

## Future Directions in Canadian Industrial Relations

Anil Verma

Volume 47, numéro 2, 1992

URI : <https://id.erudit.org/iderudit/050771ar>

DOI : <https://doi.org/10.7202/050771ar>

[Aller au sommaire du numéro](#)

Éditeur(s)

Département des relations industrielles de l'Université Laval

ISSN

0034-379X (imprimé)

1703-8138 (numérique)

[Découvrir la revue](#)

Citer cet article

Verma, A. (1992). Future Directions in Canadian Industrial Relations. *Relations industrielles / Industrial Relations*, 47(2), 342–347.

<https://doi.org/10.7202/050771ar>

Résumé de l'article

The process of research or scientific enquiry is often serendipitous and, like art, inherently creative. The intricacies and complexities of the human mind determine its course. Exigencies such as war and social upheaval often drive its priorities. It is difficult, therefore, if not impossible, to chart out research directions the way corporations plot market strategies. Nevertheless, it is useful (even necessary, some would argue) to make some assessments of the directions in Industrial Relations (IR) research, past and present, and to speculate on its potential. It is with these ideas in mind that the Canadian Industrial Relations Association (CIRA) invited a panel of researchers and practitioners to address the issue of future directions at the meetings in Victoria in June 1990. This paper and those that follow grew out of the discussions at the panel.

## DISCUSSION

### Industrial Relations Research Priorities in Canada

*The process of research or scientific enquiry is often serendipitous and, like art, inherently creative. The intricacies and complexities of the human mind determine its course. Exigencies such as war and social upheaval often drive its priorities. It is difficult, therefore, if not impossible, to chart out research directions the way corporations plot market strategies. Nevertheless, it is useful (even necessary, some would argue) to make some assessments of the directions in Industrial Relations (IR) research, past and present, and to speculate on its potential. It is with these ideas in mind that the Canadian Industrial Relations Association (CIRA) invited a panel of researchers and practitioners to address the issue of future directions at the meetings in Victoria in June 1990. This paper and those that follow grew out of the discussions at the panel.*

#### **Future Directions in Canadian Industrial Relations**

**Anil Verma**

The authors of the following papers appear to agree that IR research should relate to policy concerns. In emphasizing this theme, they echo Dunlop's (1977) complaint that the bulk of industrial relations research in *recent years* has had very little impact on either public or private policy decisions. Although Dunlop referred to IR research in the U.S. in the 1960s and the 1970s, these complaints appear to have an uncanny relevance to the current Canadian situation.

Two general trends indicate some of the reasons for the lack of impact of IR research on policy. First, only a handful of researchers have had any meaningful exposure to policymaking roles. Those who have spanned the boundary between research and policymaking have generally done so by switching careers (or roles) from research to policymaking. A switch in the other direction is rare. Of course, over the years, opportunities for researchers to participate in policymaking have become fewer. Governments increasingly rely on their internal staff for policy analysis. In other cases, there has been only

---

\* VERMA, A., Associate Professor, Centre for Industrial Relations and Faculty of Management, University of Toronto.

\*\* The author thanks Richard Chaykowski for his helpful comments on an earlier version of this paper.

token consultation with researchers. This is in sharp contrast to the experience of the War Labor Board in the U.S. when academic researchers played a key role in policymaking (Strauss and Feuille 1978; Kerr 1978).

Second, the lack of policy focus in academic research is in good part a result of the lack of opportunities for participating in the research/policy process. Unless researchers have the opportunity to interact with the policymaking process, it is unlikely that more researchers will be able to cast their research so as to address the true policy needs of the day. Infrequent contact between researchers and policymakers leads to fewer possibilities for researchers to obtain data from relevant sites and on relevant topics. The 'entrée' problem is further compounded by the lack of trust and credibility which in turn is borne out of lack of contact between the two groups. Thus, in many ways, a downward spiral has been created in which lack of contact between research and policy leads to less (policy) relevant research which in turn discourages further contacts.

