Prepared for
Charles J. Whalen (ed), *New Directions in the Study of Work and Employment: Revitalizing Industrial Relations as an Academic Enterprise*
(Edward Elgar Publishing)

A METAPARADIGM FOR REVITALIZING INDUSTRIAL RELATIONS

John W. Budd

Industrial Relations Center
University of Minnesota
3-300 Carlson School of Management
321 19th Avenue South
Minneapolis, MN 55455-0438

jbudd@csom.umn.edu
(612) 624-0357
fax: (612) 624-8360

Version Date: January 3, 2007

The decline of the academic field of industrial relations has been well-chronicled (Kaufman 1993, 2004). This decline is the product of myriad factors, including issues relating to academic scholarship inside and outside of industrial relations, university enrollments and administrative structures, national political climates, and the weakening of labor unions. Revitalizing industrial relations as an academic enterprise is therefore a complex task, and I will focus only on one piece of the puzzle: a revitalized vision for the field of industrial relations that charts a new course between two extremes that have contributed to the field's decline. An earlier generation of industrial relations scholars emphasized the need for a single, integrative theory to successfully define the field. This drive for a single theory pushed out alternative theoretical perspectives. And when a grand theory failed to materialize, subsequent scholarship became excessively focused on the operation of industrial relations processes and largely devoid of explicit theoretical discussions (Budd 2004).

A middle course can help revitalize industrial relations. First, the field does not need a single, overarching theory, but it does need a common vision of its core subject, a unifying symbol (Adams 1993), or an axis of cohesion (Abbott 2001). Industrial relations should not be defined by a paradigm, but by a metaparadigm—an organizing map that defines the field's parameters (Masterman 1970; Ritzer 1980). This broader vision paves the way for a return to the inclusive approach of the field's early decades nearly 100 years ago in which multiple theoretical perspectives were welcomed.[1] A revitalized, inclusive field of industrial relations should include

[1] Because the term "industrial relations" today is frequently seen as meaning unionized employment relationships, a return to the early conception of industrial relations would perhaps be better served by a new label of "human resources and industrial relations" (HRIR). But for convenience, I will continue to use "industrial relations." As is evident elsewhere in this volume, the term "employment relations" is also being used as a replacement for "industrial relations," but "human resources and industrial relations" is explicitly more inclusive and has greater continuity with the traditional labels, at least in the United States. To wit, "employment

scholars from today's industrial relations, human resource management, and other related disciplines, including economics, psychology, sociology, history, law, political science, and elsewhere.

Second, charting a middle course also requires enriching the process focus of contemporary industrial relations. Unions and other labor-market institutions are treated as self-evidently good, so research and teaching largely seek to understand how these institutions work in practice. For many years, most labor relations textbooks have focused uncritically on the labor relations *processes*—how unions are organized, contracts negotiated, and disputes resolved. Human resource management research and teaching proceeds in largely the same manner. Such approaches produce incomplete understandings (a process cannot be fully understood without knowing what it is trying to accomplish), bind scholars to particular institutional forms (witness the parallel decline of unions and academic industrial relations), and leave fields open to criticisms of emphasizing facts over theory (such as Coase's (1984, p. 230) attack that the early industrial relations scholars simply accumulated "a mass of descriptive material waiting for a theory, or a fire"). Revitalizing the academic study of work requires explicitly rooting scholarship in the fundamental objectives of the employment relationship and in multiple theoretical perspectives on how the employment relationship works.

In fact, it is this explicit attention to the objectives of the employment relationship and the multiple theoretical perspectives on this relationship that should serve as the metaparadigm for the field. The core subject of industrial relations is the objectives or interests of the various

---

relations" can be a synonym for a narrow conception of "industrial relations" to the exclusion of human resource management. The Washington State Public Employment Relations Commission, the Wisconsin Employment Relations Commission, and other similarly-named state agencies handle union-related issues, not human resource management problems. Moreover, in academic

parties to the employment relationship (Budd 2004; Budd and Bhave forthcoming). Industrial relations scholarship analyzes—sometimes in a positive fashion, sometimes in a normative fashion—the composition, determinants, and effects of these objectives in alternative (but typically unstated) theories of the employment relationship. Recognizing this metaparadigm as the intellectual distinguishing feature of the field provides the umbrella for embracing a variety of theoretical and methodological perspectives, and therefore for making significant advances in knowledge and revitalizing the field. This approach further requires re-thinking how we think about an academic field, and being explicit in the objectives of the employment relationship and in our theoretical approaches. These requirements are the focus of the remainder of this chapter.

What is a Field of Study?

Historically, there was a very strong sense that industrial relations needed a singular, integrative theory to define itself as a field. As one of the participants in this quest for what Kaufman (1993, p. 150) characterizes as "the holy grail of industrial relations," Somers (1969b, p. 39) concisely captured the driving need: "the survival of industrial relations as a separate discipline and its growth as a respectable field of study require a broad conceptual or theoretical framework."[2] This theme is also echoed among human resource management (HRM) scholars as evidenced by the following lament: "the science of HRM has been marked by an absence of an integrative theory or general conceptual system" (Ferris et al. 1995, p. 3).

While this search for the "holy grail of industrial relations" pre-dates Kuhn's (1962) seminal book on scientific revolutions, Kuhn's theory is useful for understanding this search.

---

circles, "employment relations" does not always include human resource management (Edwards 1995).

[2] Dunlop's (1958) industrial relations systems model is the most well-known attempt at formulating a general theory of industrial relations; other works include Somers (1969a), Barbash (1984), Barbash and Barbash (1989), Adams and Meltz (1993), and Hills (1995).

Kuhn defined normal science as a discipline in which there was nearly universal acceptance of a single paradigm. Pre-paradigmatic or immature science is characterized by “nearly random” fact-gathering and “one somehow hesitates to call the literature that results scientific” (Kuhn 1962, pp. 15-16). This captures the mindset that underlies the preoccupation with finding a single theory. There are two counterarguments, however. One, the meaning of “paradigm” can be quite varied. In fact, Masterman (1970) identifies twenty-one different usages of “paradigm” in Kuhn (1962). The broadest usages, the metaparadigm, are as more of an organizing map that define the parameters of a field (Masterman 1970; Ritzer 1980). As already noted in the introduction, this is the type of (meta)paradigm needed by the field of industrial relations.

