinds of co-operatives as there are one-celled animals. They exist in an infinite variety of environments and there are many factors determining success and failure. Several chapters of the book are devoted to examining these factors. The book includes a specific and detailed review of the ideals and backgrounds of the people and supporting agencies, past and present, involved in UK co-operatives; problems of raising capital both from members and outside sources; forms of and problems in management and decision making; the industries and markets served by co-operatives; and financial assistance given by state and local authorities.

Having devoted seven chapters to UK co-operatives, the book looks at Italian and French co-operatives along similar lines in one chapter each. In order for the book to succeed more fully as a comparative analysis, we feel that the anatomy of the success of the Italian and French co-operatives should have been at least as detailed as the anatomy of failure in the UK. The reader is left wondering how the experience of success can be effectively transplanted. Concentration on the domestic situation may have been dictated by "financial" considerations. Budget cuts by the Thatcher Government had direct curtailing effects on Ms Thornley's research.

We recommend the book to those who have some experience in co-operatives, the trade union and labour movements, industrial relations, and those in relevant local and state government positions. The analysis of success and failure is useful to those involved in social change in any country.

(If anyone finds the cost of the book prohibitive, contact CELT at Wellington 847-096, we have a copy available for loan.)

Mary Bailey and Mike Rendall  
*Community Enterprise Loan Trust*

Macfarlane, L.J. *The right to strike* London, Penguin, 1981, pp.200.  
Price: \$8.95.

"*The Right to Strike* is a book about the morality, not the legality of strike action. The questions it seeks to answer are whether a moral case can be made for workers and unions having a legal right to strike and if so, when its use is justified." (p.9).

With this forthright statement, Dr Leslie Macfarlane, a Fellow of St. John's College Oxford, and a lecturer in political theory, begins his effort to apply the tools of moral political philosophy to an examination of the morality of strike action. But, it is at this point that many readers will part company with Macfarlane, particularly after his next statement that he intends to achieve this task by examining the right to strike "through the moral lenses of different codes and principles of social action — natural justice, Rawlsian justice, Marxism, economic individualism, Nozickian rights and moral realism". (p.9).

If we are honest, most of us that have anything to do with industrial relations in our professional lives, have already settled to our own satisfaction the issue of the morality of strike action. Thus many potential readers will regard Macfarlane's basic question as a trivial one and are likely to have little enthusiasm for a closely-argued, precisely-qualified analysis of this question, particularly one that comes from a tradition of moral philosophy that views all moral questions as unsettled until subjected to the most rigorous and searching of ethical analysis.

It would be unfortunate if Macfarlane's short book encountered this reception. The true value of this book does not lie in his evaluation of strike action through the six moral lenses referred to above. Indeed I am not at all sure that Macfarlane succeeds in his stated intention to apply these moral codes. Certainly he makes a continuing effort to bring his analysis back to this schema. But the fruits of this effort are likely to be unsatisfactory for those familiar with these moral codes, who will feel most acutely the limitations necessarily imposed by the brevity of his analysis. Those unfamiliar with the moral codes are likely to feel more confused than enlightened.

The real benefits of Macfarlane's analysis come when he puts aside this schema, and casts a judicious and evaluative eye over a wide range of ethical issues connected with the organisation and behaviour of trade union, employer, and governmental institutions. The scope of his analysis is extensive, and his careful meticulous logic leads him to a series of pungently-stated and elaborately-justified conclusions about any number of industrial relations-related issues.

Macfarlane begins with an analysis of the general nature of rights and their moral justification. He examines the historical development of the right to strike and of the different (and changing) attitudes of various groups towards it. He pays particular attention to the potential conflict between the obligations that arise out of group membership, and the obligations that stem from personal morality. Macfarlane is concerned with the right to strike as a *collective* right. He argues that only trade unions can decide to strike or not to strike; the individual's decision to strike is taken in association with others. The collective decision to strike or not to strike then imposes a *duty* upon the trade union member to comply with that decision. The individual then, does not have the right to strike; only trade unions as collectivities have the right to strike. Individuals have the duty to comply with that collective decision.

This necessarily leads Macfarlane into an analysis of the conditions under which the

individual is morally bound to fulfill his duty – i.e. comply with the collective decision. In other words when can a union demand solidarity? For Macfarlane the answer lies in a properly-conducted strike meeting: “the strike meeting is perhaps the clearest expression to be found of industrial democracy at work” (p.93). He lays down the conditions that must be met at a strike meeting if the collective decision is to be binding on all individuals concerned. These deal mostly with the availability of relevant information about the scheduling of the meeting and the issues involved, the universal right to participate and vote, the specification of who is to have responsibility for conducting the strike, and the decision to hold (or not to hold) future meetings to decide to continue or conclude the strike.

His analysis of the strike meeting is exhaustive, and leads him into a number of interesting diversions: other workers are only obliged to support a strike where another strike meeting decides to do so; central union leadership approval of a strike is not ethically necessary, even where a union’s rules require such approval (“union rules are subordinate to union purposes”); central union leadership may become involved in a local strike, but they have no *moral* authority to make binding decisions without reference to the strikers; union members are morally bound to support national strikes called in accordance with union rules, and unions may legitimately apply sanctions to non-supporters or “fair-weather friends” who may seek to withdraw from the union; and, finally, unions should usually exhaust disputes procedures before striking but need not always be morally bound to do so, such as where an employer breaks an agreement, delays settlement of a dispute, introduces major changes (e.g. redundancies), or where a threat of injury exists.

