

**Collective Actors in Industrial Relations: What Future?  
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Rapporteur's Report<sup>1</sup>**

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The term “actors” in industrial relations gained currency in John Dunlop’s *Industrial Relations Systems* (1958). He proposed that three parties—employers, labor unions, and government-- are the key actors in a modern industrial relations system. He also argued that none of these institutions could act in an autonomous or independent fashion. Instead they were shaped, at least to some extent, by their market, technological and political contexts. A longstanding debate in our field has been: How much volition or discretion these actors have in responding to changes in their environment?

This debate takes on more urgency today than at any point in recent history. Changes in the environmental contexts in which work takes place and employment relationships are formed are placing great pressures on employers, unions, and government to adapt and update their practices and policies. The sources of change are well known: globalization, new technologies, changes in both workforce demographics and in the very role that workers and their human capital play in labor markets and organizations. These changes pose several additional questions: Can these actors regain control over their destiny and over the destiny or performance of their industrial relations systems in light of changes in these external contexts? Are new actors and/or new structures emerging that require reconceptualizing our theories of industrial relations? What institutional innovations will be needed from policy makers and practitioners in our field?

These are some of the questions raised in the papers prepared for this Track of the IIRA’s 13<sup>th</sup> World Congress. I will summarize how these papers address these questions and offer several thoughts of my own. But before beginning, let us reflect on another important context that influences the shape and behavior of key institutions in industrial relations. I refer to the *historical context*, and specifically to those rare but critical moments in history when actors have both the opportunity and the responsibility to revamp or update how their institutions meet the needs of the workforce, economies and societies they serve. The lessons of history suggest there are key moments, usually caused by a crisis of major proportions, that create the space for significant strategic choices by

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the actors that can change their institutions and their contributions to the performance of an industrial relations system.

I believe we are now in the midst of this type of historic crisis and opportunity. Unfortunately, I write this report at a time of international crisis, when failed diplomacy has given way to a war that is accompanied by deep divisions among longstanding allies and trading partners, persistent uncertainty in global markets, and a loss of confidence in many of the institutions that govern our global and domestic economies and employment relationships.

The geopolitical crisis coincides with a crisis in our industrial relations profession. The root cause of this crisis is that the policies, institutions, and practices that were developed to govern and support industrial relations in the 20<sup>th</sup> century are, and have for some time been, declining in effectiveness, status, and centrality in today's world of work (Osterman, Kochan, Locke, and Piore, 2001). ***The central challenge and responsibility facing our generation of professionals is to update our ideas, policies, institutions, and practices so that they can once again achieve their fundamental mission: the enhancement of efficiency and equity at work and in our societies.***

The geopolitical crisis and the crisis in our profession are not unrelated. The current government in power in America has been able to pursue its agenda without considering its impacts on the welfare of working families, the economy, or the solidarity and cohesion of citizens in America or abroad. One important reason for this is that, at present, there is no strong and independent countervailing voice capable of speaking with power and influence for American workers. For years, scholars and industrial relations professionals have argued that no democracy can long prosper or indeed even survive in the absence of an independent, strong, and forward-looking labor movement. I am sorry to report that America is testing this hypothesis today. America is not alone in this regard. While the decline in the American labor movement is more profound than others, unions in most countries are declining in membership and influence in their societies. Thus, we need to ask very fundamental questions about the future of labor unions in our economies and societies.

But our questioning must not stop there. The corporate scandals of the past two years have raised equally fundamental questions about the purposes, governance structures, and role of corporations in society. National and transnational policies and institutions governing employment, labor, trade, and development are likewise being challenged, often vociferously, following a decade in which world income grew but the number of people living in poverty increased by over 100 million (Stiglitz, 2002). Thus I believe we are at an historic juncture, a time to ask how we might recast the full range of institutions which supported our industrial relations systems of the twentieth century to meet the needs of global, knowledge based economies and democracies of the 21<sup>st</sup> century.