Two, even with a definition of paradigm that equates to a general theory, it is questionable whether Kuhn’s (1962) framework accurately applies to the social sciences (Thomas 1979). Economics studies the allocation of scarce resources. While marginal analysis is dominant, alternative major paradigms include classical, neoclassical, institutional, Keynesian, and Marxist economic thought. While sharing the domain of trying to understand human behavior, the field of psychology includes cognitive, biological, psychoanalytical, humanistic, behavioral, and social-cultural approaches. The discipline of law includes the oft-conflicting views of the law and economics school and critical legal studies. These disciplines all include competing theoretical frameworks about the most compelling way to understand the central questions of the field (Rosenberg 1995). Sociology has at least three major paradigms, each with at least two major theories and its own dominant methodology (Ritzer 1980). The revitalized field of industrial relations envisioned here would be no different from many disciplines that include multiple theoretical perspectives.

If social science disciplines are not defined by a single theory, what does define a

discipline or field? Most definitions include both content and social aspects (Abbott 2001; Becher 1989; Dorson 1976; Nissani 1995; Toulmin 1972; Whitley 2000). Of particular relevance here is that the content aspect does not require a single discipline-defining theory. Rather, it requires "a distinction in style or emphasis" (Becher 1989, p. 38). The distinct emphasis in industrial relations is the employment relationship. No other field so thoroughly focuses on the world of work. That studying the world of work is not unique to industrial relations is not problematic. The existence of a discipline does not require exclusivity (Abbott, 2001; Becher, 1989; Whitley, 2000); economics, for example, clearly overlaps with mathematics, statistics, and sociology. Nor does a discipline have to have unique theories or methodologies (Abbott 2001; Adams 1988; Becher 1989; Ritzer 1980; Rosenberg 1995; Whitley 2000); many disciplines today share theories and methodologies.

Therefore, common objections to industrial relations as a field because it lacks a unique, general theory and methodology are overly strict. Other social, and even natural, science disciplines do not meet this mythic standard. Moreover, it is arguable that the drive for a single theory has weakened rather than strengthened the discipline by degrading important intellectual schools.[3] Rather, what is needed is a strong common vision, or axis of cohesion (Abbott 2001), of the core topics of the field which is inclusive, not exclusive. Within this vision, or metaparadigm, diverse research based on careful theories—plural—can revitalize and advance the field.

[3] In particular, Kaufman (1993, 2004) argues that Dunlop's (1958) systems model emphasizes the external environment over the internal, unionized situations over nonunion, and institutional labor economics over behavioral sciences.

Explicit Objectives

The starting point for scholarship on the employment relationship should be the objectives of this relationship. Elsewhere I have championed a trilogy of objectives for modern industrial relations: efficiency, equity, and voice (Budd 2004; Befort and Budd 2006; Budd and Zagelmeyer forthcoming). Because of the clear implications for competitiveness, economic development, jobs, and economic prosperity, the effective use of scarce resources is an important objective of the employment relationship. This class of concerns can be grouped under the heading of efficiency. Contemporary discourse emphasizes the supremacy of competitive markets—supported by common law protections for property rights and the freedom to contract—in promoting efficiency. But even setting aside the controversial debates over the extent to which markets are competitive, a sole focus on efficiency reduces the employment relationship to a purely economic transaction that workers endure solely to earn income. But work is a fully human activity—in addition to being an economic activity with material rewards undertaken by selfish agents, work is also a social activity with psychological rewards undertaken by human beings in a democratic society—so employees are entitled to fair treatment (equity) and opportunities to have input into decisions that affect their daily lives (voice). So the objectives of the employment relationship are efficiency, equity, and voice. This is not to say that all industrial relations scholars have a singular vision of efficiency, equity, and voice.

Equity entails fairness in the distribution of economic rewards (such as wages and benefits), the administration of employment policies (such as nondiscriminatory hiring and just cause discharge), and the provision of employee security (such as safety standards and unemployment insurance). In industrial relations, the particular concern with equity is rooted in the sometimes abusive and exploitive employment practices of the early 20th century, such as

long hours at low wages in dangerous working conditions (Kaufman 1993). As such, equitable employment outcomes include minimum standards—minimum wages, maximum hours, minimum safety standards, and protections against arbitrary discharge and favoritism. In human resource management, the emphasis on equity focuses on general fairness and distributive justice (Folger and Cropanzano 1998). Human resource management also advocates fair treatment of employees to enhance organizational welfare. Equity in the employment relationship can also be approached from political theories of liberty and democracy, moral views of human dignity, psychological theories of human nature, and religious beliefs about the sanctity of human life.

Voice is similarly multi-dimensional. As the ability to have meaningful employee input into decisions, it includes both individual and collective forms. In industrial relations, employee voice is largely conceived as industrial democracy rooted in political theories of liberty and democracy and is premised on the belief that workers in a democratic society are entitled to the same democratic principles of participation in the workplace as in the political arena (Derber 1970). In human resource management, voice is closely related to procedural justice—the extent to which procedures are fair (Thibaut and Walker 1975). Forms of employee voice are also an important part of many recent corporate efforts to improve competitiveness and quality via employee involvement programs and the creation of high performance work systems (Appelbaum and Batt 1994). Individual voice can also be approached from self-determination theories in theology, moral philosophy, and psychology.

