

Revitalizing Industrial Relations

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Industrial relations (IR), broadly defined as the study of work and employment, has existed as a field of study for over a century. But when we think of the crisis of the field, particularly in the context of the professional association now called the Labor and Employment Relations Association (LERA, formerly the Industrial Relations Research Association), we are really talking about a period, beginning in the 1930s and extending roughly up to 1970 or 1975, when IR was intellectually most active and exciting, attracting the brightest and most dedicated students, enormous public interest and support (especially among policymakers and politicians), and, most importantly, considerable institutional support and dedicated research funding. It is nostalgia for those years that prompts the kind of hand wringing about the future of the field in which we are engaged today. I share many of these concerns, but I have reservations as well. Since this will not be an altogether welcome message in this forum, I want to begin by asserting my credentials as a member of the discipline – this is meant to be an insider’s critique.

Although I was trained as an economist and my primary academic appointment has always been in an economists department, I think of myself as an IR scholar. My thesis advisor was John T. Dunlop, whose own contribution to the field of IR was at least as great as his contribution to economics. I have always been affiliated with the Industrial Relations Section at MIT, which, while housed throughout my career in the business school, had only just moved there from the economics department when I came on board. Perhaps more to the point, I have always felt that my view of economics – and the somewhat aberrant role I have played there – has been more influenced by IR than that my position among IR scholars has been influenced by my training in economics. In a certain sense, I feel more at home among my colleagues trained in the schools of IR at the University of Wisconsin and Cornell University than I have ever felt among my economics colleagues. Thus, I share the sense of loss and displacement at the place where IR now finds itself, the sense that it has atrophied in recent years, and a longing for its revitalization.

However, I am also skeptical about the revival of the IR field, certainly about the possibility and to some extent about its desirability as well. I do not, moreover, have the feelings

I expected to have following the demise of the intellectual and institutional context in which I have functioned over these years: I do not feel any loss of intellectual vitality in my own life or in that of the people around me. Indeed, I find that the intellectual environment in which I work remains exciting and creative. My students, many of whom are actually studying in the IR program, are working on interesting problems and are at least as vital intellectually as any I have had in what is now getting to be a long career. So, for me anyway, there is something of a paradox: The field does seem to be in need of revitalization, but I do not feel a pressing need for that to happen. It is that paradox which I propose to explore here.

Industrial Relations and Trade Unions

To understand the current situation, one has to look at what IR was when scholars widely viewed it as a vital field. I know that everybody will have a personal view on this, and it is impossible to do justice to the subject in a chapter of this length. Still, for me, what made the field vital were the trade unions.

Trade unions were key. First, this is because they posed a problem that society – and any social science that spoke to the needs of society – had to address, i.e., the problem of industrial peace, or, to put it differently, the continual threat of anarchy, which worker organizations posed in an industrial society. The danger of anarchy threatened the very existence of people in an economy that had come to be composed of parts so specialized, and as a result so interdependent, that when one of them ceased to play its role, the ability of the rest to function was lost. Second, trade unions involved the willingness of people to act as parts of a cohesive social group, in a way that defied that “free rider” problem, and thus could not be understood in terms of the individualistic social science through which we otherwise understood and sought to address problems in the economy. Third, the major alternative to conventional economics, which did address both the issue of cohesive social groups and the problem of anarchy that trade union action posed, was Marxism, a body of thought that led to a series of political conclusions that many found troublesome and entailed a series of questionable intellectual premises. Fourth, trade unions and the values they expressed seemed to address the central moral problems posed by capitalism (or, to use the alternative vocabulary that IR scholars adopted to evade Marxism, the problems posed by “industrial society”).

Finally, because it evaded the theory both of conventional economics and of Marxism, and because it was motivated more than anything else by the pressing needs of society to solve

the problem of industrial peace, IR took an approach to understanding the world that involved going out, talking to and working with the economy's actors (the practitioners as we learned to call them) and then building models, or at least understandings and interpretations, that incorporated the actors' perspectives and in which they could recognize themselves. Indeed, IR scholars tended to become practitioners themselves and/or to regularly exchange places with them. The hallmark of LERA is that it seeks to combine both scholars and practitioners in a single organization. This is one of the strengths of the field, but it has also turned out, I will argue, to be its greatest weakness.