Our field has not seen as deep a crisis or need for renewal of our institutions at any time since the end of World War II. Reconstruction efforts following that war were

grounded in the principle that building democratic societies in Europe and Japan required active steps to build a free, democratic, and modern labor movements in each country. Accompanying this on an international level was a commitment to invest the resources, financial and personal, in reconstruction efforts that succeeded in building strong economies in Europe, and Japan and helped to create the process that led to the creation of the European Community and the other transnational relationships that allowed for trade to expand in orderly fashion. My challenge to all of us is to live up to the legacy of our post war scholars and practitioners, some of whom were founders of the IIRA. Our task is equally daunting.

With this context, crisis, and challenge in mind, let me summarize some of the highlights of the papers prepared for this track.

### **Changing Contexts**

We start our discussion with the paper by Sandra Jones. She provides a broad ranging call to rethink industrial relations theory to better reflect the networked, knowledge based, economy. This is the overriding challenge all industrial relations actors and institutions face. Knowledge, information, and human capital could serve as both the key sources of economic growth and competitive advantage and the new sources of power that will allow workers and their families to prosper in the 21<sup>st</sup> century economy. Our task therefore is to revamp our theories and practices to support full development and utilization of these features of the modern workforce and economy.

Jones suggests that we think about industrial relations institutions more as networks than as rigid structures with clear boundaries. She proposes a model that focuses on building relationships based on trust and network ties at the local (community), national, and global levels of economic and social activity. These ideas are the basic building blocks of a theory that might support new institutions and more fluid network-like links among the actors. What is not yet clear, however, is how to achieve and sustain such relationships in a world where power relationships and differences in ideology continue to exist and block development of these types of high trust relationships. This question is taken up in the other papers prepared for this track.

Masako Yuki and Kazuyo Yamada focus on another dimension of the changing context: changes in the demographics of the labor force and the changing nature of work itself. They address some of the implications of the increased role of women in the workforce and the growing role of part time work by comparing the responses of Japanese (Rengo) and German (DGB) union federations to these developments. In both countries, the traditional view of unions has been to focus on and promote full time, standard work and to see the growth of part time work as a threat that might erode their work standards and job opportunities. However, as more women move into the paid labor force and take up part time jobs, this union position becomes untenable. In each country around the world, unions are trying to come to grips with this phenomenon. Doing so first requires a strategic shift in policy from one of opposing part time work to one of recognizing that flexibility in working hours can provide opportunities for men and

women if, as the German unions put it, “worker sovereignty” or choice can be protected and the standards of part time work can be regulated appropriately through a combination of legislation and collective representation.

Yuki and Yamada provide two case studies that show in both Japan and Germany these structural changes start with moving consideration of these issues from the backwaters of “women’s departments” in union federations to mainstream priorities. In Germany this movement was aided by the emphasis given these issues in the European Community’s working time legislation. A key challenge then lies in designing new union structures for attracting and maintaining membership among part-time men and women who have weaker attachments to a single employer and to paid work. This may mean more direct local unions as in Japan or other innovations fitted to the circumstances of different country and employment settings.

Karen Modesta Olsen and Arne Kalleberg focus on another labor market development seen around the world: the growth of various types of non-standard work arrangements. They compare the use of temporary, nonstandard workers in Norway and U.S., using national survey data. They find that Norwegian employers make much more use of temporary workers, particularly those hired through contractor agencies (89 percent of Norwegian firms use temporaries compared to 56 percent of U.S. firms). They attribute the differences to the higher costs and legal mandates associated with regular employment in Norway compared to the U.S. It is harder to lay off or discharge workers, and paid leave provisions make it more necessary for Norwegian employers to cover for absent employees than is the case for their U.S. counterparts. In both countries, unionization, particularly high levels of unionization, reduce the use of non-standard forms of work.

Adapting industrial relations institutions to accommodate the different types of non-standard work is a challenge facing unions and labor policy regimes in all countries around the world. Making them a priority will open up attractive alternatives for unions to reach women and to make gender equality at work and at home a central issue on the agenda of unions in the future.

### **Changing Structures: Effects of Decentralization on Employer Organizations**

One of the clearest trends in industrial relations in the past two decades has been the gradual decentralization of multi-firm and firm specific structures (Katz and Darbshire, 2000). A number of the papers in this track examine this within specific settings.