Later in this chapter I will show the power of this efficiency, equity, and voice framework, but at this point, my key point for creating a metaparadigm is the embracing of explicit objectives, not necessarily the objectives of efficiency, equity, and voice. As alternatives to equity and voice, other scholars have conceptualized employee interests as survival and

income, fulfillment and social identity, and power and control (Budd and Bhave forthcoming). Employer objectives might also include enhancing stakeholder value or maintaining dominance over labor; the interests of the state could also include maintaining freedom and the rule of law, promoting equitable outcomes, or supporting the domination of the elite (Budd and Bhave forthcoming). Debates over these interests should be an integral part of the core vision of industrial relations as explicit objectives of the employment relationship are the foundation for a metaparadigm—not theory—for an inclusive, revitalized field of industrial relations. These objectives provide a common set of core topics for industrial relations scholars and also distinguish industrial relations from other disciplines. Mainstream economics focuses on narrow conceptions of efficiency, not equity and voice (or equity and voice are conveniently conceptualized in market-based terms: voluntary transactions are equitable because they are not coerced; voice occurs through individual choice of what transactions to engage in.). Sociology and psychology are often focused on equity, and political science on voice, but not with efficiency.

Explicit Theories

Scholars of the employment relationship also differ in the theoretical models they apply to this relationship; four models are instructive: the egoist, unitarist, pluralist, and critical employment relationships (Budd 2004; Budd, Gomez, and Meltz 2004; Budd and Bhave forthcoming). The egoist model favored by neoclassical economics scholars emphasizes self-interested, rational agents in competitive markets searching for transactions that maximize their utility. Labor is conceptualized as a commodity like any other useful resource and work is a conceptualized as a lousy activity that individuals endure only to earn income.

The unitarist model rejects the narrow conceptions of labor as a commodity and as

perfectly rational agents and instead embraces a psychological conception of the human agent. Equity and voice are largely seen in terms of individual perceptions of fairness, justice, and input into decision-making, especially in the form of distributive and procedural justice (Folger and Cropanzano 1998). This model further assumes that the objectives of employers and employees are completely consistent with each other. This unitarist view of conflict therefore predicts that the right employment policies and practices will align the interests of employers and employees (Fox 1974; Lewin 2001). This model underlies the human resource management school of thought which focuses on analyzing and creating policies that simultaneously benefit employers and employees. Given its theoretical basis, unitarist research is generally on individual rather than collective identities, behaviors, and practices.

The pluralist model of the employment relationship further enriches the conception of employees by also seeing them as human beings with rights in a democratic society. As such, equity goes beyond perceptions of individual fairness to include minimum standards such as living wages that all human beings should be entitled to; voice goes beyond narrow task-related input to include industrial democracy—the right of human beings to widely participate in informed decision-making (Budd 2004). Pluralist industrial relations scholars (mainstream industrial relations in the United States) further model the employment relationship as characterized by a variety of competing interests—higher wages versus lower labor costs, employment security versus flexibility—as well as shared interests—productive workers, profitable employers, a healthy economy. In other words, employment relationship conflict is theorized to be pluralist (Clegg 1975; Fox 1974) or mixed-motive (Kochan 1998; Walton and McKersie 1965). The pluralist industrial relations model also assumes that because of market imperfections, employers have greater bargaining power than individual employees.

Lastly, the critical employment relationship model is rooted in the power and control interests of employers and employees (Hyman 1975). The schools of thought emphasizing this theoretical perspective can be grouped together under the umbrella of critical industrial relations and encompass Marxism, feminism, and other sociological theories based on the division and control of labor. Marxist applications theorize that employer-employee conflict is one element of unequal power relations between the capitalist and working classes throughout society. Feminist models focus on unequal power relations between men and women; critical race theories are concerned with segregation and control along racial lines. In critical theories, the employment relationship is not a voluntary exchange but rather is a contested exchange (Bowles and Gintis 1990).

The extent to which all four schools of thought are welcome within the current field of industrial relations is debatable. For some, views on labor unions are a particular flashpoint of controversy with adherents to the egoist and unitarist models being skeptical or even hostile to unions and adherents to the pluralist and critical models being more supportive (for reasons discussed in the next section). Other dividing lines include views on high performance works practices (Kochan 2000) and debates over models of economic versus behavioral man (Kaufman 1999). What is clear, however, is that a revitalized field of industrial relations should include all of these theoretical perspectives, and should encourage cross-fertilization of ideas and methodologies. This will be difficult to achieve if the key models of the employment relationship continue to linger unstated below the surface of our research, teaching, and discourse.

Industrial Relations XXX

A critic might argue that the objectives and four models of the employment relationship outlined in the previous sections have implicitly underlain research on work in industrial

relations and related disciplines for decades. Even if this is true, the central contribution of my argument remains: these objectives and models need to be made explicit.[4] A deep understanding of all aspects of work will only come from this explicitness, and this explicitness further forms the basis for productive dialogue across scholars and practitioners with differing perspectives. In other words, we need to create what we could call "Industrial Relations XXX"—a revitalized field where, as in XXX-rated movies, everything is explicit. At the risk of pushing the metaphor too far, in Industrial Relations XXX, ends (objectives) are fully revealed and models are laid bare (see Figure 1). Several examples can be used to demonstrate the power of Industrial Relations XXX.

For example, debates over public policy intervention in the employment relationship are ultimately rooted in the intersection of the objectives and theories of the employment relationship (Befort and Budd 2006; Budd and Zagelmeyer forthcoming). With narrowly-defined objectives—especially a particular focus on economic efficiency—and an egoist theory in which the employment relationship is modeled as voluntary transactions among well-informed, self-interested actors in perfectly-competitively markets, there is little role for work-related public policies. Abuses and exploitation are prevented by the invisible hand of perfectly-competitively markets while other aspects of work are private affairs best left to individual choice. But if one defines the objectives of the employment relationship more broadly—for example, to include equity and voice—and if the employment relationship is modeled in a more nuanced fashion in which workers with human needs and possibly democratic rights are not the equals of their

[4] I am not alone in this approach. Barbash (1984) highlighted the objectives of cost discipline and PEEP (price, equity, effort, and power). Osterman (1999) explicitly identifies efficiency, equity, opportunity, voice, and security as employment-related public policy objectives. Osterman et al. (2001) and Dannin (2006) articulate the case for values-based approaches to

employers because of imperfect markets and other real-world complexities, then public policies are seen in a different light.

