NOTEWORTHY BOOKS IN INDUSTRIAL RELATIONS AND LABOR ECONOMICS, 2004*

The Industrial Relations Section is pleased to announce that this year’s winner of the Richard A. Lester Award is John W. Budd for *Employment with a human face: balancing efficiency, equity, and voice.*


“Between 1992 and 2000, the average…pay of chief executive officers…of S&P 500 firms more than quadrupled,” moving from “140 times the pay of an average worker” to 500 times the pay. According to the official view, this increase results from corporate boards bargaining at “arm’s length” with executives to provide incentives for the executive to increase shareholder value. However, Bebchuk and Fried refute this view and assert that executive pay is higher than it would be if tied to the executives’ performances and the performances of their corporations. The authors examine the development of corporate governance and the current incentives corporate boards have to compensate management at the expense of shareholders. They recommend that, to increase efficiency and improve actual performance, corporate boards should link executive pay more to performance and that boards should be reformed to make them more accountable to shareholders.


In his analysis of employment, Budd draws on various perspectives—industrial relations, human resource management, critical industrial relations (which in turn use multiple scholarly disciplines) as well as moral philosophy and theology. He emphasizes the balance needed in employment among productivity and human factors and creates a triangular model for evaluating employment practices, systems, institutions, and outcomes for their usefulness in balancing what he identifies as the essential aspects of efficiency, equity, and voice. He sees a need for wholesale rather than piecemeal reform of the U.S. industrial relations system. As an example of imbalance, Budd notes that while “defrauding shareholders has a maximum penalty of twenty-five years imprisonment; willful violation of safety standards that results in a worker’s death has a maximum penalty of six months imprisonment.” He advocates a new form of unionism that allows individual employees to determine their own outcomes within a union-negotiated framework of procedures and calls on employers to establish a new social norm that includes respect for workers’ rights.

* Items on this list should be ordered directly from the publisher. Addresses are given in connection with each reference.

This volume is comprised of edited papers presented at the Twenty-third Annual Conference on Economic Issues: “Changing Role of Unions,” held April 13-14, 2002, at Middlebury College. In Part I, Richard Freeman and Christopher Erickson focus on new forms of unionism: Freeman explores open-source unionism which allows several unions to share programming via the web, and Erickson et al. explain the success of the SEIU in organizing janitorial labor in Los Angeles. In Part II, Bruce Kaufman uses the work of early twentieth-century labor economist John R. Commons to revise the Freeman and Medoff “two faces” model to examine the current growth prospects of unions, while Rafael Gomez and Morley Gunderson explain the “experience good” model. Empirical chapters comprise Parts III and IV and focus on union wage and employment effects using United States and international data. The two chapters in Part V, one by Clive Belfield and John Heywood, the other by Belfield and John Addison, are based on British data. Part VI focuses on union organizing trends: Henry Farber and Bruce Western look at the United States and Solomon Polacheck compares the U.S. situation with several other countries.


The unheralded advocacy and pivotal role of working-class women in the labor movement in the decades following the Depression are illuminated for the first time in this work. Labor women, or “labor feminists,” advocated reform through legislation and collective bargaining to eradicate the disadvantages women suffered due to gender discrimination. For labor feminists, women’s economic progress depended in part on the right to employment for all women. They believed women should receive “equal pay for comparable work,” including women’s unpaid labor in the domestic sphere. This book scrutinizes intersections and divergences in the history of the labor movement and American feminism.


The authors present a theoretical argument for the popular belief which assumes full employment and finds no impact of trade upon unemployment. By bringing together general equilibrium multi-sector models with models of search friction, Davidson and Matusz shift the focus from concentrating on the level of employment to the redistributive aspects of employment. The barriers to workers and employers for redistribution are explored. The costs are not merely those of wages but also of job redistribution. It is further implied that these effects may then have an additional impact on trade patterns and labor policy.


Traditionally, studies of the negative psychosocial effects of job loss focus on unemployment. In this book, the authors expand the study to include forms of underemployment such as low-wage and involuntary part-time work. Basing
their research primarily on the National Longitudinal Survey of Youth (NLSY), Dooley and Praise examine the ways in which underemployment relates to unemployment regarding "psychological, behavioral, and health outcomes," specifically decreased self-esteem, alcohol misuse, increased psychological depression, and the birth weight of infants born to underemployed mothers. The authors address the hypothesis of "reverse causation—that preexisting dysfunction causes people to become underemployed," but test and defend the "social causation hypothesis," concluding that underemployment does indeed lead to negative social outcomes usually found with unemployment. Thus, just being employed does not necessarily eliminate the usual psychosocial effects of unemployment, and the psychological state of the underemployed resembles the unemployed more than the employed.