Stephan Zagelmeyer documents and compares the movement from more centralized industrial relations and collective bargaining institutions in Great Britain and Germany. He traces the decentralization in Britain from the report of the Donovan Commission in the 1970s which called for greater formalization of plant level industrial relations structure and relationships through the Thatcher revolution. The decline of multi-employer bargaining started in the late 1970s but clearly it was the Thatcher

Government's policies that enabled it to accelerate in the decades that followed. Today there after more than a half decade of Labor Government in power there is no evidence that the decentralized trend will reverse and indeed little evidence that the reductions in union coverage from 67 percent of establishments and 85 percent of employees to 33 and 50 percent respectively will be reversed. In Germany the process of decentralization is traced back to a backlash to the centralized bargaining that characterized the incomes policies of the 1960s.

Early signs of pressures came from employees and employers looking for ways to cope with rank and file dissatisfaction with the qualitative aspects of their working conditions. This led to developments in the metalworking sector that strengthened the role of works councils at the enterprise level. Then in the 1980s and especially in the 1990s employer associations experienced an exodus and more "opening clauses" were negotiated that allowed deviations from regional-sectoral bargaining agreements.

While the determinants of decline of multi-employer governance structures varies between the two countries there are some similarities. In both age of establishment is positively correlated with multi-employer arrangements, since new firms in both countries (more in the former East Germany than the former West Germany) are more likely to resist both multi-employer institutional arrangements and collective bargaining in general. Zagelmeyer notes that the decline in union membership appears to have ended for the moment in Britain. Trends in Germany are a bit harder to discern. Zagelmeyer suggests that ironically collective governance systems may be more prominent in Britain than in Germany in the future because British unions have to rely on their own collective organizing power since they lack the governmental support offered by German labor law and extension of collective agreements. The European Works Councils mandates now applicable to Britain may further increase the importance of company-specific industrial relations institutions. Time will tell.

Franz Traxler provides empirical support for the importance of multiemployer bargaining and extension provisions for maintaining employer associations. He tests for the effects of openness to international trade but finds no effects. His analysis is limited to the peak associations in twenty highly industrialized countries. The evidence is clear that the decline in multiemployer bargaining in Britain and New Zealand in the 1980s and 1990s led to the end of employer associations in the former country and weakening of them in the latter. And the absence of significant multiemployer bargaining in the U.S. and Canada throughout this time period further confirms the findings. What is not captured here, however, is the decline of sectoral employer associations as industry dynamics change. For this we need to turn to the Marginson et al paper.

Paul Marginson, James Arrowsmith and Keith Sisson provide an analysis of trends in sectoral and company level bargaining in metalworking and banking firms across 3 countries known for what Traxler has described as "organized decentralization." They find that while the forms of decentralization vary, companies in both sectors in all three countries are taking on more negotiations relative to sectoral agreements in recent years. This does not mean that the sectoral agreements or their associated institutions

(sectoral unions and employer associations) are going away. Instead companies are supplementing what goes on at that level. In Germany it takes the form of increased use of “opening clauses” under the supervision of the metalworking unions. In the banking industry there is more informal opening without union supervision and in Italy there appears to be both formal and informal negotiations at both levels. In all countries the emergence of new firms that do not conform to prior sectoral boundaries are creating “free areas” for employers to avoid sectoral unions.

Jurgen Kadtmier and Joachim Sperling continue with this type of sectoral research by analyzing the effects of global restructuring of companies on industrial relations institutions using examples from the German pharmaceutical, chemical, and auto industries. They note no single trend but suggest that as companies spin off smaller units, workers are at risk of losing power and voice unless they can draw on local power resources. Their analysis reinforces the longstanding evidence that the ability of works councils and unions to exert influence is complementary—works councils without employees willing and able to mobilize and exert collective power are not likely to have much effect. Power still matters, yet it is more difficult to exert power in light of the changing locus of corporate decision-making.

Martin Behrens documents four case studies of emergent employer associations, suggesting that while their number and importance as an institutional form has declined, it is not extinct. In fact from time to time new associations are created. The factors driving the formation of new associations range from traditional causes—union pressure in the case of new broadcast industry in Germany, to pressure from the EU for sectoral dialogue in the case of a European-wide consortium of national construction employers association, to provision of information in a largely non union environment. Thus, there is no sign that employer associations will soon become an extinct species.