## **BROADENING HORIZONS**

Another theme in the papers reinforces the need for IR research to broaden its goals, its scope and its methodologies. Larry Haiven argues that research must have a soul: a mission that normatively drives policy towards emancipation and away from repression. This is a familiar argument for becoming scholar-activists rather than mere researchers. Along the same theme, Michel Audet argues that IR research should broaden its focus from just labour relations to a wider range of developments within the employment relationship.

The appeal to "broaden" has touched the issue of research methodology as well. In his final report to the Secretary of Labor, Kochan (1980) recommended that researchers should mix methodologies (quantitative and qualitative) in studying IR phenomena. This helps the researcher "triangulate"<sup>1</sup> observations and make better inferences. Triangulation also means that where appropriate, methodologies that cut across disciplinary boundaries should be employed to address IR issues. For example, econometric analysis and modelling can be informed by institutional research (Verma 1987); behavioural survey data can be used in conjunction with economic outcomes (Kochan, Katz and Gobeille 1985); and industrial relations outcomes can be related to the financial performance of the firm (Becker and Olson 1987).

## **AREAS OF RESEARCH**

The themes discussed above suggest a number of substantive areas for IR research in Canada. I will briefly outline a few of them.

---

1 The term is borrowed from early navigational and mapping practices in which the exact position of an object was determined by measuring its distance from two separate points and then drawing a triangle between the three points (the object and two observation points).

## Change and Restructuring in Industrial Relations

The past decade has been characterized by large-scale restructuring within the Canadian economy, a trend that is likely to continue in the 1990s. Pressures such as freer trade, deregulation, privatization, new technologies and demographic shifts in the workforce are changing the conduct of industrial relations. Changes due to restructuring are discernable at two levels.

*Workplace Industrial Relations.* Larry Haiven provides a good overview of research efforts in this area in the U.K. and elsewhere. Research in Canada on this subject has suffered largely because of the paucity of good data. Neither Statistics Canada nor the Conference Board of Canada generate any establishment-level data on workplace practices that can be used by IR researchers. A number of studies focusing on a single or a small group of organizations have been published but these are largely one-time efforts that prevent any longitudinal or sustained enquiry. For many researchers, access to useful work sites remains a key problem.

There have been significant developments at the workplace in the 1980s, however, that beg systematic study. For example, a variety of employee involvement plans have been introduced in both union and nonunion establishments. Some have succeeded in their goals while many others have failed. Other changes include: reducing the number of job classifications, multi-skilling, pay-for-knowledge, profit and gainsharing plans, employee communication, etc. Apart from one survey on the incidence of such and other innovations (Betcherman and McMullen 1990), we know little about the process of adoption and diffusion of such innovations. There is little known about the economic effects of such programs.

*Industry-level Research.* The Woods Task Force on Industrial Relations (1968) commissioned a number of studies on different industrial sectors. Since then, few studies have focused on the study of industrial relations at the level of the industry.<sup>2</sup> Many significant industries such as forestry and automobiles have not been the subject of any systematic enquiry (in the published literature) in recent years. Yet, freer trade is shifting the focus to industry-level factors of competitive advantage or disadvantage. Given the trade pressures, comparative research is likely to be increasingly focused on industry-level comparisons. IR studies will need to compare, for example, the *steel* industry in Canada and the U.S. rather than simply contrast the national systems of industrial relations as we have done in the past. Research studies need to identify differences in workplace practices at this level so that policymakers in diverse areas such as trade regulation, finance and corporate strategy can make optimal decisions.

## Industrial Relations Practices and Firm Performance

In a relatively traditional system, unions could and did take 'wages out of competition'. Other work practices were diffused through pattern bargaining. The

---

<sup>2</sup> A book containing a discussion of industrial relations by selected industry sectors, a Canadian first, has been slated for publication (Chaykowski and Verma, forthcoming).

net effect was, in most cases, to make industrial relations practices irrelevant to competitiveness. In a market unified through world-wide trade and the attendant restructuring, it is very difficult for unions to take wages and other working conditions out of competition. These pressures have made industrial relations and human resource practices increasingly a factor of competitive advantage (Porter 1989). Thus, it has become more important than ever before to investigate the effects of industrial relations practices on firm performance.

