

The Role of Ideology and Power in Systems Theory: Some Fundamental Shortcomings

Stuart J. Dimmock et Amarjit S. Sethi

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Résumé de l'article

Les agissements des employeurs et des gouvernements contre les syndicats depuis le début de la décennie 1980 aux États-Unis (mais aussi au Canada et en Grande-Bretagne) ont mis en doute la valeur de la théorie des systèmes. Son apparence de stabilité semble être la preuve de son incapacité à expliquer ces événements. Les velléités d'incorporer le concept de choix stratégique dans la théorie des systèmes comme façon de les interpréter exige de sérieuses considérations. Une bonne part des études théoriques, principalement en Amérique du Nord, se fonde sur la théorie des systèmes de John Dunlop. Cependant, tandis qu'on y ait allé de nombreux raffinements et de nombreuses adaptations touchant plusieurs aspects de son œuvre, on a accordé assez peu d'attention à la façon dont était traitée l'« idéologie » et le « pouvoir » dans la théorie des systèmes.

Le fondement structurel fonctionnaliste de la théorie des systèmes a présenté une perception de l'idéologie et du pouvoir différent de celle des premiers auteurs à traiter des relations professionnelles. En conséquence, sa façon d'envisager le sujet peut s'analyser et se comparer à ces explications différentes. On a soutenu par comparaison que la théorie des systèmes conçoit mal l'idéologie et le pouvoir, ce qui restreint fondamentalement sa capacité d'expliquer les développements récents qui se sont produits dans le domaine des relations de travail. La définition de Dunlop de l'idéologie, soit « un ensemble d'idées et de croyances communément admises » qui font un tout du système, reflétait le point de vue de Talcott Parson selon lequel la compatibilité entre « système » et « acteur » peut être tenue pour acquise. Cette théorie, fondée sur Dunlop, a accepté en grande partie sa présupposition d'une harmonie idéologique entre les principaux acteurs. En conséquence, les comportements des employeurs et des gouvernements des deux côtes de l'Atlantique visant à circonscrire et à réduire le rôle des syndicats ne peut s'expliquer facilement. Puisque beaucoup d'entre eux sont notoirement de caractère antisyndical, on peut dire qu'ils représentent la croissance d'une discordance idéologique fondamentale.

Les principes fondamentaux du fonctionnalisme structurel à l'intérieur de la théorie des systèmes excluent la possibilité de cette forme de comportement. La conception du pouvoir dans la théorie des systèmes est le deuxième point faible de sa capacité d'expliquer les comportements récents des employeurs et des gouvernements. Sa confiance au fonctionnalisme structurel a incité Dunlop à concevoir le pouvoir comme inhérent au système ou à une de ses parties constitutives. Certains raffinements de la théorie des systèmes ont reconnu que le pouvoir est en réalité un élément entrelacé dans les rapports entre les acteurs. Cependant, alors que le pouvoir est détenu, à des degrés divers, par tous les acteurs, on assumait que son utilisation faisait partie d'une harmonie idéologique foncière.

Le recours au pouvoir sous ses formes extrêmes, comme les grèves et les lockouts, est décrit par la théorie des systèmes comme une suspension temporaire des relations à l'intérieur d'un ensemble de rapports stables de longue durée. Les nouvelles stratégies des employeurs — la relocalisation des entreprises dans des régions où le syndicalisme est peu développé, l'attrition et la fermeture des établissements syndiqués — ne peuvent facilement être classées, car leur objectif est de restreindre ou d'éliminer la nécessité de continuer à maintenir leurs relations avec les syndicats. En effet, ces stratégies sont des sanctions visant à s'opposer au maintien du régime même des relations de travail : un modèle de comportement qui est inexplicable selon la théorie même des systèmes.