The unitarist model predicts that government policies can encourage cooperative relations between employers and employees while also preventing destructive competition by short-sighted employers. In the pluralist theory, government policies to create minimum labor standards and social safety nets are an important element of balancing efficiency, equity, and voice in imperfect markets. In critical theories of the employment relationship, employment and labor laws are predicted to imperfectly protect workers' interests because power imbalances between employers and employees are deeply embedded in the socio-political system, and predicted to perpetuate the dominance of the powerful group, whether it be capitalists, men, or a dominant ethnic group.

Similar differences can be derived for the theoretical conceptualizations of labor unions (Budd 2005; Budd, Gomez, and Meltz 2004). The assumptions of the egoist model—namely that employers and employees are equals interacting in competitive markets pursuing self-interested financial objectives—imply that labor unions are monopolies that reduce economic welfare by impeding the operation of competitive markets. In the unitarist model, the assertion that employer and employee interests can be aligned results in unions being seen as unnecessary, outside third parties. Since the pluralist theory models the employment relationship as a bargaining problem between individuals with shared and conflicting objectives, labor unions are seen as a welfare-enhancing solution to the imbalance between employees and employers. In critical scholarship, the structural inequalities that are assumed to pervade the workplace and the greater socio-political context yield the prediction that labor unions cannot completely balance

---

employment issues. And Kaufman (1993) shows how the founders of industrial relations rooted

the power of employers.

It is important that industrial relations scholarship make these different theoretical assumptions and predictions explicit. Otherwise, scholars from different perspectives largely talk past each other. Egoist and unitarist research is seen as cynically anti-union by pluralist and critical scholars; pluralist and critical research is seen as blindly pro-union by egoist and unitarist scholars. Similar issues are apparent in the large research literature on high-performance works practices in which pluralist and critical scholars have difficulty understanding the egoist and unitarist emphasis on the success of these programs in increasing organizational performance, and in which egoist and unitarist scholars have difficulty understanding the reservations of the pluralist and critical scholars. When key theoretical differences are unstated, others dismiss the research as descriptive, or, even worse, as normative. For decades, economists have dismissed industrial relations research in this way. This dismissiveness stems from the failure to see the theoretical foundations of the pluralist industrial relations model—a failure that even industrial relations scholars have fallen into.[5] Failing to explicitly identify objectives and theories also leaves various groups tied to the fortunes of specific institutions whether they be markets, human resources policies, or labor unions. More explicit recognition of the assumed objectives and theories would help these different camps understand each other better, and thereby help create a more inclusive, revitalized field.

---

their scholarship in the objectives of efficiency, equity, and self-actualization.

[5] For example, in his eloquent descriptions of the theoretical foundations of the pluralist model, one of the strongest advocates of the pluralist perspective refers to these assumptions as *normative* foundations (Kochan 1998, 2000). In reality, these foundations reflect beliefs about how the employment relationship works as much as how it should work; they are no more normative than the neoclassical economics assumptions of rational economic agents and competitive markets (Budd, Gomez, and Meltz 2004).

This lack of productive scholarly discourse spills into the policy arena. There is a longstanding lack of consensus on reforming U.S. labor policy (Dunlop 1961). More explicit discussion of the objectives of the employment relationship and the alternatives for their achievement is not a magic bullet that would easily break this political gridlock, but it would certainly creative a more constructive policy dialogue. This approach would help us move beyond traditional discourse in which free markets or labor unions are seen as self-evidently good. Should policymakers be troubled by the decline in union density, the increase in income inequality, or a lack of true participation or democracy in some employee involvement initiatives? These questions can only be answered against standards for the objectives of the employment relationship. Policymakers should be troubled by the decline in union density, for example, if it causes greater imbalances between efficiency, equity, and voice. This is the basis for reasoned policy debates.

Only with an explicit recognition of the theories of the employment relationship can we also appreciate the contradictory mess of the current state of U.S. employment and labor laws (Befort and Budd 2006). The underlying importance of the employment-at-will doctrine reflects egoist thinking, the labor law protections of union activity are rooted in pluralist theorizing, and the body of U.S. employment laws is generally based on a unitarist model in which the determination of the terms and conditions of employment are left in the hands of employers, but subjected to minimal standards of good human resources practices such as nondiscrimination. These inconsistent theoretical foundations have created an incoherent body of laws and policies that lack doctrinal consistency, but the roots of this confusion go unnoticed because the relevant theoretical foundations are left unstated.

Moreover, individual features of the world's industrial relations systems rarely serve

efficiency and equity and voice (or other objectives) equally (Budd 2004). Looking at German works councils in isolation fails to promote the equity standard; an exclusive focus on German-style industrywide bargaining leaves significant gaps in workplace efficiency and voice. In combination, these two features are perhaps stronger than the sum of the individual parts and can balance efficiency, equity, and voice as a complementary system. In other words, wholesale rather than piecemeal reform of the U.S. system is warranted. But only with standards for the objectives of the employment relationship can researchers, practitioners, and policymakers turn their attention to crafting institutions, policies, and practices that achieve the desired objectives.

As another example, the importance of a more explicit approach to industrial relations research and policy discourse is also apparent in the domain of the resolution of rights disputes.[6] Much of this research traditionally focused on unionized grievance systems, but the rise of nonunion dispute resolution systems and the mandatory arbitration of employment law claims in the past two decades has considerably broadened the debates (Colvin 2004; LeRoy and Feuille 2001). Some research strongly champions nonunion grievance and arbitration procedures while other research is quite critical. But with the current process-based approach of industrial relations research, it is difficult to compare different systems of workplace dispute resolution. We know a lot about the number of steps in different procedures, how long it takes to process grievances, and who files grievances, but these procedural elements do not reflect the fundamental purposes of dispute resolution procedures. It is admittedly common for the literature to refer to a dispute resolution procedure's "effectiveness," the dimensions of effectiveness are typically unclear. As such, appropriate metrics for workplace dispute resolution procedures are greatly needed (Bemmels and Foley 1996; Lewin 1999; Lipsky, Seeber and Fincher 2003). The efficiency,

equity, and voice framework can be applied to dispute resolution procedures to provide a rich analytical framework in which researchers can analyze and compare dispute resolution systems (Budd and Colvin 2006). This is another example where greater attention to explicit objectives is needed to promote a deeper understanding of key employment issues as well as greater dialogue across scholars of differing perspectives.