Understood in this way, it is obvious why IR is no longer a field of compelling scholarly interest. First and foremost is the decline of trade unions. The decline, at least in the United States, has been of startling magnitude. Even more important in terms of the factors that generated the field in the first place, however, is the fact that the threat to industrial peace, which unions once posed, has entirely disappeared. Working time lost through strikes has become virtually zero. Industrial peace is no longer a preoccupation of public policy. Finally, Marxism as a competing intellectual framework had been discredited, in part by the collapse of the Soviet Union and its satellite states, but perhaps even more so by the fact that the organization of work in capitalist societies has taken forms very different from those that Marxism led us to expect and gave us the tools to analyze. Finally, trade unions no longer seem to address the central moral dilemmas of capitalism. Indeed, they seem as often to be part of the problem as part of the solution.

IR as a field, and the LERA as its institutional arm, is not, however, a wholly innocent victim of these developments; it has in certain ways contributed to them. Here the great strength of the field – that it combined in a single organization not only scholars and practitioners but also people from both sides of the bargaining table, labor and management, along with the mediators, arbitrators and government officials whose roles were to facilitate the bargaining process – is also its major weakness. In bringing all of the legitimate actors together in a single organization, and one, moreover, which essentially monopolized academic research on their activities, it created and maintained a tight consensus about what was legitimate in terms of action and scholarship. It was that consensus and the limits it placed upon behavior (limits embodied in law such as the prohibition of strikes while a collective-bargaining agreement is in effect, the arbitration of grievances, and the restriction of secondary boycotts) that made it possible for

society to tolerate the strikes and other forms of direct action involved in labor disputes. No longer was there the fear that such disputes would degenerate into industrial anarchy.

Dunlop argued that in any IR system there was a shared ideology, and the Industrial Relations Research Association (IRRA) was in many ways the guardian of that ideology in the United States. Playing that role had its costs, however, both in terms of the range of practice and of scholarship. One of the greatest of these in my mind was the way the field celebrated “business unionism” and led its members to believe that this was responsible for union survival in the United States.

LERA members including Jack Barbash in Madison, Charles Myers and John Dunlop in Cambridge, and Clark Kerr and Lloyd Ullman in Berkeley -- who on some questions were quite far apart -- scorned and ridiculed students who questioned business unionism. These scholars encouraged labor leaders to act, and more important to present themselves to the general public as acting, in the narrow self-interest of their members. In so doing, the labor movement failed to recognize that organized labor operated within a protective shell of labor legislation during the early post-World War II period. That shell was justified in the eyes of the public at large by an identification of labor with the broad national interest, a view that grew out of the Great Depression and was reinforced in the postwar period by the role of the labor movement as the leader of a broad, progressive movement (supporting not only the protection of union organization, but also wider measures such as the minimum wage, social security, unemployment insurance, civil rights, and medical insurance).

After 1968, however, labor broke with this coalition – first over the war in Vietnam and then over equal employment opportunity and environmental protection. Organized labor painted itself increasingly as a narrow interest group. The break with the broader progressive movement represented a retreat toward business unionism, and it is hard to believe that this is not in some way responsible for the erosion of support and legal protection that unions received from the courts, the National Labor Relations Board, the Congress, and ultimately the public at large.

The IR community had a similar impact upon scholarship. I remember a conference session at an IRRA meeting in 1978 in Chicago. Although it was convened to discuss research, a suggestion to investigate the origins of seniority in promotion and layoff in the United States was suppressed by the senior scholars in the room who responded in unison, “The answer (to the question of the system’s origins) is obvious.” The chorus then degenerated into an

incomprehensible babble as each went on to provide a different answer. The question was never researched. Seniority, like business unionism, was simply the way IR was conducted in America.

Redefining the Field

To the extent that the institutions that surrounded IR have attempted to address the problems posed by the decline of trade unions, they have done so largely by redefining the field as one concerned with work and employment. At MIT, we changed the name of our Industrial Relations Section to the Institute for Work and Employment Relations (IWER). At the University of California at Berkeley, the name was recently changed from the Institute of Industrial Relations to the Institute for Research on Labor and Employment. The Industrial Relations Research Association is now called the Labor and Employment Relations Association.

Work, labor, and employment do indeed pose as set of problems for society, but those problems are very diffuse, nowhere near as sharp, pointed and pressing as the problems posed by trade unions. The problems, moreover, are arguably as susceptible to understanding through the individualistic assumptions of conventional economics as through the assumptions about social cohesion that seemed absolutely essential to an understanding of trade union behavior. The broader labor issues also do not imply any particular hypotheses about the direction of the evolution of industrial society. And they have no particular moral implications; indeed the fact that these issues are now pursued primarily in business schools, often under the rubric of “human resource management,” has made the field often seem about manipulation and control.