En comparaison, les auteurs anciens, tels que les Webb, Commons, Hoxie, Marx et Lenine ont exprimé une opinion différente sur le rôle du pouvoir et de l'idéologie. Leurs systèmes individuels théoriques peuvent les avoir incités à offrir des explications différentes, et en certains cas opposées, des relations professionnelles d'un point de vue sociologique. Toutefois, ils ont tenu à adopter des opinions semblables sur certains aspects de la nature et du rôle de l'idéologie et du pouvoir. Le pouvoir était nettement représenté comme une propriété, détenue selon des degrés variés, appartenant à chacun des acteurs et non au système lui-même. L'idéologie était conçue comme un pouvoir en évolution : un mécanisme capital qui facilite l'explication du développement de la stabilité et de l'instabilité dans les relations de travail. La théorisation parmi les spécialistes des relations professionnelles en Grande-Bretagne s'inspire davantage des expositions conceptuelles de Durkheim, de Marx et de Webb que du fonctionnalisme structurel et elle a par conséquent tendance à éviter les aspects téléologiques. Les facteurs qui ont amené Dunlop à opter pour le fonctionnalisme structurel comme fondement de la théorie des systèmes semblent reposer sur l'historiographie des relations du travail. Les auteurs d'autrefois interprétaient les événements selon leur propre perspective historique. Au milieu du XXe siècle, un consensus général fondé sur la législation avait remplacé les conflits aigus des époques passées entre employeurs et syndicats. Le capitalisme industriel occidental s'était avéré un succès et avait apporté des avantages matériels significatifs tant pour les employeurs que pour les syndiqués. Les États-Unis en particulier jouissaient d'une suprématie technologique et économique. Les circonstances de cette période conditionnaient le choix du fonctionnalisme structurel. La décision de jeter par-dessus bord les conceptions traditionnelles du pouvoir et de l'idéologie voulait dire que la théorie des systèmes était devenue moins apte à prévoir et à expliquer le caractère dynamique des relations professionnelles, si ce n'est d'une façon non discriminante.

Les concepts relatifs au « choix stratégique » exigent un examen minutieux pour éviter un éclectisme mal motivé. Quelques-uns de leurs éléments fondamentaux, soit le développement de la stratégie par les détenteurs du pouvoir (des coalitions dominantes) à l'intérieur des organisations, le développement lui-même en tant que processus modèle sur les valeurs internes et les perceptions du pouvoir touchées par les interactions du milieu ambiant dans les deux sens, servent à réaffirmer la nature politique des prises de décision en matière de relations de travail. En conséquence, cela entraîne la théorie des systèmes aux idées de partage du pouvoir et au processus de prises de décision stratégiques. En tant que tel, il met en doute la valeur permanente de la théorie des systèmes en soi et la tendance des théories populaires à percevoir les employeurs dans un rôle fort réactionnaire. Cependant, la trop grande concentration sur le rôle des employeurs ne doit pas avoir pour conséquence de négliger les choix stratégiques dont les syndicats disposent.

The Role of Ideology and Power in Systems Theory

Some Fundamental Shortcomings

Stuart J. Dimmock
and
Amarjit S. Sethi

This paper examines the presumption of stability within functionalist systems theory by analyzing system theory's treatment of power and ideology in industrial relations and by comparing it with the writings of traditional and non-systems theorists.

In their paper «Strategic Choice and Industrial Relations Theory», Kochan, et al. (1984a) expressed doubts over the ability of popular theory to explain recent changes in industrial relations in the United States. It is important to recognize that the changes identified by Kochan and his colleagues — decline in union membership, changes in managerial values and the role of government and new managerial initiatives — are also taking place (albeit to a lesser degree) in Canada and Britain. From the post-war developments in industrial relations theory, Kochan et al. (1984) single out Dunlop's industrial relations system, the convergence view (Kerr et al., 1960) and the middle range theories (Kochan, et al., 1982) which examine variations in the processes and outcomes of collective bargaining. A common difficulty of these popular theories, they argue, is the presumption of stability. This is a core element in systems theory which, despite refinements still fails to capture the ongoing dynamic of industrial relations causation, except in the form of indiscriminate multi-causality. Kochan et al. (1984a:22) suggest that the incorporation of the concept of strategic choice, particularly on management's part, «will help to complete the systems framework and explain many of the current anomalies». The aim of this

* DIMMOCK, Stuart J., Lecturer, Department of Social Policy and Health Service Studies, Leeds University, England

SETHI, Amarjit S., Associate Professor, Faculty of Administration, University of Ottawa.

paper is to examine the presumption of stability within structural functionalist systems theory, which has also been noted by a number of its critics (Bain and Clegg, 1974; Hyman, 1975; Margerison, 1969; Laffer, 1968). We shall analyse systems theory's treatment of power and ideology in industrial relations and compare it with the writings of traditional and non-systems theorists. In so doing we shall argue that in contrast with other approaches towards industrial relations, systems theory misconceives the role of power and ideology. In this context the notion of strategic choice cannot be readily incorporated into systems theory as suggested by Kochan et al (1984b). Indeed elements within the concept of strategic choice seem to further underline the inadequate treatment of power and ideology by systems theory.

ROOTS OF SYSTEMS THEORY

There have been many attempts to both refine and utilize systems theory in industrial relations and most writers have acknowledged a debt to John Dunlop (1958). Larouche & Déom (1984) have reviewed the role of systems theory in industrial relations and their analysis provides the range of approaches and refinements offered by succeeding writers. However, the systems theory's ability to capture the dynamic nature of industrial relations was perhaps best summarized by Schienstock (1982:171) who noted:

«The systems concept facilitates the construction of complete entities: yet these do not constitute the entire compass of a real social phenomenon. Industrial relations are not a system: they can however be represented systematically.»

