Labor and the Economy. by Gary A Moore and Randyl D. Elkin. Book Review.

by David E. Shulenburger

1984

Shulenburger, David E. "Labor and the Economy," Industrial and Labor Relations Review January, 1984) -- Book Review, pp. 293-29419.

Published version: http://www.ilr.cornell.edu/ilrreview/

Labor-Management Relations

Labor and the Economy. By Gary A. Moore and Randyl D. Elkin. Cincinnati, Ohio: South-Western Publishing, 1983. viii, 502 pp. N.p.

If academics agreed about what constituted a perfect textbook, there would be many fewer texts in the market. As it is, the textbook market for introductory labor relations and labor economics textbooks is glutted with books that fit many differing definitions of the perfect text. Moore and Elkin's adds another to this collection.

Moore and Elkin believe that current texts are either too institutional, too theoretical, or too long. Their professed ambition in writing this one was to produce a concise volume that appropriately combined the theoretical and the institutional perspectives. If brevity is honorable, their 502-page text ranks among the thinnest introductory labor relations texts on my heavily burdened shelves.

At what cost brevity? The text manages to give only 35 lines of type to unfair practices of management and labor. It omits much of the often violent conflict that shaped our industrial relations system. In only one case (their mention of H. Greg Lewis's study of the union wage impact) do the authors report specific empirical evidence, settling elsewhere to give broad generalizations about empirical findings. The text spends very little time relating existing institutional arrangements to either economic theory or labor relations theory. A text with these failings is too brief to be pedagogically useful.

The collective bargaining section of this book is its best. Students will leave its pages with a working knowledge of the mechanics of labor-management relations. They will appreciate the role of the strike in those relations, the skills required of bargainers, the day-to-day process of contract interpretation, and the role unions play in today's society.

Students will not, however, take from the collective bargaining section any substantial knowledge of unfair labor practices. As an example, the entire discussion of section 8(a) (3) of the National Labor Relations Act is the terse: "it is an unfair labor practice for an employer to . . . discriminate against an employee on the basis of union membership (union security clauses are an exception)." The knowledge imparted by those words is useless to a student. Unfair labor practices are the framework around which labor-management relations have been draped since the Act's passage in 1935, and a survey textbook in labor-management relations that passes them over is surely incomplete.

A collective bargaining simulation is included as an appendix. If brevity is a goal to be sought, one wonders whether a simulation belongs. In my view, if Moore and Elkin chose to replace an important analysis of labor relations with this simulation, they chose the less valuable course of action.

Labor history is conveyed here in eight "lessons," which represent a useful way to summarize labor history and which will undoubtedly be committed to memory by most students who use the text. But perhaps the lessons are too easy for the students to learn. The Molly McGuires, the railroad strikes of the 1880s, Haymarket, the Pullman strike, sit-ins, and Little Steel are lessons that are hard to summarize in a line of boldface type. Those events and others made unions more than business agents trying to secure a good price for labor and made management more than buyers of another commodity, labor. Brevity here may make it impossible for students to understand the emotion of labor-management relations.

In the labor economics portion of the text, each chapter typically begins with an institutional discussion related to the chapter topic and continues with a brief presentation of the theory. These institutional and theoretical portions of each chapter often stand unfortunately far apart, with little to bridge them. The chapter on wage determination, for example, contains a good discussion of the wage structures and policies of firms that is completely independent of the chapter's supply and demand discussion. Similarly, coverage of the unemployment rate is not related to the discussion of market clearing.

One is continually left wondering how strong the effects of the economic phenomena discussed in this text really are. We are told that the discouraged-worker effect outweighs the added-worker effect, but no empirical estimates are given. We are told that a number of factors have served to increase the labor-force participation of women, but we are given no data on the relative magnitude of each effect. Disturbingly, we are told that President Reagan's economic policy is premised on work effort increasing as taxes are cut, but the authors provide none of the empirical estimates of the actual elasticities of labor supply. Empirical information can be presented in a straightforward way even to undergraduates in an introductory course. To fail to present it at all suggests that labor economics has been stagnant since the 1930s.

