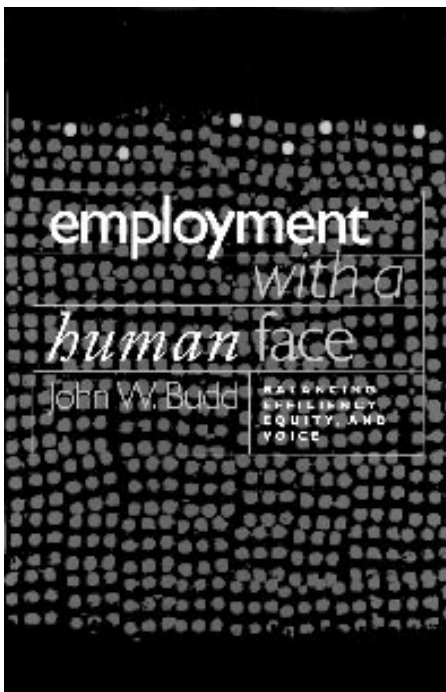


Revitalizing Industrial Relations and Saving Capitalism with “Workplace Geometry”

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This article reviews the following book:

Employment with a Human Face: Balancing Efficiency, Equity, and Voice. By John W. Budd. ILR Press, 2004. Pp. 263. \$39.95 (cloth), ISBN: 0-8014-4208-7.



In the preface to *Employment with a Human Face*, John Budd explains that his book grew out of efforts to bring added vitality to the teaching of labor relations at the University of Minnesota. The result is a book that may achieve much more. His book points toward the revitalization of teaching, scholarship, and policy analysis in the discipline of industrial relations and human resources (IRHR) and perhaps even to the ultimate objective of John R. Commons—“saving capitalism by making it good.”¹

Teaching

A major shortcoming of labor-relations courses is that they focus on the *processes* by which employees and employers (and their respective representatives) shape the work rules of employment relationships. Courses on how unions organize, bargain, and resolve grievances can make students’ eyes glaze, especially in a country where union density is less than 10 percent in the private sector. Budd’s remedy is for teaching in the field to start with attention to the *ends* of industrial-relations systems and then to consider the extent to which various behaviors and systems help achieve these ends.

Drawing on economics, moral philosophy, political theory and beyond, Budd argues that the objective of the employment relationship should be to balance *efficiency, equity, and voice*. Although most IRHR courses recognize the importance of efficiency and equity, voice is often overlooked (but not always, as Budd acknowledges). He stresses that voice is valued for its own sake (independent of the outcomes it may generate), and is crucial in a democratic society.

Budd recognizes that the meaning and weight to be associated with these three employment-relations goals may not be universal. In fact, he correctly views differing perspectives on work as a microcosm of broader societal debates over the nature and pursuit of freedom and justice. An entire chapter is devoted to describing employment relations as a clash between competing human rights (property rights and labor rights), a conflict that Budd would put at the center of IRHR courses. If attention to these debates and clashes don’t bring some life to IRHR classrooms, then such departments probably *should* be shuttered.

To examine the systems and behaviors of the employment relationship—and the way they meet the task of balancing

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efficiency, equity, and voice—Budd outlines an extension of the strategic-choice framework (SCF) developed by Thomas Kochan, Harry Katz, and Robert McKersie (which is rooted, of course, in the seminal work of John Dunlop).² One change is that Budd adds a sociopolitical level to the strategic, functional, and workplace levels of the SCF. The main extension, however, comes from stressing and fleshing out the idea that employment outcomes are the result of *the environment, human choice, and ethics*. Although the SCF had a place for both human choice and values, Budd identifies a number of factors that contribute to choice (personality, feelings, cognition, and motivation) and calls for a deeper probing of the ethical principles that give rise to values.³ Indeed, a chapter on ethics examines six ethical categories: utility, duty, liberty, fairness, virtue, and care.

Scholarship and Policy Discussions

Employment with a Human Face can help revitalize IRHR scholarship by laying out broad disciplinary boundaries and by identifying key questions to be asked of all who study in this inclusive field. Budd defines IRHR as concerned with all aspects of the employment relationship and always mindful of the ends of employment. His fundamental questions are (p. 95):

1. Is labor a commodity?
2. In competitive labor markets, are employers and employees equals?
3. Is there an inherent conflict of interest between employers and employees?
4. Is employee voice important?

Different answers to these questions are what separate the contrasting traditions of neoclassical labor economics, pluralistic industrial relations (institutional labor economics), human resource

management, and critical industrial relations. Using efficiency, equity, and voice as the three points of a triangle, the study of employment (within or across nations) becomes an analysis of workplace geometry—“the geometry of the employment relationship” (p. 9).

This geometry has the ability to breathe new life into national and global policy discussions of employment issues. At present, it seems there is consensus on only one point regarding the New Deal industrial-relations system: the system is broken. Part of the solution, Budd suggests, may be found in *employee-empowerment unionism*, which blends greater individual discretion than traditional job-control unionism with collectively designed minimal standards, institutional protections, and organizational support. Even more important than this specific element, however, is his approach, which tries to break the political stalemate on labor matters by encouraging all policy possibilities to be examined in the context of the *objectives* of the employment relationship.

To be sure, Budd’s book has some weaknesses. For example, it fails to draw attention to the intrinsic value of work (incorporating the goal of “meaningful work” might require replacing the triangle with a square); it downplays how efficiency, equity, and voice can be mutually reinforcing; and its workplace geometry concept is presented only as a rough conceptual device rather than as a precise analytic tool. As a result, it can be difficult to compare alternative systems and policies, and it is particularly difficult to place the New Deal system. Indeed, Budd writes, “The New Deal industrial-relations system has effectively faded from the geometry of the employment relationship” (p. 183).

Nevertheless, *Employment with a Hu-*

man Face is a long overdue and unquestionably successful effort to invigorate IRHR in a manner consistent with the insights and purposeful, institutional economics of the field’s dominant historical figure John R. Commons. Budd’s attempt to put a “human face” on employment (by drawing attention to efficiency, equity, and voice) is the same as Common’s goal of “saving capitalism by making it good” and by revitalizing IRHR teaching, scholarship, and policy analysis—he just might succeed.

NOTES

1. Commons, John R. 1934. *Institutional Economics*. New York: Macmillan, p. 143.
2. Kochan, T. A., H. C. Katz, and R. B. McKersie. 1986. *The Transformation of American Industrial Relations*. New York: Basic Books.
3. The environment, meanwhile, has long had a secure place in industrial-relations analyses. See Dunlop, J. T. 1958. *Industrial Relations Systems*. New York: Holt, Rinehart, and Winston.



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