In our view the inability of the present paradigm to explain recent events can be traced to the roots of Dunlop's theory in structural functionalism, specifically in regard to his conception of power and ideology. Considerable attention has been directed towards the environmental influences impacting on collective bargaining and the process of interaction between its major institutions. However these two elements remain largely underdeveloped by both Dunlop and other system theorists (Wood, 1979). We disagree with Kochan et al. (1984) that values¹ and ideology can be better documented through the incorporation of strategic choice into systems theory, because of the way (we would argue) that structural-functionalist

1 In discussing 'values', except insofar that the term has been previously defined by the sources quoted, we prefer Kluckhohn definition of values as affective conceptions of the desirable qualities of objects, behavior, or social structures, and systems (Kluckhohn 1967). Thus values arise from the 'transactional interplay' of nature, man's place in it, of man's relation to man, and of the desirable and non-desirable conceptualizations as they may relate to man-environment and inter-human relations.

systems theory conceives of the role of power and ideology in industrial relations. In suggesting why systems theory is insufficient we shall draw on the views of traditional and contemporary (non-system theory) frameworks.

As Cappelli (1985) has noted the United States and Britain's industrial relations communities have gone their separate ways since the 1970's. While in part this can be explained by differences in research methodologies a more fundamental cause of this divergence is their different conceptual frameworks. This is to be regretted because a number of British writers have approached these particular issues in the recent past, and as we shall try to show, the implications of strategic choice cannot be fully understood unless there are attempts to compare the work of the two communities.

THE NATURE AND ROLE OF IDEOLOGY AND POWER IN SYSTEMS THEORY

A major legacy of Dunlop's work has been the identification and assertion of the importance of the wide range of variables which influence collective bargaining. He thereby played a major part in creating 'industrial relations' as an area of study. His work has provided the principal foundation of subsequent industrial relations theorising in the United States. For aside from attempts to revise and amend his original conception a number of the middle-range theories have tended to accept (implicitly or otherwise) the structural confines identified in his systems theory. In consequence the focus of attention has generally been on the actors within the industrial relations system. This tends to neglect the levels at which decisions are made, and that strategic decisions (especially those of management) can be determined outside the presently recognized arena of industrial relations whilst simultaneously impacting upon it.

The principal criticisms of Dunlop have been well rehearsed and centre on the differing claims that he made for his work: a '... general theory of industrial relations... tools of analysis to interpret and gain understanding of the widest possible range of industrial relations facts and practices'; (Dunlop, 1958: VI) and lastly, that it '... develops a systematic body of ideas for arranging and interpreting the known facts of worker-management-government interaction (Dunlop, 1958:380). Many British writers have tended to be dismissive of Dunlop's first two claims (Blain & Gennard, 1970) while accepting that in regard to the third, the systems model represents at worst a taxonomy for further study of industrial relations and at best as an heuristic device for structuring data. (Bain & Clegg, 1974).

Even as an heuristic device it has been criticized because it fails to capture the dynamic in industrial relations and cannot therefore identify in a predictive sense which element or combination of elements in the industrial relations system or in the economic and political systems which influence it, are likely to occasion future change to the rule-making process itself (Somers, 1969; Hill & Thurley 1974).

IDEOLOGY AND ITS TREATMENT IN SYSTEMS THEORY

In conceiving systems theory, Dunlop's treatment of ideology and power was radically different to that of early and contemporary theorists. Drawing on the work of Talcott Parsons Dunlop adopted the structural functionalist view of ideology — «that, at root, societies are characterized by the possession of an integrated set of norms and values — or 'culture' — common to all except a possible minority of 'deviants'. (Hyman & Brough, 1975:150). Thus Dunlop placed ideology within the industrial relations system — as 'a set of ideas and beliefs commonly held' whose primary function was to bind the system together. As ideology was a factor of the different elements within an industrial relations system in this formula it could be applied across different cultures. It therefore fitted North America's legally prescribed form of industrial relations and Britain's voluntarist system.

Dunlop's treatment of ideology also suffered from his tendency to give confusing definitions of its nature. Thus ideology was conceived as the 'philosophy, values and beliefs of the actors in the industrial relations system' and 'the integrative norms of the system itself' (Goodman et al., 1977:18). This formulation is problematic, not least because the integrative norms of the system are in part a product of the ideologies of the actors. In Parsons' (1951) formulation of social systems, compatibility and congruence between 'system' and 'actor' ideologies is taken as given. Dunlop (1958:16) too seemed to accept this: «An industrial relations system requires that these ideologies be sufficiently compatible and consistent so as to permit a common set of ideas which recognize an acceptable role for each actor». However as he also discussed how the actors tend to adopt intellectuals and special agencies to create fairly explicit sets of ideologies, it suggests that Dunlop accepted a degree of ideological dissonance. If total ideological harmony was assumed, intellectuals, etc., would not be needed for the functions that Dunlop ascribed to them.