An alternative way to think of IR as a field is in terms of the intellectual approach that grew out of the efforts to understand trade unions, but is presumably applicable to other social problems. This would imply a focus on a subset of work and labor problems, but would also include the study of other problems associated with technological change, the family, all that goes under the rubric of social capital, and so on. Here, however, it is important to recognize that the scholarly community has changed greatly since IR staked out its claim as a distinct field of study. As a result, approaches to understanding the social world that once distinguished IR are now much more widely shared. Indeed, other social science fields are now better able to address the kinds of problems that were once the exclusive domain of IR.

The most important development in this regard is undoubtedly the emergence of a “new institutionalism” in virtually all of the social science disciplines. The new institutionalism represents a reaction to the behaviorism of the immediate postwar period in which institutions

were viewed as a veil on much more fundamental social forces. In the earlier period, it was widely held that science should focus on these forces, rather than on the institutions themselves. The forces, of course, varied across social science disciplines and across intellectual traditions within disciplines; they ranged from individual optimizing behavior in conventional economics to power and class in Marxism. Nevertheless, outside of IR, the dominant feature of that era was the treatment of the trade union an epiphenomenon that did not deserve serious scholarly attention.

Behaviorism was, moreover, a deliberate and quite explicit rejection of the institutional and historical approach of the “Wisconsin School” of labor and IR, especially in economics. The magnitude of the change that has occurred in recent years is symbolized by the fact that in economics the new institutionalism has adopted the terminology of John R. Commons. Other social science disciplines have drawn less upon the vocabulary of the Wisconsin School but arguably are more in tune with its spirit. The new institutionalist revolution (or counterrevolution if you will) has by and large focused on institutions other than trade unions, no doubt because trade unions themselves are no longer so central to the operation of the economy. But many of the insights that IR developed specifically to understand trade union behavior have become particular cases of what are now understood as general phenomena.

Consider the following examples. The notions of orbits of coercive comparison and of wage contours, which Arthur Ross and Dunlop developed to understand wage determination under trade unions in the postwar period, can be understood as examples of institutional isomorphism, a concept now central to organizational behavior and economic sociology.¹ The problems of union governance and the effect of different governance structures on union behavior have been subsumed into the broader field of political economy; what were once verbal models or even the oral tradition of IR on this score are now easily subsumed under the formal models developed in both political science (especially the field of American politics) and economics to explain the behavior of political parties and the differences in the outcomes under various legislative and parliamentary arrangements. The insights about collective bargaining in a classic IR text like Walton and McKersie’s (1965) *A Behavioral Theory of Labor Negotiations* are now captured by formal bargaining models in economics and psychology, and a specialized interdisciplinary field of negotiations has emerged encompassing economics, psychology,

sociology and law, in many ways competing with IR for the allegiance not only of scholars who study labor negotiations but also of practitioners of the art of labor mediation and arbitration.

Economic sociology has also emerged as a separate field within the broader discipline of sociology, one that is a very active domain of research, encompassing not only the new institutionalism but also other aspects of economic behavior that were once largely the province of IR. Thus, for example, Marc Granovetter's article on the strength of weak ties in careers is the fountainhead of a wide-ranging literature not only on labor market outcomes, but also on the success of various groups in the labor market (Granovetter, 1983; Etzkowitz, Kemelgor and Uzzi, 2000). And Frank Dobbin and a series of co-authors have pioneered a whole literature on the interaction of public policy and the management of labor within the firm (Dobbin and Sutton, 1998; Kelly and Dobbin, 1999). The field of labor organization has become a part of another subfield of sociology focused on social movements (for example, Skocpol, Liazos, and Ganz, 2006; Public Sphere Project; Ganz, 2007).

In recent years, an increasing number of economists have grounded their work in real world "practice" in a way that brings them in contact with (and gives them an appreciation of) the environment in which economic actors operate. As a result, such work has much of the flavor of IR. This is especially true in the areas of labor economics and, more recently, development, which have both cultivated an approach to field research whereby students go out and immerse themselves in the work of the actors in a way that used to be the exclusive province of IR.

Most economists have backed into this approach, so to speak, in the process of trying to collect data themselves (as opposed to relying on government surveys) and seeking to understand the data-generating world well enough to anticipate, and test for, biases produced by their data collection approach. It is true they remain attached to a theory rooted in what many IR scholars consider a radical and naive individualism. In the hands of these economists, however, the theory generates an unexpectedly rich and original set of hypotheses, which one suspects must come out of their field experience.² Although economics invariably seems to disappoint, such scholarship could eventually lead to changes in the theory itself.