Comparative Industrial Relations XXX

A central aspect of a revitalized field of industrial relations should be the analysis of the contributions of individuals, markets, institutions, organizational strategies, and public policies toward fundamental employment relationship objectives. To see how this might work, Figure 2 summarizes an analysis of the degree to which elements of comparative industrial relations provide efficiency and/or equity and/or voice (Budd 2004). There seems to be little debate that efficiency is well-served in Japanese-style enterprise unionism as it is congruent with other dimensions of human resource management strategies such as lifetime employment, company loyalty, and worker participation. Critiques of the Japanese system of enterprise unionism on the basis of impairing efficiency or quality are therefore rare. However, the extent to which equity is fulfilled is questionable. Responsiveness to firm profitability and the lack of inter-firm labor solidarity undermine the establishment of minimum work standards. Moreover, the exclusion of large numbers of non-core employees within the enterprise is not consistent with the provision of equity. Evaluating the ability of enterprise unions to provide employee voice is more difficult. The extent of employee involvement and joint consultation provides employee input into a wide range of topics. Enterprise unions are legally distinct from the companies and also have the right to strike to support their use of voice. On the other hand, the extent to which consultation over

[6] Rights disputes are conflicts over whether an employee's rights granted through an employee

managerial topics is voluntary and to which enterprise unions are dependent on a single company potentially detracts from the legitimacy of employee voice in this system.

In contrast, European-style sectoral bargaining best serves the equity dimension of the employment relationship objectives. Because of extension procedures, contract coverage can be very high—often over 80 percent and sometimes over 90 percent of the workforce—even if union membership is low. Moreover, these contracts provide uniform, minimum standards for a range of employment terms and conditions. Thus, equity is well-served. The voice standard is fulfilled to some degree because terms and conditions of employment are being established through collective bargaining, not unilateral management action. But this fulfillment is limited because collective bargaining is very centralized and largely removed from rank and file participation (for example, contract ratification votes are rare). Lastly, sectoral bargaining is consistent with efficiency when stability is valued, but contemporary corporate industrial relations strategies emphasize decentralized relationships to enhance competitiveness and efficiency (Katz and Darbishire 2000). As such, sectoral bargaining serves efficiency and voice to a limited degree, but is weighted towards equity in Figure 2.

Or consider voluntarism. In a voluntaristic industrial relations system, the balance between efficiency, equity, and voice depends on the vagaries of markets and public policies. When labor markets are tight, as in Britain in the 1960s, labor has sufficient power to compel a richer standard of equity and voice ("strong voluntarism" in Figure 2). But this leads to concerns with efficiency, as illustrated by the reform agenda of the Conservative government targeting union power as a perceived roadblock to efficiency and competitiveness (Towers 1997). When labor markets are loose, as in Britain and New Zealand in the 1980s and 1990s, the evidence

---

handbook, a union contract, or an employment law have been violated.

suggests that employers' leverage translates, as expected, into domination of efficiency over equity and voice ("weak voluntarism" in Figure 2). To wit, in a weak British labor market, the Japanese auto plants in Britain conceded union recognition on the conditions that broad managerial prerogatives remain in management's unilateral control, that wages and terms and conditions of employment will be established not through bargaining, but through a joint employee-management company council in which the union has no formal role, and that strikes are not be allowed. Katz and Darbishire (2000, p. 97) label this "quasi-nonunionism."

Other examples are also presented in Figure 2 (see Budd, 2004), but note carefully that the purpose here is not to provide a convincing case that Figure 2 contains the correct evaluations of these elements. Rather, the intent is to demonstrate the usefulness of this analytical framework. Disagreements with the placement of any element in Figure 2, in fact, reinforce the usefulness of this framework and provide the basis for richer discourse within industrial relations. This is another example where the more explicit incorporation of employment relationship objectives into industrial relations scholarship can help revitalize the field.

Implications for Teaching

Teaching about labor unions and labor relations in the United States is dominated by processes—how unions are organized, how contracts are negotiated, and how interest and rights disputes are resolved. From Dunlop's (1949) *Collective Bargaining: Principles and Cases* to Holley, Jennings, and Wolters's (2005) aptly-titled *The Labor Relations Process*, this is most visibly illustrated by the generations of textbooks that focus uncritically on the labor relations processes. Because U.S. unions typically use these processes to negotiate detailed work rules, the subject of labor relations is furthermore typically equated to the study of these rules. In other words, thick descriptions of the how, what, and where of the major labor relations processes and

the resulting work rules drive traditional labor relations courses and textbooks.

What's missing is "why?" (Budd 2005). Labor relations processes and work rules are means to more fundamental ends or objectives, not ends in their own right. What are these ends? When are union-negotiated work rules a desirable or undesirable method for achieving these objectives? Are there better ways of pursuing these objectives in the 21st century employment relationship? These should be the central labor relations questions—questions ignored by courses and textbooks that narrowly focus on how the existing labor relations processes and detailed work rules operate in practice.

While this process-based approach fits with the golden age of industrial relations in which collective bargaining was viewed by many as self-evidently good, we are no longer in this golden age. Rather, the U.S. labor relations system is roundly criticized by many observers and participants. Demonstrating the continued relevance of independent employee representation and other labor market checks and balances requires an intellectual framework that is rooted in the objectives of the employment relationship. Moreover, a description of how the current processes work without any discussion of what the processes are trying to achieve fails to provide the basis for determining whether the processes are working, and fails to supply metrics for judging alternative strategies, policies, and processes. In short, when the presentation of the labor relations processes is divorced from their underlying reasons, it is difficult to develop a complete appreciation and understanding of the processes specifically, and of the nature of work more generally.