Kochan's (1985) concern about the unpredicted developments in the United States mirror Poole's (1984) comment that any treatment of ideology must explicitly allow for its role to both reflect and predict changes

which can be traced explicitly to the patterning of outlook and perception amongst actors e.g., government in the larger society as well as the workplace. Continuation of relative stability in the United States, until recently, added credence to the idea of a reciprocal understanding between the actors over their respective roles within the industrial relations system. However the structural functionalist conception of ideology does not allow for the sharp reversal in the United States government's role as a 'neutral' in regulating the process of bargaining since the inauguration of the first Reagan administration. Nor does it allow for management activities aimed at reducing the influence of trade unions and collective bargaining. These changes appear to challenge the assumptions of ideological reciprocity. Moreover they could not have been predicted by a definition of ideology which conceived it as a unifying factor within industrial relations. By comparison the 'voluntarist ideology' of the United Kingdom can be said to have been consistently undermined as British governments have become increasingly concerned since the 1960's to legislate in the area of industrial relations. In Britain, Prime Minister Thatcher Conservative government's incremental legislative policy aims to redress perceived inequalities in power between unions and management (in favour of the latter) and has been vociferously supported by organizations representing senior management and chief executives. Moreover, a process of de-centralization in pay bargaining, together with forms of concession bargaining is also being pursued by British and Japanese backed indigenous management.

Emphasis on stability via ideology in original systems theory and its subsequent adaptations, (e.g.: that an actor's choice of goals must be 'consonant with established value orientations' (Craig, 1983) argues that management's present strategy is non-legitimate, as the values which underlie the strategy, as suggested by Kochan et al. (1984) appear to be disintegrative rather than integrative to the industrial relations system — a theoretical absurdity within structural functionalism. (Unless management are to be categorized as a deviant minority!).

As Wood (1978) has observed, ideology is not an element within the social system but a crucial mechanism which assists in the explanation of the creation, stability, development and instability of different patterns of industrial relations. Rejection of Parsons' formulation of ideology with its narrow function, in favour of a broader concept of values and beliefs inhabiting and interacting in both the industrial relations systems and the wider society enable examination of a much wider collection of subjectively felt forces which affect the pattern of both management and trade union activity.

THE POWER INGREDIENT

Systems theory's treatment of power is another major factor in its inability to interpret recent events, and this too is a function of its structural functionalist base. Dunlop (1958) saw power as an ingredient of the wider social system and not in terms of an endogenous relationship between unions and management themselves (Poole 1984). Thus in borrowing Talcott Parsons' concept of social system order Dunlop introduced a different conception of power into the study of industrial relations. The structural functionalism of Parsons viewed power as the property of the social system (Giddens, 1968), i.e.: 'the generalised capacity to get things done in the interests of system goals' (Parsons, 1961:187). Thus in Dunlop's (1958:11-13) system power in the wider society 'to a degree ... reflected in the industrial relations system, but it was not a direct determinant of the interaction between the actors'. It was rather 'a context which helps to structure the industrial relations system itself'. Thus, by treating power as the property of the system or one party in it, rather than shared (with varying degrees of equality) between different parties within a system Dunlop avoided the issue of power within union-management relations.

Subsequent developments in systems theory encounter the same difficulties in the treatment of power. In this regard Alton Craig's work (1983) provides a useful illustration, for in addition to the inclusion of 'the ecological context' in the environmental subsystem and a 'feedback loop' in an attempt to create a dynamic he has incorporated 'goals, values and power' inside the industrial relations system. In Craig's structural functionalist scheme, power is defined as the 'ability of an actor to achieve goals despite the resistance of others'. Craig claims that his framework assumes neither harmony nor conflict. Nevertheless basic harmony appears to be present. This can be seen in his reference to Barbash (1980:87) that collective bargaining 'is a co-operative form of conflict in which the parties... or for that matter the partners ... seek to exchange what they want from each other. Unlike *competitors* who seek to oust one another, bargainers seek a mutually agreeable exchange'. This is of course a restatement of Dunlop's notion a shared ideology which acts to perpetuate the system and which Kochan et al., (1984) identify as a major difficulty for existing systems theory in explaining recent developments in industrial relations.