In short, a number of disciplines have broken the IR field's monopoly over institutions and practice. When I was a graduate student – and indeed for a long time after I became a professor – a standard trope of IR types in arguments with mainstream economists was to overwhelm them with practical knowledge, details about the technology or the institutions,

especially those that were theoretically anomalous. My thesis advisor, John Dunlop was particularly adept at this art, but all of us practiced it in one way or another. It has become much more difficult to do this today. And that is not because scholars in other disciplines are so much more grounded in practice, but because they are no longer so afraid of it. They have come to see institutional details less as distractions to be ignored than as phenomena worthy of explanation and understanding. All of this leads me to believe that even if trade unions were a more prominent feature of contemporary life, IR would have had much more competition in the academy from other disciplines seeking explanations and understandings of union behavior.

IR is also not alone in its interest in society's moral challenges. Much of labor economics may have moved away from the moral commitments that underlay the field of IR; its prospective students are more often motivated by the opportunity to model social behavior the way the hard sciences model the physical world (in areas such as marriage and vocational commitment) than by social change. However, the field of development – development economics in particular, but also development studies more broadly – has come to be associated with the kind of moral commitment that originally adhered to IR. In fact, this is surely one reason development attracts students, including many that in an earlier time would have wanted to study unions.

In summary, IR can be redefined to encompass more than the study of trade unions, but developments in the social sciences suggest that the problems faced by IR in the academy are no longer attributable simply to the demise of unions and the threat they posed to industrial peace. Much of the intellectual agenda of the field has been taken up and absorbed into the more conventional social sciences. IR no longer has a monopoly on a theoretical stance that takes institutions as independent forces worthy of study, an empirical stance that focuses on practice, or attention to capitalism's moral issues.

Room for an Interdisciplinary Industrial Relations

The way that mainstream disciplines have approached the world characteristic of IR, however, has not been wholly satisfactory. Their approach has been to break up the key methodological and empirical issues into a series of separate components and parcel them out to different social sciences – disciplines that speak to each other in very limited and stylized ways or not at all. Thus, economics has come to recognize institutions, but it tries to understand their behavior in terms of a methodological individualism that does not recognize cohesive social groups; economic sociology tends to focus on social and collective behavior, but distances itself

from normative and policy concerns; and so on. This leaves space in the intellectual landscape for a more integrated, interdisciplinary approach. As far as I can tell from talking with MIT's IWER students, the search for such an approach is what attracts them to the field and distinguishes them from students in other programs.

But an interdisciplinary graduate education of the kind our students appear to be seeking poses another set of problems. The way the component problems of the old IR have been taken up by mainstream social science means that it is difficult to obtain professional recognition and an audience within the scholarly community without an understanding of a disciplinary perspective and context for the particular issues one chooses to address. This implies the need for a much more profound disciplinary background and training than an education in IR has in the past entailed.

We have tried to address this problem at MIT by requiring our students to commit themselves to one of the major social science disciplines and to, in effect, take the core curriculum that is required of graduate students in that discipline. At the same time, we recognize that IR is distinguished from other interdisciplinary programs by the fact that it has had a distinctive approach to the study of society – one that grows out of its focus on trade unions, but, as I have tried to suggest above, is actually separate and distinct and can presumably be applied to other problems. We try to demonstrate that approach by a focus on the history of IR and the core theory generated by that history; at its best, the new focus on work and employment becomes a way of illustrating how ideas that originally emerged in the study of trade unions can be applied to other social problems.

I am not sure that this qualifies as a revitalization of IR. It has certainly made the field more dependent upon, and perhaps derivative of, other social sciences. But it has also freed the field from the responsibility of sustaining an ideological environment that is conducive to industrial peace, and it has fostered a broader and more open research agenda. It does seem to attract an interesting and creative set of students and gives rise to a stimulating intellectual environment.

Notes

1. Institutional isomorphism is the process that leads one organization (or set of organizational working rules) to resemble another organization under similar environmental conditions.

2. One study in development economics, for example, finds significant differences in the political agenda and the public policy outcomes between male-managed villages and female-managed villages – and leads one to wonder why there is no comparable study (indeed no comparable literature) on the difference between male and female leadership in trade union policy (Chattopadhyay and Duflo, 2004). A very different study, but equally important for IR, looks at why temporary help services provide training and the role of that training in screening candidates (Autor, 2001).

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