A renewed focus on the objectives of the employment relationship can fill these critical gaps in industrial relations instruction. Labor law and the current labor relations processes are best understood through their linkages to the goals of efficiency, equity, and voice. Labor history

is not simply a chronicling of the rise of institutions, it is a richer history of employers' and workers' attempts to achieve efficiency, equity, and voice against the backdrop of the changing nature of work (Budd 2005). In the final analysis, the extent to which efficiency, equity, and voice are achieved provide the metrics for evaluating whether the current system needs reforming and for analyzing alternative reform proposals. Budd (2005) therefore uses a dynamic paradigm of "labor relations equals balancing workplace goals and rights" to replace the tired paradigm of "labor relations equals detailed work rules." This requires making the both the objectives and the theories of the employment relationship explicit. Such explicitness is therefore important not only for research future of the industrial relations, but for the teaching future as well.

Conclusion

It is well-known that the world of work has changed greatly over the last two or more decades. At an organizational level, intense competitive pressures have resulted in an increased emphasis on flexible and sometimes participative forms of work organization and greater levels of contingent compensation. At the same time, labor unions and other labor market institutions have declined in strength while job security has decreased and labor market inequalities have increased. Policies and institutions need to be redesigned. To be a viable academic enterprise and to be relevant for informing practice and policy, research on employment must respond to these realities (Kochan 2000).

But scholars from industrial relations and human resource management have been moving apart for a couple of decades (Kaufman 1993, 2001, 2004). Given the complexity and diversity of the patterns of employment systems engendered by the changing nature of work, future research must draw on the complementarities of the differing schools of thought on the

employment relationship (Kaufman 2001). Rather than seeking a single defining theory for an academic field about work, what is needed is a common intellectual vision—a metaparadigm—for an inclusive and revitalized field of industrial relations. I have argued here that this metaparadigm can be created by an explicit attention to the objectives of the employment relationship and the multiple theoretical perspectives on this relationship in industrial relations research and teaching. Explicit recognition of differing theoretical assumptions across different schools of thought will not make these differences evaporate, but it can facilitate productive dialogue (Kaufman 2001).

Putting the objectives of employment back into industrial relations also provides the basis for greater dialogue with other groups. Industrial relations scholars often advocate for adding checks and balances to the labor market, such as labor unions and government laws, to ensure that market-based competition among workers and employers is beneficial and not abusive. Similarly, the United Nations and the International Labour Organization are strong advocates for adding checks and balances to markets to help them achieve a richer set of objectives than pure economic efficiency (International Labour Organization 1999; United Nations Development Programme 1999). Through papal encyclicals such as Pope Leo XIII's famous encyclical *Rerum Novarum* ("On the Condition of Workers," 1891) and Pope John Paul II's *Centesimus Annus* ("The Hundredth Year," 1991), the Catholic Church also advocates improving markets with checks and balances to achieve human dignity. Scholars who focus on business ethics (Bowie 1999), human rights (Lauren 1998), theology (Alford and Naughton 2001), the natural environment (Esty 2001), and governance of international organizations (Stiglitz 2002), all embrace the underlying principle of adding checks and balances to economic markets to achieve more fundamental aims. Unions have successfully created stronger linkages with churches,

immigrant rights groups, environmentalists, and other advocacy organizations in recent years. But the avenue for creating greater synergies with these groups is not through the narrow promotion of specific processes or institutions, it is through embracing the nature of work and creating shared dialogue over common views of the objectives of the employment relationship.

It will probably take a number of efforts to revitalize the academic field of industrial relations. Creating a metaparadigm such that the objectives of the employment relationship provide a common vision for the scholarship of diverse scholars is one important element that should not be overlooked.

References

Abbott, Andrew (2001), *Chaos of Disciplines*, Chicago: University of Chicago Press.

Adams, Roy J. (1988), "Desperately Seeking Industrial Relations Theory," *International Journal of Comparative Labour Law and Industrial Relations*, 4 (1), 1-10.

Adams, Roy J. (1993), "'All Aspects of People at Work:' Unity and Division in the Study of Labor and Labor Management," in Roy J. Adams and Noah M. Meltz (eds), *Industrial Relations Theory: Its Nature, Scope, and Pedagogy*, Metuchen, NJ: IMLR Press / Rutgers University, pp. 119-60.

Adams, Roy J. and Noah M. Meltz (eds) (1993), *Industrial Relations Theory: Its Nature, Scope, and Pedagogy*, Metuchen, NJ: IMLR Press / Rutgers University.

Alford, Helen J. and Michael J. Naughton (2001), *Managing As If Faith Mattered: Christian Social Principles in the Modern Organization*, Notre Dame: University of Notre Dame Press.

Appelbaum, Eileen and Rosemary Batt (1994), *The New American Workplace: Transforming Work Systems in the United States*, Ithaca, NY: ILR Press.

Barbash, Jack (1984), *The Elements of Industrial Relations*, Madison: University of Wisconsin Press.

Barbash, Jack and Kate Barbash (eds) (1989), *Theories and Concepts in Industrial Relations*, Columbia: University of South Carolina Press.

Becher, Tony (1989), *Academic Tribes and Territories: Intellectual Enquiry and the Cultures of Disciplines*, Milton Keynes, England: Open University Press.

Befort, Stephen F. and John W. Budd (2006), "Working Out a Balance: Public Policies for Employment with a Human Face," unpublished manuscript, University of Minnesota.

Bemmels, Brian and Janice R. Foley (1996), "Grievance Procedure Research: A Review and Theoretical Recommendations," *Journal of Management*, 22 (3), 359-84.

Bowie, Norman E. (1999), *Business Ethics: A Kantian Perspective*, Malden, MA: Blackwell.

Bowles, Samuel and Herbert Gintis (1990), "Contested Exchange: New Microfoundations for the Political Economy of Capitalism," *Politics and Society*, 18 (2), 165-222.

Budd, John W. (2004), *Employment with a Human Face: Balancing Efficiency, Equity, and Voice*, Ithaca, NY: Cornell University Press.