Moreover Craig's definition of 'goals' and 'values' is similar to Dunlop's view of ideology as both the philosophy, values and beliefs of the actors and as the integrative norms of the industrial relations system. Thus 'goals' are defined (Craig 1983:4-5) as 'the objectives or needs which an individual or group seeks to achieve or satisfy'; and 'values' as 'the norms or

standards which an actor observes in establishing the relative importance of objectives and the means of achieving them'. But for Craig values also have an integrative function as they dictate that the satisfaction of goals must be 'consonant with established value orientations'.

As 'goals' and 'values' are juxtaposed with 'power' on the same analytical plane, Craig appears to have conflated 'power' with Dunlop's notion of ideology. The effect of Craig's fusion of power and ideology within the industrial relations system (which in Dunlop's framework were viewed respectively and exogenous and endogenous elements) maintains the general sense of structural functionalism whilst partially departing from its Parsonian form. Hence power — 'the generalized capacity to get things done in the interest of systems goals' (Parsons 1961:18) is now envisaged as a property of the industrial relations system itself. This also acts to reinforce the notion of stability.

Craig's explanation of the exercise of power is therefore constrained to actions taken within the system, which are perceived to be legitimate, i.e.: not directed against the system itself. In this context strikes and lockouts — which are characterized as the most extreme form of institutional conflict — are not presented as a threat to the continuation of the industrial relations system, because they are generally regarded as a temporary cessation in union-management relations rather than a permanent schism.

By contrast some of the recent actions of management that Kochan et al., (1985) have identified do seem to be based on decisions to remove their business organizations away from the influence of organized labour, by creating conditions which overcome the requirement to participate in the rule-making process which lies at the centre of systems theory. The effect of management's strategy (particularly relocation to low union environments and the attribution and closure of unionized operations) is to take sanctions against the industrial relations system itself. And in a strictly theoretical sense the use of power by actors within a system against the continuation of that system cannot be incorporated into a structural functionalist model. It is not surprising therefore that Kochan et al., (1984) find that systems theory cannot interpret recent events.

As previously stated Dunlop's conception of ideology and power was fundamentally different from that which had been expressed by earlier and contemporary labour theorists. Given that these did not ignore strategy as an important theoretical concept (as Kochan et al. (1984) recognize) it is important to briefly re-state traditional views of the nature of power both within and without the 'industrial relations system'. We believe this to be necessary because their analysis is crucial in shaping a clearer understanding

of the concept of strategic choice. It also serves to re-emphasize the inadequacy of systems theory as basis for interpreting the changes identified by Kochan, and his colleagues.

POWER AND IDEOLOGY IN TRADITIONAL AND NON-SYSTEMS THEORY

The Webbs

In their interpretation of the significance of trade unionism in nineteenth century England, the Webbs (1902) clearly saw power as an intercurative element in union-employer relations (Poole, 1984). This is demonstrated in their definitional example of collective bargaining — one of whose unique functions was to achieve more equitable arrangements for the sellers of labour when confronting the power of the employer. Thus, collective action by workers at the time of hiring reduced the power of the buyer of labour (Hyman, 1971).

Marxian Analysis

Both the 'optimistic' and 'pessimistic' traditions within Marxism saw union-employer relations in terms of power as they reflect the nature of capitalist society (Poole, 1984). For the 'optimistic tradition' trade unions would act as the instruments for training the working class in the methods of struggle as a preliminary to the wider political conflict. The subsequent inability of trade unions as perceived by Lenin (1961) to be more than 'centres of resistance against the encroachment of capitalism' led the 'pessimistic tradition' to the belief that transcension of narrow trade union consciousness could only come about through the intervention of the intelligensia. However for both traditions the true nature of capitalism and the role it ordained for labour was (in the first instance) most likely to be experienced by the working class in their struggles against the power of the capitalist employer.

Early American Writers

Early writers on the labour movement in the United States also perceived a similar relationship between workers and employers (albeit many of them drew different conclusions to the Marxists). Thus Adam (1891), Commons (1919) and Hoxie (1917) all depicted power as a critical factor in the

struggle for labour to assert influence over employers. These views were echoed by Chamberlain (1951) and Selig Pearlman (1949) less than a decade before Dunlop published his systems theory.