Moore and Elkin do have some very good chapters in their text. "Wage-Price-Employment Policies" and "Impact of Unions on the Economy" are quite well written and are described at the appropriate level of sophistication. The text is also well footnoted and the reference lists are appropriate.

It may be that it is impossible to write a concise introductory labor economics and labor relations text that also covers the necesssary material in enough depth to be meaningful. If this is the case, an encyclopedic text or separate labor relations and labor economics texts are in order. The search for the perfect text does not end with Moore and Elkin.

David E. Shulenburger
Professor
School of Business
University of Kansas

The Right to Manage: Industrial Relations Policies of American Business in the 1940s. By Howell John Harris. Madison, Wis.: University of Wisconsin Press, 1982. ix, 296 pp. $21.50.

The Great Depression, New Deal, and rise of the CIO confronted business leaders with a threat to the cultural, political, and economic dominance they had enjoyed during the 1920s. The depression undermined public confidence in business and its "natural" stewardship over the economy; the New Deal, especially beginning in 1935 with the Wagner Act, revealed the declining political power of business and indicated the ominous implications of that decline; and the CIO effectively challenged the claims of management to unilateral authority at the workplace, while also attracting significant public sympathy. For more than a decade, business and labor battled in these arenas and Howell John Harris argues that at the end of the 1940s, employers emerged victorious on all grounds.

By 1950, the CIO has lost its lustre in the public eye, Taft-Hartley symbolized the state's role in labor relations, and industry had won at the bargaining table most of the prerogatives it considered essential to efficient production. The terms of this victory suggest the change in corporate industrial relations policy during this period. Business leaders no longer sought to repeal the Wagner Act or drive unions from their factories. By 1950, they had learned to live with the Wagner Act—at least as amended by Taft-Hartley—and had recognized that "responsible" unions did not necessarily threaten managerial control over work processes.

Harris argues that historians have viewed this period too much from the perspective of unions and workers and have overemphasized labor's influence in shaping the pattern of industrial relations that emerged in the late 1940s. Labor, he insists, was a "reactive" force; business, the "initiative" force. In a "pervasively capitalist society," business, although not "hegemonic," exercised sufficient power in the microeconomic and political environment to determine in large part both the parameters and perimeters of union-management relations. Focusing on "the contest for authority and control within industry," Harris concludes that union recognition and collective bargaining were incorporated into a "unitary" ideology of industrial relations: decisions relating to production must be made unilaterally by management.

Labor historians have for some time been concerned with the importance of control as the basic locus of industrial conflict. Harris, however, offers insight into how employers viewed the issue, and his perceptive analysis of their changing policies reminds us that "managers are people, not calculating machines." This simple maxim underlies one of the major strengths of his book. To understand and interpret management decisions and strategies, a historian must examine how managers perceived their situation, rather than assume that they always accurately assessed their alternatives and acted rationally. As other people do, managers look at the world through lenses shaped by their values and experience. Harris helps us to understand the roots and logic of industrial relations policies by explicating the ideology and fears that underlay them.

Business leaders were an "embattled threatened elite, their traditional dominance challenged within their own firms and in the large community." Most senior executives of "center firms"—those that dominated American industry—were in agreement on their basic objectives: to defend the American social and economic order and to protect their authority at the workplace. But they disagreed on tactics. By the late 1940s, most executives had become "practical conservatives." At the right wing of this group sat those who were outright reactionaries, who hoped to turn the clock back 20 years. Most, however, followed the lead of General Motors, which had adopted a policy of "armed truce" with the United Auto Workers. Unions would be recognized as legitimate institutions; collective bargaining was a zero-sum process; and employers must bargain aggressively and initiate their own demands at