Kerry Brown, Stacy Ridge, Susanne Royer, and Jennifer Waterhouse go beyond structures to discuss how management styles and strategies will need to change in a networked, dispersed organization of the future. They find in their study of a Queensland road maintenance agency that managing a dispersed workforce requires managers to take a more team, project, and results oriented approach to managerial control. This requires greater reliance on information and communications technology and a higher level of trust and cooperation between managers and project/team employees. Alternatively, they point out that the same technology can be used to control and monitor employee behaviors. They suggest, however, that this is not likely to work effectively. Clearly the combination of new relationships and new technology can outperform tight monitoring as a managerial practice and style.

L.M. Buchner raises the age-old question of how to hold corporations more accountable for meeting their responsibilities to employees, communities and societies. He notes that various NGOs and transnational organizations are calling for greater corporate social responsibility. Chief among these is Kofi Annan’s call for companies to join a Global Compact to learn from each other on how to be responsible corporate citizens. But these calls are not new. They are given increased visibility and perhaps

urgency by coming in the wake of the corporate scandals brought to us by companies like Enron, WorldCom, and their various progeny. This creates an opening for industrial relations research to enter the debate over how to ensure that corporate governance arrangements address worker and societal interests as well as the interests of shareholders. Our challenge, however, is to go beyond ideological debate to examine in detail how employee voice in corporate governance affects these varied interests. Corporate governance is too important to be left to the finance and legal scholars who have traditionally dominated this field of study. I am delighted that we are beginning to do so and would encourage more work in this area.

Overall, these papers show industry associations are declining as individual firms take on more importance, as new firms that choose not to join associations come into an industry, as new technologies create new industry segments or break up old ones, such as the growth of the information technology sector that cuts across traditional industry lines, and as firms outsource and fragment their operations, and as small firms proliferate.

This does not mean that multiemployer associations have disappeared altogether or that the trend is irreversible. The role of governments, especially transnational government or regulatory bodies such as the EU are a countervailing trend. To the extent that other government or regulatory bodies (e.g., the World Bank or IMF or WTO) become more important employer bodies may form to lobby or interact with these transnational agencies, as they of course have at the level of the EU. But if these bodies do form, their functions will likely be quite different than those that arose in response to union power and the need to coordinate bargaining.

I hope this is the case. We need employers to present a forward-looking progressive voice at this level of interaction to support expansion of global trade and to speak up for worker rights and democratic development principles. The absence of a collective voice by employers at this level means that each individual company is subject to the pressure and the opportunity to ignore these principles. We need labor and human resource professionals in employer associations to raise their professional voices, not just at the ILO but also at the IMF, World Bank, World Trade Organizations and in economic forums such as those that occur at Davos and other exotic places. If the calls for corporate responsibility are to carry any weight, human resource and industrial relations professionals within management organizations will need to reassert their voice and deliver this message.

Employers also need to engage the growing role of NGOs in developing countries and community groups such as work and family advocates in local communities. So while we debate whether traditional structures of collective bargaining and employer associations are declining, we need to think about how we fill the void in the voice of human resource and industrial relations management at these newly emerging levels of interaction.

I will make the same point below with respect to labor organizations.

## **Toward a New Model of Unionization?**

Traditional union organizing and service models are not working and not likely to work. This is the dominant theme in the papers that focus on the role of trade unions. While this may be a sobering conclusion in some ways I find it refreshing. We are now finally facing the fact that very different models of trade unions may be needed to be as powerful and progressive institutions in the 21<sup>st</sup> century as they were for much of the 20<sup>th</sup> century.

Rosalind and Soon Beng Chew note that unions are declining around the world and agree that few if any of the standard efforts to reverse these declines are working. They offer an alternative model for unions of the future and use a case study of the National Trade Union Confederation (NTUC) in Singapore to illustrate how this model plays out. The model sees unions as decoupling membership from collective bargaining by offering individual memberships that continue as workers move across employers and throughout their careers—a life long membership concept. Unions would provide a range of services and benefits including job mobility assistance and discounted prices for a variety of insurance, leisure activities, and other services. Unions would rely heavily on the use of information and communications technologies to interact with and serve their members. Collective bargaining would continue to play an important role but not be the sole reason for joining a union or for maintaining membership or a requirement for union organizing. They show that the NTUC's general union branch that was created in 1992 to provide this type of membership and range of services is growing most rapidly from provision of these services to “quasi-union” members, increasing from 12 percent of NTUC members in 1995 to 28 percent in 2000. The key is to eliminate the free rider problem associated with collective bargaining—one can get the benefits of unionization without joining the union and to make the benefits and services provided substantial. This offers an interesting case for unions around the world to examine. One additional ingredient they argue is essential that will be difficult to replicate is the level of cooperation between unions and government.