Budd, John W. (2005), *Labor Relations: Striking a Balance*, Boston: McGraw-Hill/Irwin.

Budd, John W. and Devasheesh Bhave (forthcoming), "Values, Ideologies, and Frames of Reference in Employment Relations," in Nick Bacon, Paul Blyton, Jack Fiorito, and Edmund Heery (eds), *Sage Handbook of Industrial and Employment Relations*, London: Sage.

Budd, John W. and Alexander J.S. Colvin (2006), "Improved Metrics for Workplace Dispute Resolution Procedures: Efficiency, Equity, and Voice," unpublished manuscript, University of Minnesota.

Budd, John W., Rafael Gomez, and Noah M. Meltz (2004), "Why a Balance is Best: The Pluralist Industrial Relations Paradigm of Balancing Competing Interests," in Bruce E. Kaufman (ed), *Theoretical Perspectives on Work and the Employment Relationship*, Champaign, IL: Industrial Relations Research Association, pp. 195-227.

Budd, John W. and Stefan Zagelmeyer (forthcoming), "Public Policy and Employee Participation," in Adrian Wilkinson, Paul Gollan, David Marsden, and David Lewin, (eds), *The Oxford Handbook of Participation in Organizations*, Oxford: Oxford University Press.

Clegg, H.A. (1975), "Pluralism in Industrial Relations," *British Journal of Industrial Relations*, 13 (3), 309-16.

Coase, R.H. (1984), "The New Institutional Economics," *Journal of Institutional and Theoretical Economics*, 140 (1), 229–32.

Colvin, Alexander J.S. (2004), "Adoption and Use of Dispute Resolution Procedures in the Nonunion Workplace," *Advances in Industrial and Labor Relations* 13, 71-97.

Dannin, Ellen (2006), *Taking Back the Workers' Law: How to Fight the Assault on Labor Rights*, Ithaca, NY: Cornell University Press.

Derber, Milton (1970), *The American Idea of Industrial Democracy, 1865-1965*, Urbana, IL: University of Illinois Press.

Dorson, Richard M. (1976), *Folklore and Fakelore: Essays Toward a Discipline of Folk Studies*, Cambridge: Harvard University Press.

Dunlop, John T. (1949), *Collective Bargaining: Principles and Cases*, Chicago: Irwin.

Dunlop, John T. (1958), *Industrial Relations Systems*, New York: Holt.

Dunlop, John T. (1961), "Consensus and National Labor Policy," in Gerald G. Somers (ed), *Proceedings of the Thirteenth Annual Meeting of the Industrial Relations Research Association*, Madison, WI: Industrial Relations Research Association, pp. 2-15.

Edwards, P.K. (1995), "From Industrial Relations to the Employment Relationship: The Development of Research in Britain," *Relations Industrielles*, 50 (1), 39-63.

Esty, Daniel C. (2001), "Bridging the Trade-Environment Divide," *Journal of Economic Perspectives*, 15 (3), 113-30.

Ferris, Gerald R. et al. (1995), "Toward Business-University Partnerships in Human Resource Management: Integration of Science and Practice," in Gerald R. Ferris, Sherman D. Rosen, and Darold T. Barnum (eds), *Handbook of Human Resource Management*, Cambridge, MA: Blackwell, pp. 1-16.

Folger, Robert and Russell Cropanzano (1998), *Organizational Justice and Human Resource Management*, Thousand Oaks, CA: Sage.

Fox, Alan (1974), *Beyond Contract: Work, Power and Trust Relations*, London: Farber and Farber.

Hills, Stephen M. (1995), *Employment Relations and the Social Sciences*, Columbia: University of South Carolina Press.

Holley, William H., Kenneth M. Jennings, and Roger S. Wolters (2005), *The Labor Relations Process*, 8th ed., Mason, OH: Thomson/South-Western.

Hyman, Richard (1975), *Industrial Relations: A Marxist Introduction*, London: Macmillan.

International Labour Organization (1999), *Decent Work*, Geneva.

Katz, Harry C. and Owen Darbishire (2000), *Converging Divergences: Worldwide Changes in Employment Systems*, Ithaca, NY: ILR Press.

Kaufman, Bruce E. (1993), *The Origins and Evolution of the Field of Industrial Relations in the United States*, Ithaca, NY: ILR Press.

Kaufman, Bruce E. (1999), "Expanding the Behavioral Foundations of Labor Economics," *Industrial and Labor Relations Review*, 52 (3), 361-92.

Kaufman, Bruce E. (2001), "Human Resources and Industrial Relations: Commonalities and Differences," *Human Resource Management Review*, 11 (4), 339-74.

Kaufman, Bruce E. (2004), *The Global Evolution of Industrial Relations: Events, Ideas, and the IIRA*, Geneva: International Labour Office.

Kochan, Thomas A. (1998), "What is Distinctive About Industrial Relations Research?," in George Strauss and Keith Whitfield (eds), *Researching the World of Work: Strategies and Methods in Studying Industrial Relations*, Ithaca, NY: ILR Press, pp. 31-45.

Kochan, Thomas A. (2000), "On the Paradigm Guiding Industrial Relations Theory and Research: Comment on John Godard and John T. Delaney, 'Reflections on the 'High Performance' Paradigm's Implications for Industrial Relations as a Field,'" *Industrial and Labor Relations Review*, 53 (4), 704-11.

Kuhn, Thomas S. (1962), *The Structure of Scientific Revolutions*, Chicago: University of Chicago Press.

Lauren, Paul Gordon (1998), *The Evolution of International Human Rights: Visions Seen*, Philadelphia: University of Pennsylvania Press.

LeRoy, Michael H. and Peter Feuille (2001), "Private Justice in the Shadow of Public Courts: The Autonomy of Workplace Arbitration Systems," *Ohio State Journal on Dispute Resolution*, 17, 19-93.

Lewin, David (1999), "Theoretical and Empirical Research on the Grievance Procedure and Arbitration: A Critical Review," in Adrienne E. Eaton and Jeffrey H. Keefe (eds), *Employment Dispute Resolution and Worker Rights in the Changing Workplace*, Champaign, IL: Industrial Relations Research Association, pp. 137-86.