Alan Flanders

In the United Kingdom in the 1960's, Alan Flanders was one of the principal theorists in a period largely dominated by descriptive and evaluative researchers. Cappelli (1985) has been dismissive of Flanders inductive approach to theory development in the workings of productivity agreements. However the significance of Flanders' later work has been described by Poole (1984:60) as «a crucial junction point ... between the Webbsian tradition of inductive generalization, the strategic and more deductive conceptual scheme of Durkheim and Dunlop, and the American contributions to labour theory of Chamberlain, Derber and Ross». Flanders never formulated a precise framework but one may be readily identified from this work. Again as Poole (1984:60) has observed, it constituted «a multi-causal theory in which the principal explanatory dimensions could include *organizational* or *institutional* variables ... the *internal political processes* within trade unions and the wider labour movement, a series of '*volitional*' factors which may be crucial in shaping actual bargaining encounters, the wider economic environment ... technology and production ... and the accepted norms and cultural values which obtain in given society at specific points in time».

While Flanders (1975) accepted a number of Dunlop's contentions — that industrial relations was concerned with a system of rules and was influenced by technological and economic factors — he avoided the teleological aspects of structural functionalism. Power operated not only in the actual bargaining relationship, but also within trade unions and management, the wider labour movement and in the socio-cultural environment. Thus in his critique of the Webb's definition of collective bargaining (the predominant form of union-management interaction in both the United States and the United Kingdom by the 1960's), Flanders (1968) asserted that collective bargaining is primarily a *political* institution because it is a rule-making process and involves a power relationship between organizations.

Flanders also treated ideology differently from systems theory. In place of ideology with its binding properties, Flanders (1969) used his framework with some effect to explain the *instability* in British industrial relations as a combination of economic factors influencing the balance of *power* within trade unions and employers organizations with consequent changes in the

normative order. And his prescription for the means to create a new form of stability contained a clear recognition of the relationship between ideology, power and strategy.

AN OVERVIEW OF NON-SYSTEMS THEORIES

In their separate ways the 'optimistic' Marx, the Webbs, and Commons (to a lesser degree) conceived trade unions as instrumental in the evolution of economic and political values within society. The Webbs (1897) discussed the role of values and beliefs and in their vision of a collectivist society and identified arguments of union as reflecting the ethical and moral principles which were developing in the wider culture. The relationship between the role of unions in establishing workers rights in the workplace and their subsequent extension into society as a whole were examined by several theorists, notably Commons (1918) and Chamberlain (1951). And these ideas were reflected in Flanders (1969) view of the moral force of trade unions within the wider society. Albeit from a different standpoint Marxist writers (Hyman 1975; Hyman & Brough 1975, Allen 1971) have emphasized the relationship between values and beliefs in the workplace and their location in the social and political forces within capitalist societies. It is clear, therefore, that non-systems theorists have taken a much broader view of ideology — locating values and beliefs both within and without the 'industrial relations system' and depicting a constant interplay between the system theory's conception of the 'philosophy and beliefs of the actors' with wider social values.

SYSTEMS VS NON-SYSTEM THEORIES

Given this fundamental difference in perception of ideology and power in systems and non-systems theory how can Dunlop's original treatment be explained? His seminal contribution was produced at a time when empiricism was the dominant intellectual force and his specific objective was to shift the industrial relations perspective away from the study of collective bargaining as it first developed in Britain to the full spectrum of contemporary industrial relations (Poole, 1984). This objective reflected the divergence in academic circles in the United States immediately after World War II between the political and economic interpretations of union policy. And in one sense Dunlop's decision to use Parsons' structural functionalism as the basis of his theory was a rejoinder to Ross' (1948) earlier criticism of Dunlop's economic view of wage determination. However it would be merely tautological to ascribe systems theory treatment of ideology and power to

structural functionalism. A more fruitful explanation seems to lie in the historiography of industrial relations theory. Early writers interpreted events from the perspective of their particular time in history; as witnesses to the excesses of economic and industrial exploitation experienced by working men in the period of 'entrepreneurial capitalism'. From different theoretical standpoints they came to broadly similar conclusions about the nature of ideology and the existence of power within union-employer relations.

By comparison Dunlop viewed events from the standpoint of the United States in the mid-twentieth century. The bitter and often violent confrontations between unions and employers which had been a persistent feature of industrial relations in the United States during the earlier part of this century had faded. Relative stability had been achieved, largely by government intervention in the form of a legal framework designed to reduce the excesses — initially of employers and then subsequently of unions. A sense of stability was also present in both economic and political spheres: reflecting the national sense of security based on the United States economic, industrial and technological ascendancy. Thus when Dunlop's systems theory is seen in its historical context his assertion that 'exterior power relations or exterior political systems are given' is understandable. The task which Dunlop (1985:21) set was — «to depict the industrial relations arrangements established by each political system and the characters of the dynamic interaction between external political power and labour-management-government relations» and his choice of structural functionalism as the basis of his theory was largely conditioned by the contemporary circumstances of United States industrial relations. Unfortunately in breaking away from the traditional conceptions of ideology and power systems theory has been far less able to explain the dynamic character of industrial relations. The incorporation of strategic choice into systems theory requires careful scrutiny lest industrial relations theory is to continue to suffer from ill considered eclecticism.