Macfarlane turns his attention to the rights of the public and the duties of government with respect to strikes. He argues that since the right to strike is fundamental, the public must pay the price of major inconvenience. Strikers are permitted to cause “serious harm to the economy” (p.138), but not “to secure capitulation under threat of causing dire suffering” (p.137). Macfarlane sets himself a fine line here, but he treads it well, giving careful consideration to the rights of different unions engaged in essential services (the military, police, fire, ambulance, health, education, food, communications).

He examines also the duties of government, concluding strongly that there are compelling political and moral reasons to object to sanction-based legislation prohibiting strikes. Macfarlane concludes with an analysis of the political and trade union conditions that must exist in a society, if the right to strike is to be meaningful. Without the meaningful right to strike, Macfarlane argues, a society’s claim to democratic status is a fragile claim indeed. Those concerned with industrial relations, and politics generally in New Zealand, would do well to consider this part of Macfarlane’s analysis.

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Savall, H. *Work and people – an economic evaluation of job enrichment*  
Oxford, Clarendon Press, 1981, pp.xxi and 216. Price: \$20.50.

Twenty-five years of debate on the theme of job design has resulted in a gradual watering down of the unrestrained optimism which heralded the arrival of the early contributions. The last ten years in particular have seen a significant movement towards more cautious and theoretically sophisticated packages which recognise and attempt to deal with some of the obstacles facing work restructuring. However the motivating force behind most work in this area has remained largely the same, the common task being one of identifying principles of job design which would alleviate the psychological distress associated with Taylorism, and provide opportunities for the satisfaction of higher order needs.

Savall's major complaint is that the whole job design issue has suffered from a theoretical sterility due to the exclusion of economists from job design teams, and the failure of both theorists and practitioners to recognise the economic constraints which impinge on their activities. Additionally concern is expressed about the absence hitherto of a comprehensive apparatus for measuring the variety of effects of new forms of job design. The author's message is that new forms are superior to the traditional, even economically; that change will not be successful unless the economic implications are calculated and discussed by those involved; and that the task facing management is to identify the optimum point of economic and social advantage. With some justification the Tavistock researchers may be entitled to suggest that the theoretical implications of the latter, if not the operational elements also, have been the focus of their attention for many years.

The book is presented in three parts. Part one consists of a standard critique of Taylorism and its human effects, and concludes with a brief trot through the job design field. In part two French redesign case histories are discussed, and in part three the author outlines his prescriptions for change, and introduces the socio-economic cost accounting system.

Identifying the book's weaknesses is not difficult even when allowance is made for a translation edition. As far as presentation is concerned the main problem is that continuity is inhibited by an overwhelmingly complicated system of headings and sub-headings more appropriate to an introductory economics textbook. This fault, coupled with the tedious nature of many of the arguments, results in a book which is unnecessarily difficult to read let alone review.

A highly irritating feature is the endless references made in criticism of "certain psycho sociologists" who remain unnamed throughout the book. It is assumed that *les enfants terrible* would include the likes of McGregor, Likert, and possibly Argyris, but one is left wondering why the author has chosen to risk facing the inevitable charges of being less than explicit in his analysis.

One of the book's recurring themes is the claim that recent job design advocates have become preoccupied with the satisfaction of psychological needs and totally disconnected from economic reality. Management have traditionally directed this argument against the early contributions, particularly those of Herzberg, but the contemporary validity of this claim is questionable. Indeed it has been necessary to demonstrate to management the inherent limitations of horizontal enlargement schemes when they have been unable and/or unwilling to sanction vertical restructuring. This is partly due to a fear of encroachment into traditional areas of management prerogative, but more significantly because of the economic burden involved in technological reinvestment, retraining, and payments for extra responsibility.

A far more serious weakness with the book, and with many in this area, is the ease with which the author conveniently neutralises the impact of the socio-economic and political context of work. To argue that because overt conflict in the United Kingdom is similar under a Conservative or Labour Government, or that working conditions at Renault originate from the same problems as those in private French companies, implies that management in "modern post industrial societies" are faced with *universally* applicable problems, and constitutes an alarmingly superficial analysis in a study which claims to be part-sociological.

Whether Savall's contribution will be successful in encouraging management to improve the quality of work experience for employees remains to be seen, as does the willingness of organised labour to participate in such a process.

A somewhat less optimistic scenario is that management will only consider job redesign, and therefore mobilise a less direct form of control, when the more preferred classical Taylorian approach is seen to be dysfunctional. In situations where classical techniques continue to be a viable form of control and when there is no clear guarantee of an economic payoff, any consideration of the quality of working life for employees will receive little or no

attention. This might be expected to be the case in situations where unionisation is weak, when employees occupy strategically unimportant positions, in companies employing significant numbers of females and minority groups, and for the vast majority of employees when labour market conditions favour the employer.

On the positive side, for those interventionists who really believe that job design can yet become an ingredient in the recipe for happy and economically effective organisations, this book will be of some value. Undoubtedly the financial/economic package will interest the progressive cost accountant. On the other hand the book is unlikely to find favour amongst those who are seeking a more critical examination of work structuring within the context of modern capitalism and the "problem of motivation" which such a system has created.

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### Books Received

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Forrester, T. (Ed) *The micro-electronics revolution* Oxford, Blackwells, 1980, pp.589. Price: £4.95.

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