**Job training policy in the United States.** Edited by Christopher J. O'Leary, Robert A. Straits, and Stephen A. Wandner. W.E. Upjohn Institute for Employment Research (300 S. Westnedge Ave.). 2004. 359 p. $50.00, cloth; $22.00, paper.

The U.S. Department of Labor has funded public job training programs for forty years. This book reviews the evolution and effectiveness of the major federal programs from the 1962 Manpower Development and Training Act through the present-day Workforce Investment Act. It examines training service providers and methods of delivering training services, including performance management. Public programs are compared to private job training efforts within the United States and also to government job training programs in other industrialized nations. The authors evaluate important features of current job training programs and speculate about directions for the future.


Combining various occupational case studies with scholarship from the fields of economics, cognitive science and computer science, the authors illustrate how computers are reshaping the marketplace. They show how computers create and enhance many jobs, even as they eliminate some jobs and move others overseas. However, they argue that jobs requiring complex interpersonal and intuitive skills are impossible to routinize, and as such are in increasing demand. Using examples from leading corporations and educational institutions, Murnane and Levy emphasize that the schools need to teach what they call "expert thinking and complex communication," the two skills required to thrive in a computerized workplace.


Anne E. Preston analyzes the phenomenon of exiting from scientific careers of a sample drawn from a respondent population of 1,688 men and women attaining bachelor's, master's or PhD's in science or engineering during the period from 1965 to 1995 at a large public institution. She examines the questions: Why do those who have invested in a rigorous science education leave the field? Are their cited exit factors related to other predictors of success in science? Do these factors differ between men and women? What directions do their future careers take? What are the consequences to those individuals who do leave? In total, only 51 percent of all respondents were still working in science
in 1994. Data point to attrition being highest among physical scientists and engineers and especially prevalent among women. As for reasons for leaving, many women pointed to a lack of mentoring, while men cited dissatisfaction with advancement opportunity and compensation.


In the United States as well as in developing countries, workers, often underage, sometimes immigrants and sometimes just poor and uneducated, toil to create the mountains of garments which fill the racks of fashionable clothiers around the world. These workers frequently labor in sweatshops characterized by long hours, wages far below minimum, horrible conditions, and abusive treatment. Ross provides both current and historical statistics about sweatshops in the American apparel industry, with international comparisons. Having sketched in well-documented detail the sweatshops which today supply the global apparel industry, the author suggests that solving the abuses of the current system rests on workers and their unions, middle-class reformers, and government regulation.


This book addresses whether and to what extent workplace justice can be obtained—given the decline of labor unions—by workers dismissed from non-union employers. The authors analyze data from various forms of employment arbitration to determine the current scope and strength of workers’ due process rights despite the persistence of employment-at-will doctrine in American labor law. The outcomes (win/loss rates; recovery amounts; and cost-and-time advantages) of employee termination cases resolved by employer-initiated arbitration, labor arbitration and the federal courts are examined. Those results are then compared with the legally mandated employment termination procedures from eleven other countries. The authors also analyze the views of various respondents (labor and employer arbitrators; peer review panelists; jurors; HR managers; and labor court judges) on twelve hypothetical cases. The book’s conclusions suggest that, in comparison to labor arbitration, nonunion systems provide less workplace justice for employees.


This book is a historical analysis of American industrialization and the attendant crisis of workplace accidents that shaped the New Deal, twentieth-century American tort doctrine, workers’ compensation, and U.S. social policy in general. Witt documents the contingent clash of social, cultural and political forces involving the courts, corporations, and state and federal government that resulted in a paradigm shift from the ideology of free labor—based on individual autonomy and freedom of contract—to our current conceptions of insurance based on shared risk. By highlighting the accidental features of the evolution of the law of accidents, the author provides a reassessment of the development of American tort law that complicates historically deterministic accounts based on rational, formal models. He concludes by outlining the impact of this history on contemporary accident-law issues concerning mass torts, class actions and catastrophic risks.