Lewin, David (2001), "IR and HR Perspectives on Workplace Conflict: What Can Each Learn from the Other?," *Human Resource Management Review*, 11 (4), 453–85.

Lipsky, David B., Ronald L. Seeber, and Richard D. Fincher (2003), *Emerging Systems for Managing Workplace Conflict*, San Francisco, CA: Jossey-Bass.

Masterman, Margaret (1970), "The Nature of a Paradigm," in Imre Lakatos and Alan Musgrave (eds), *Criticism and the Growth of Knowledge*, Cambridge: Cambridge University Press, pp. 59-89.

Nissani, Moti (1995), "Fruits, Salads, and Smoothies: A Working Definition of Interdisciplinary," *Journal of Educational Thought*, 29 (2), 121-28.

Osterman, Paul (1999), *Securing Prosperity: The American Labor Market: How It Has Changed and What to Do about It*, Princeton, NJ: Princeton University Press.

Osterman, Paul, Thomas A. Kochan, Richard Locke, and Michael J. Piore (2001), *Working in America: A Blueprint for the New Labor Market*, Cambridge: MIT Press.

Ritzer, George (1980), *Sociology: A Multiple Paradigm Science*, Boston: Allyn and Bacon.

Rosenberg, Alexander (1995), *Philosophy of Social Science*, Boulder, CO: Westview Press.

Somers, Gerald G. (ed) (1969a), *Essays in Industrial Relations Theory*, Ames: Iowa State University Press.

Somers, Gerald G. (1969b), "Bargaining Power and Industrial Relations Theory," in Gerald G. Somers (ed), *Essays in Industrial Relations Theory*, Ames: Iowa State University Press, pp. 39-53.

Stiglitz, Joseph (2002), *Globalization and its Discontents*, New York: W.W. Norton.

Thibaut, John and Laurens Walker (1975), *Procedural Justice: A Psychological Analysis*, Hillsdale, NJ: Lawrence Erlbaum Associates.

Thomas, David (1979), *Naturalism and Social Science: A Post-Empiricist Philosophy of Social Science*, Cambridge: Cambridge University Press.

Toulmin, Stephen (1972), *Human Understanding*, Princeton, NJ: Princeton University Press.

Towers, Brian (1997), *The Representation Gap: Change and Reform in the British and American Workplace*, Oxford: Oxford University Press.

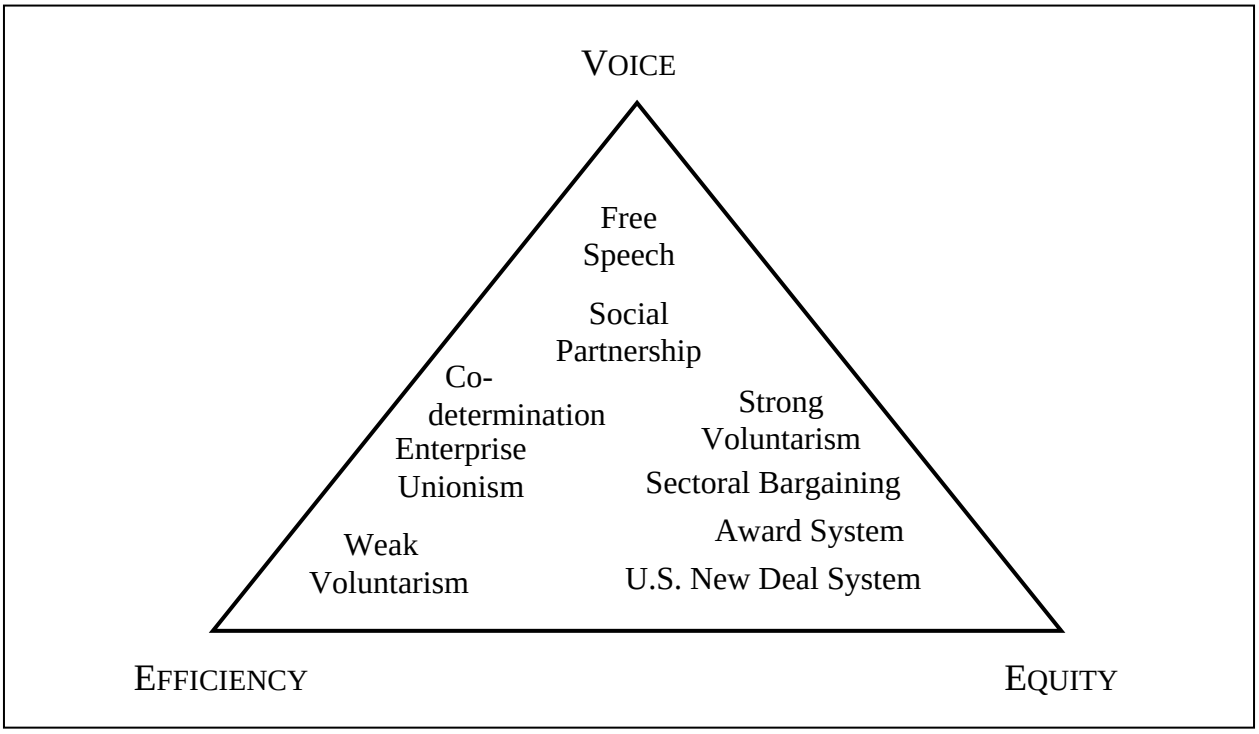
United Nations Development Programme (1999), *Human Development Report 1999*, New York: Oxford University Press.

Walton, Richard E. and Robert B. McKersie (1965), *A Behavioral Theory of Labor Negotiations*, New York: McGraw-Hill.

Whitley, Richard (2000), *The Intellectual and Social Organization of the Sciences*, Oxford: Oxford University Press.

Figure 1: Industrial Relations XXX

Figure 2: Analyzing Comparative Industrial Relations Systems



Source: Budd (2004).