In the United States, a number of recent studies have been reported that examine the effect of strikes, wage settlements and changes in a range of human resource practices on the market value of the firm (Ruback and Zimmerman 1984; Abowd 1989; Abowd, Milkovich and Hannon 1990). There are many other types of IR/HR policies whose impact can not be captured by the event study methodology because these policies (e.g. employee involvement) take time to implement and it takes even longer for their impact to become observable. Some productivity and profitability studies using a variety of production functions have examined the effect of such variables as union status, grievance activity and stock ownership plans (Clark 1984; Freeman and Medoff 1984; Ichniowski 1986, 1990; Jones 1987). With only a few exceptions, there has been little investigation of this nature in Canada.

Yet another area of interest concerns the relationship between a firm's capital structure and economic performance on one hand and its impact on industrial relations practices on the other hand. The 1980s saw a big move by many companies towards acquiring higher levels of debt. How does debt in turn affect a firm's ability to invest in human capital? According to some finance studies, debt does appear to limit a firm's expenditures on research and development (Long and Malitz 1985). If debt does limit the range of industrial relations policy options, then it is important for IR researchers to investigate if high debt firms differ from those with lower debt in the area of IR/HR practices.

### **The Representation Gap**

Although the Canadian labour movement has fared much better than its U.S. counterpart over the last twenty-five years, its ability to sustain itself during the 1980s is impressive by most standards. However, an inference that the Canadian labour movement is secure and prosperous is not warranted when one examines the pressures facing them today and the prospects for further intensification in the 1990s. Union density has declined in Canada over the past four years from a peak of nearly 40% to approximately 35%. Many union leaders fear that this slide will continue as union intensive industries decline and the nonunion ones grow. The United Steel Workers union whose membership in Canada declined from 203,000 in 1980 to 160,000 in 1989 is an illustrative example of this trend (Verma and Warrian 1992).

This view gives rise to a host of policy issues that need to be investigated in the environmental context of the 1990s. First, with only a few exceptions (Krahn and Lowe 1984; Bergeron 1991; Verma and Bergeron 1991), there is little systematic data on Canadian workers' preference for unionization. Yet, the

declining success in new union organizing campaigns suggests that factors influencing workers' support for unionization need to be thoroughly investigated. Second, the variance in union organizing success suggests that not all unions use similar appeals in their campaigns. Researchers need to investigate the differences in union appeals and their relative effectiveness. This will enable us to develop a comparative theory of organizing strategies.

## CONCLUSION

As a broad and general guideline, this paper as well as those that follow argue for greater policy orientation and relevance for Canadian IR research. To achieve greater policy relevance, it is necessary to create more opportunities for researchers to interact or overlap with policymakers and the policymaking process. Further, researchers need to broaden the scope, the goals and the tools of their research if they want their research to be policy relevant given the environment of the 1990s. In substance, research can focus on three areas to become more policy relevant: change in and restructuring of the workplace and industries; relating industrial relations and human resource policies to firm performance; and, investigating the causes and consequences of the representation gap. The intent of this paper has been to suggest guidelines that will make IR research more policy relevant; it is not to recommend that all IR research must fall within this scope. The research process is too creative and serendipitous to be squeezed into any prescribed or even desirable directions.