Sylvie Contrepois and Steve Jeffreys focus on a particularly critical target group for union renewal: youth. They provide an interesting body of data on the motivations of union activities in Britain and France. Drawing on union activist in the banking sector in the two countries they find that young activists generally share the same commitment to social justice, fairness, and solidarity as their elder counterparts. Young activists may be more accepting of partnerships with their employer but they clearly do not lack a commitment to traditional union values. They join unions more for internal reasons of values, family background an ideology, less for defensive reasons or because of some external event. Thus, the basis for building a new labor movement may still exist among young workers and social activists. The key is to provide them with the opportunity to act on their values.

Paul Jarley offers the idea of social capital unionism, one in which workers interact and build relationships with each other, share information on and off the job, and build relationships in civil society to further enhance the power of the union through its



network relationships. This is an intriguing idea, and one that as others have noted (Gomez, Gunderson, and Meltz, 2002; Visser, 2002) may have particular relevance for recruiting young people into unions. Perhaps I find it particularly intriguing because it parallels my own views. Unions must find a new motivation and process for recruiting members and identify ways to mobilize and represent and retain workers who move across jobs over the full course of their careers. I believe social capital and information have important roles to play in this effort but exactly how this will work is yet unclear and therefore an area of unlimited possibilities for research, experimentation, and institution building.

Lise Lotte Hanson discusses the growing importance of another key target group for future union growth: women. She sees women as both a challenge and opportunity. Drawing on her research on unions in Denmark and Britain she suggests that unions need to transform their organizational processes to be more responsive to individual member needs and to better integrate these issues into their operations. In the end she is optimistic that unions can adapt to the growing number of women in the labor force and change in ways that make women saviors of the labor movement.

Patrick Gunnigle and Michelle O'Sullivan document the primary reason for the decline of unions in Ireland during a period of tremendous prosperity and national level labor-business-government accord: American multinationals have opened greenfield sites and remained non-union and set a pattern other employers to do the same. Moreover, the government protects these firms from organizing through a policy aimed at promoting inward investment and exports. This replicates the experience in the U.S. where modern corporations that grew up in the post 1960s information economy started and remained almost universally non-union. This should serve as a warning signal of what other countries may experience as a result of the growth of transnational firms, especially, American firms.

Lowell Turner uses data on the growing emphasis on coalition building in U.S. unions to propose the need for a new perspective he calls "revitalization movement" for studying unions. The underlying proposition in this theory is that unions will need to join forces with other progressive social forces such as environmental groups, students, living wage advocates, and NGOs in order to grow and reassert their role as a dynamic force for advancing workers' interests and labor standards. He criticizes, rightly in my mind, both the institutionalist and strategic choice models for missing the growing importance of this mobilization and coalition building activities. This is an important point for researchers to take into account. He calls for more research on the role and effects of coalitions and mobilization efforts in other countries.

All these ideas need to be explored as we search for new strategies that might build the next generation labor unions. As I suggested at the outset of this paper, finding ways to rebuild unions is a critical issue not just for our field or for workers. It is vital to the future of democracy. Having said this, we should be careful not to view unions as the sole source of worker voice and influence, either at work or in community and societal discourse. Indeed, there are an increasing variety of structures and organizations seeking

to provide workers with a voice at various levels of our industrial relations system. We examine some of these alternative institutions and forums below.

### **Works Councils and Partnerships: Alternative Structures for Voice and Representation**

The recognition that unions are in decline has turned attention to the role of alternative forms of representation, including works councils and other forms of voice, participation, and representation. Several of our papers speak to this issue.