The Concept of Strategic Choice

Kochan et al. (1984) recognize that 'strategic choice' is a term used with increasing regularity in both economics and organizational research. They cite Chandler's (1962) work on the relationship between strategy and structure and theories of administrative behaviour (Simon 1957; Braybroke and Lindblom, 1970; Cyert and March, 1963) which have sought to integrate strategic choice into their models. The notion of strategic choice has been introduced into organization theory over the last decade as a counterweight

to the contingency approach. Contingency theory rests upon the assumption that organizational characteristics have to be shaped to meet situational circumstances. The extent to which any organization secures a 'goodness of fit' between situational characteristics of structural characteristics will determine the level of organizational performance. (Greenwood, et al. 1975). Arguments against this approach have concentrated on the decision-making within organizations that have determined why a particular structure should have been adopted.

One of the most influential critiques of contingency theory has come from Child (1972) who has argued for the need to understand the essentially political process, whereby power holders in organizations decide upon courses of strategic action and shape organizations accordingly. The power holders within an organization are termed the 'dominant coalition'. This concept normally means the senior executives of a company who often have a considerable influence over decisions and changes which occur. Kochan et al. (1984) imply that this process has been taking place, at corporate levels, within United States companies.

In our view strategic choice can be defined as the aim(s) (sometimes broadly conceived) of a dominant coalition. These are shaped by a coalition's internalized values and perceptions of power, mediated by transactions² between it and the environment. Strategy is a process in which a dominant coalition proceeds to plan, shape and/or exploit (either systematically or opportunistically) circumstances or events within the environment in ways that it perceives will bring it nearer to its aim(s). The element of choice lies in determining what circumstances or events to exploit. In deciding what choice to make a coalition will be immediately influenced by its internalized values and perceptions of power and its transactions within the environment.

2 We have chosen the term 'transaction' here deliberately in recognition of the value of the transactional concept. To quote Lazarus (1978):

«...Interaction connotes a partitioning of variance, as in analysis of variance, implying the causal interplay of two sets of variables such as a stable property of the person (trait) and a property of the environment (e.g., a demand, a constraint, or a resource. Transaction, on the other hand, contains two special kinds of meanings. [First], a transaction means that not only does the environment affect the person, as in a S-R sequence, but also that the person affects the environment, both influence each other mutually in the course of an encounter. The interaction goes both ways. The model is no longer a linear, one-way street, but transactional ... [Second], in interaction, the causal, antecedent variables still retain their separate identities, whereas a transactional concept describing a relationship offers a new level of discourse in which the separate variables are now lost or changed.»

The Concept of Dominant Coalition

The notion of dominant coalitions opens up the decision-making process within organizations to political scrutiny. In this context many writers have pointed to the lack of agreement within management over objectives and the process of internal negotiations to establish priorities. (Pfeffer, 1981; Pettigrew 1975; Stephenson, 1985). According to this political perspective, management within organizations can be seen as a process of negotiated order rather than a single group committed to a unified goal. In this sense Flanders (1968) analysis of collective bargaining as a political process, vitiated by a range of internal and external factors provides a more accurate conceptual tool than systems theory. Too great a commitment to the political perspective can lead to the view that even the corporate board is merely another interest group pursuing its own goals to the best of its ability (Lee & Lawrence, 1985). Child (1972) guards against this fragmentation within organization decision-making by arguing that the purpose of using a concept such as the 'dominant coalition' is mainly to distinguish those who normally have the power to take initiative on matters such as the design of organizational structure from others who are in a position of having to respond to decisions. The concept relates to what Mann (1970) labelled 'pragmatic acceptance' by lower level participants to those in power holding roles and of their decisions.

The concept of a 'dominant coalition' opens up systems theory to a view of distribution of power and the process of strategic decision-making. It provides a stark contrast to the sociologically determined notion that behaviour within an industrial relations system can be understood in relation to the functional imperatives of 'system needs', which in some way transcend the objectives of the principal actors. In studying the history of American industrial enterprise, Chandler (1962) wrote that strategy could be defined as the determination of basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Decisions to expand the volume of these activities, to set up distant plants and offices, to move into new economic functions, or become diversified along many lines of business, involve the definition of new basic goals. The environmental stress referred to by Khandwalla (1970) which is experienced by decision takers when facing a hostile or indifferent environment can be depicted as a trigger to the strategic choices taken by dominant coalitions at corporate levels across United States industry. Shifting attention towards the role of choice leads us to account for industrial relations behaviour through reference to its source rather than to its supposed consequences. This underlines the validity of the long expressed criticism of systems based industrial relations

theory, that it tended to dwell on conflict resolution rather than the forces which generated conflict in the first instances (Bain & Clegg, 1974; Hyman, 1975; Margerison, 1969; Laffer, 1968). Thus the introduction of strategic choice seems likely to call for a fundamental re-appraisal of existing attitudes of North American scholars towards systems theory.