## BIBLIOGRAPHY

- ABOWD, John M. 1989. "The Effect of Wage Bargains on the Stock Market Value of the Firm." *American Economic Review*, Vol. 79, September, 774-800.
- ABOWD, John M., George T. MILKOVICH, and John M. HANNON. 1990. "The Effects of Human Resource Management Decisions on Shareholder Value." *Industrial and Labor Relations Review*, Vol. 43, February, 203-236.
- BECKER, Brian E., and Craig A. OLSON. 1987. "Labor Relations and Firm Performance." *Human Resources and the Performance of the Firm*, Morris M. Kleiner et al., eds. Madison WI: Industrial Relations Research Association, 43-85.
- BERGERON, Jean-Guy. 1991. "Unionization in the Private Service Sector". Paper delivered to the Canadian Industrial Relations Association Annual Conference, June 2-4, Queen's University, Kingston, Ontario.
- BETCHERMAN, Gordon, and Kathryn McMULLEN. 1986. *Working with Technology: A Survey of Automation in Canada*. Ottawa: Ministry of Supply and Services.
- CHAYKOWSKI, Richard P., and Anil VERMA, eds. Forthcoming. *Industrial Relations in Canadian Industry*. Toronto: Holt, Rinehart and Winston.

- CLARK, Kim B. 1984. "Unionization and Firm Performance: The Impact on Profits, Growth, and Productivity." *American Economic Review*, Vol. 74, December, 893-919.
- DUNLOP, John T. 1977. "Policy Decisions and Research in Economics and Industrial Relations". *Industrial and Labor Relations Review*, Vol. 30, No. 3, 275-282.
- FREEMAN, Richard B., and James MEDOFF. 1984. *What Do Unions Do?* New York: Basic Books.
- ICHNIEWSKI, Casey. 1986. "The Effects of Grievance Activity on Productivity." *Industrial and Labor Relations Review*, 40, October, 75-89.
- ICHNIEWSKI, Casey. 1990. "Human Resource Management Systems and the Performance of U.S. Manufacturing Businesses," Graduate School of Business Administration, Columbia University, New York, July [photocopy].
- JONES, Derek C. 1987. "The Productivity Effects of Worker Directors and Financial Participation by Employees in the Firm: The Case of British Retail Cooperatives". *Industrial and Labor Relations Review*, Vol. 41, October, 79-92.
- KATZ, Harry C., Thomas A. KOCHAN, and Kenneth R. GOBEILLE. 1983. "Industrial Relations Performance, Economic Performance, and QWL Programs: An Interplant Analysis." *Industrial and Labor Relations Review*, Vol. 37, October, 3-17.
- KERR, Clark. 1978. "Industrial Relations Research: A Personal Retrospective". *Industrial Relations*, Vol. 17, No. 2, 131-142.
- KOCHAN, Thomas A. 1980. *Labor Management Relations Research Priorities for the 1980s*. Washington, D.C.: U.S. Department of Labor.
- KRAHN, Harvey, and Graham LOWE. 1984. "Public Attitudes Towards Unions: Some Canadian Evidence". *Journal of Labor Research*, Vol. 5, Spring, 149-163.
- LONG, Michael, and Eileen MALITZ. 1985. "The Investment-Financing Nexus: Some Empirical Evidence, *Midland Corporate Finance Journal*.
- PORTER, Michael E. 1989. *The Competitive Advantage of Nations*. New York: Macmillan.
- RUBACK, Richard S., and Martin B. ZIMMERMAN. 1984. "Unionization and Profitability: Evidence from the Capital Market." *Journal of Political Economy*, Vol. 92, December, 1134-1157.
- STRAUSS, G., and P. FEUILLE. 1978. "Industrial Relations Research: A Critical Analysis", *Industrial Relations*, Vol. 17, No.3, 259-277.
- VERMA, Anil. 1987. "Union and Nonunion Wages at the Firm Level: A Combined Institutional and Econometric Analysis", *Journal of Labor Research*, Vol. 8, No. 1, Winter, 67-83.
- VERMA, Anil and Peter WARRIAN. 1992. "Industrial Relations in the Canadian Steel Industry". *Industrial Relations in Canadian Industry*. R.P. Chaykowski and A. Verma, eds. Toronto: Holt, Rinehart and Winston.
- VERMA, Anil, and Jean-Guy BERGERON. 1991. "Recent Evidence on Canadian Workers' Preference for Unionization". Paper delivered to the Canadian Industrial Relations Association Annual Conference, June 2-4, Queen's University, Kingston, Ontario.