Dong-One Kim, Byoung-Hoon Lee, and Hyun Ki Kim compare the effects of union membership and nonunion works councils in six Korean firms with above average labor relations. They explore whether union or non union forms of representation are superior in responding to workers' perceptions and find that unions outperform non union works councils on distributive issues while non-union works councils do a better job on cooperative or integrative issues. Thus, this paper demonstrates that non-union forms of representation are not complete substitutes for unionism. Clearly, the labor organizations of the future cannot ignore workers' needs for the independence and sources of power to assert their interests effectively where they conflict with employer interests. The challenge lies in being effective on both sets of issues.

William Brown and Sarah Oxenbridge document the variety of partnership arrangements evolving in Britain and track their evolution over time. They find that about half of their cases are partnership agreements in which the employer seeks to contain union power and influence by offering partnership agreements to a less militant union (to avoid recognition of the more militant one) and then insisting on a formal agreement limiting the scope of bargaining or otherwise restricting union influence. They label these low trust partnerships. A second type of partnership is seen in settings where unions already have a strong presence and where a higher level of trust exists. In these unions leaders have greater influence and the parties engage in the types of partnership activities that supplement traditional forms of union influence. These often start out as relatively informal partnership relationships but over time some of these move to more formalized arrangements to deal with leadership turnover and to clarify for rank and file members the nature of the partnership arrangement. Whether either of these forms are sustainable through significant changes in management and/or union leadership still remains to be seen.

Ratna Sen provides a sober picture of the void in representation and the difficulty of relying on worker voice at the enterprise level in South Asian countries. He notes that only perhaps 5 percent (at best) of workers are organized into unions in these countries. Given the low level of unionization the ILO initiated a social dialogue project to promote consultation at the enterprise level through a series of training workshops. Three findings emerge from these efforts. First, employers are reluctant to participate. In one country over 100 employers had to be contacted to get six to agree to join the workshops. Second, nearly all cases, those that joined already had unions in their establishments and so those without unions resisted any effort to promote formal employee participation or

dialogue. Third, for those that participated, learning was slow and yet produced some glimmer of positive outcomes—improved communications and understanding, overcoming fears of union involvement, and some positive effects on operations and performance. Yet one might doubt whether these processes are sustainable in the absence of strong impetus from either workers or unions themselves or from national or international government bodies. Unions and workers are not likely to be strong enough to sustain them. Governments will be very reluctant to pass legislation requiring consultation, given the power of employers. These data suggest that perhaps some new transnational institutions will be needed to achieve some form of sustained voice for workers before there is any real prospect for adoption and diffusion of these more traditional union-management partnerships or other joint efforts.

Brian Abbott describes another type of institution that provides voice to workers when they have a problem or conflict at work: Citizen Advice Bureaus (CABs) in Britain. They document an increase in the volume of employment inquiries and problems brought to these Bureaus. Between 1974 and 1997 the number of employment inquiries increased annually from 142,000 to 631,000 to become the third most frequent type of issue referred to the CABs (after welfare and consumer issues). Most of these are resolved informally and those that go to tribunals have a high success rate. Clients indicate a high level of satisfaction with the services provided. Interviews with CAB staff advisors indicate that their most important role lies in providing information on worker rights—both to individual employees and to employers who may not know of their obligations. This is especially true of small employers. Most settlements are relatively modest in size—under 2,000 British pounds.

The CABs represent another example of a new actor gaining importance in industrial relations as traditional unions decline and traditional employer associations disappear. There may be a modest role for such advice and one-off service or call in centers. They may not build on-going collectivist organizations but they provide a service. Interestingly, the CAB advisors interviewed did not stress the adversarial nature of their interactions with employers as much as their information-providing role. That is, they may be effective because they do not pose a direct threat to employers but help to inform them of their obligations and resolve individual conflicts without posing on-going obligations or influence.

Werner Schmidt and Berndt Dworschak continue the analysis of new institutional processes that may emerge to perform the functions that unions and collective bargaining coverage did in the past. They focus on the role of wage comparisons—benchmarking or mimicking behavior of employers in Britain. They point out similarities in wage movements in Germany and Britain, despite differences in institutions, specifically, in Britain the decline in multiemployer bargaining would be expected to increase variability in wages more than in Germany where extension of agreement policies remain in place. They suggest that increased use of benchmarking has limited the growth in inequality and further suggest that industrial relations theory needs to incorporate more emphasis on these employer practices to explain why wage structures and levels do not change as much as one might expect as traditional sources of union and worker bargaining power

decline. They make an interesting point. For mimicking behavior to function as a source of power and to discipline employer discretion, employers must see workers as an asset and the need to provide fair employment conditions in order to generate discretionary effort that results in high levels of performance. This in turn requires transparency and trust in the data and information being shared about wage comparisons.

A point not mentioned by the authors but one that needs to be given greater attention by industrial relations researchers is that for benchmarking to have the desired effects, workers must be mobile. The threat of exit in this case replaces the threat of voice or withholding labor through a strike as a source of power. Thus, benchmarking and related practices are likely to take on greater importance and to be more effective where workers have access to information that they trust and are able and willing to move if an employer falls below the benchmark levels and finally the competitive strategy of the employer is one that sees employee effort and knowledge as a competitive advantage. This further suggests that institutions that emphasize provision of information, transparency, and mobility assistance will become increasingly important as tools for representing worker interests in the future. Unions and works councils may provide these roles, or employer associations or intermediary organizations might as well.

If information is to serve as an increasingly important role in industrial relations, data must be accurate and widely understood and accurately perceived. The paper by van Wyk shows this may be problematic in the case of managers and employees in South Africa. He compares movements in wages, productivity, and unionization to perceptions of a sample of workers and managers in the petrochemical industry and finds evidence of significant misperceptions and poor understanding of reality. Clearly more work like this is needed to see whether different institutional forms are able to improve the accuracy and dissemination of data. How to ensure this is a challenge for employers, government, and unions alike.

## **Summary**

So where do the analysis and data presented in these papers leave us at this historic moment? I come away with the following conclusions and implications for future research.

1. We must expand the definition of the key “actors” in industrial relations systems to include institutional forms that are emerging at two levels. At the community level NGOs in developing countries and other civil society groups (women and family advocates, ethnic groups, religious groups, labor market intermediaries such as temporary help and placement agencies, etc.) are playing more active roles in labor markets and industrial relations. At the international level, efforts to build institutions that are able to engage the key international agencies that set policies and allocate financial resources are just beginning to emerge out of the conflicts over globalization that erupted in recent years. Both of these need greater analysis and incorporation into our models of industrial relations in the 21<sup>st</sup> century.

2. Employer organizations also need to change. It is ironic in some respects that as traditional employer associations and even labor relations and human resource departments within firms decline in status and power, the need for individual firms to build networks across locations and across traditional boundaries is growing. If we are moving to a more networked economy, then we might predict that employer institutions or associations that facilitate and coordinate these linkages should be on the rise. But transforming traditional employer associations that focused on collective bargaining to ones that can play these coordinating roles is a daunting challenge. The question is whether existing organizations can make this transformation or new ones will emerge to carry out this role.
3. Unions, if they are to have a future role, will need to identify new strategies for recruiting and retaining union members, starting with young workers and staying with them throughout their careers and family life cycles. The very definition of a union, as we have come to think of them, may need to change, to become more fluid and varied to include not just traditional unions and professional associations but also a variety of other labor advocacy groups. At a very minimum, unions will need to develop new capacities to build coalitions and leverage the presence and legitimacy of these alternative worker advocacy groups to achieve their objectives in a more networked, and fluid economy. Moreover, unions will need to develop and harness new sources of power. If they are to be key players in an information and human capital driven economy, unions will need to harness and use information and worker skills as sources of power. The implication for research is to ask tougher and more fundamental questions about unions and to examine the various experiments playing out around the world where unions are trying new approaches.
4. A key actor not included in the papers prepared for this track but that warrants mention is government. This is where I believe we need to join the debates between world political events and institutions in the world of work. Our field carries a long tradition of respect for resolving differences through dialogue, negotiations, and peaceful resolution of conflicts. Our forefathers helped to invent and nurture institutions that served societies well in wake of World War II. I hope our generation is up to the challenge of doing so again in our own the post war environment.

The papers presented here provide a glimpse of how the actors in industrial relations are changing and document some of the innovations that are bringing these changes about. Given the challenges of our time, we need to continue to expand our vision of the changes in industrial relations actors and institutions that are needed and explore the effects of those on the front lines of innovation.

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