RESEARCH ISSUES IN DEVELOPING FUTURE INDUSTRIAL RELATIONS FRAMEWORKS

The first and perhaps most fundamental issue is whether systems theory has any continuing relevance as an explanatory vehicle. In so far that it rests on structural functionalist assumptions it is, as we have tried to show, largely out of theoretical alignment with the necessary treatment of ideology and power in terms of strategic choice. Notions of systems maintenance appear inappropriate when applied to industrial relations in the face of managerial strategies (receiving tacit, or open support from government) of the type depicted by Chandler. For the logic underlying the strategic choices among dominant coalitions within management, identified by Kochan et al. (1984), is one which distances their operations from union influence. If the structural functionalist base is dispensed with systems theory seems little more than representation of social phenomena in the form of a system suggested by Schienstock (1981).

The second re-appraisal (also noted by Kochan et al (1984a, b) is in regard to the tendency of popular theories to perceive management as playing a reactive role in industrial relations. The failure to examine management attitudes and values is not a recent phenomenon in the development of industrial relations theory. Indeed it could be said to have commenced with the Webb's whose *History of Trade Unionism* (1902) included only one oblique reference to employers' attitudes towards combination. However the reference is particularly intriguing as it suggests that in certain trades in Britain in the 1830's employers saw the need to restrict competition over labour as a commodity. This was a key consideration for Commons (1910) who identified that the motivation for employers in entering into collective bargaining was the degree to which wages and labour costs were taken out of competition. Systems theory fails to recognize, in any real sense, that industrial relations is just one area of concern for management. In certain periods, such as that which pertained in Britain in the 1960's and 1970's, a combination of situations may dictate that for many managements the maintenance of industrial harmony is a predominant concern — to the degree that management's corporate strategy can be described as being 'driven' by industrial relations (Brewster & Connock 1985). The evolving

pressures from Japan and far eastern economies on the West, but particularly on the United States, Canada and Britain, gradually re-introduced wage and labour costs back on the corporate managements' agendas. In some senses the perspective offered by the pessimistic tradition of Marxism (Trotsky, 1977) has much to offer in terms of an interpretation of events in industrial relations since the 1930's, particularly the notion of incorporation of trade unions into capitalism.

The third re-appraisal requires a re-consideration of the early writers on industrial relations. As we have tried to show their treatment of power and ideology demonstrates that strategic choice is not a new idea (to be incorporated into systems theory). The works of the Webbs, Commons, and Hoxie demonstrate that the concept of dominant coalitions and strategic choice was a recognized feature within industrial relations developments. Over-concentration on the role of management and strategic choice should not lead us to neglect that unions too have options to take strategies. In short we want to warn against an over-compensating swing of the pendulum. The concentration on trade union activities within systems theory is in part a result of Dunlop's decision to elevate the industrial relations system to the same analytical plane as the economic and political systems (Poole, 1984). (This was not of course in accord with Talcott Parsons' construct of social system theory). Realization that management activities may in reality provide the framework to reactive behaviour of trade unions, and not vice-versa, should not obscure the fact that in a system where management and unions can be represented in adversarial roles, both are able to make strategic choices. Indeed what many classical writers and non-system theorists have recognized is that parties within the system have made strategic choices based on their assessment of the circumstances as they perceived them. In this manner dominant coalitions within trade unions in nineteenth century Britain exercised sufficient influences to ensure the establishment of a legal status for themselves based on immunities from the common law (Webbs 1902) rather than the form of comprehensive labour legislation introduced over sixty years later in the United States by the *Wagner Act*. Further by comparison with its British counterpart, American unionism set its face against the formation of a political party with ideological aims.

The present behavior by managements in America, Canada and Britain is not a new phenomenon. In Britain certainly, at various times, employers have sought to regain or re-assert their managerial prerogatives. (Clegg, et al. 1964). In examining and interpreting recent developments it is important to re-evaluate the insights of earlier writers, who themselves witnessed more turbulent periods within industrial relations and whose concepts were more fitted to present circumstances than those of structural functionalist systems theory.

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Le rôle de l'idéologie et du pouvoir dans la théorie des systèmes. Quelques points faibles importants.

Les agissements des employeurs et des gouvernements contre les syndicats depuis le début de la décennie 1980 aux États-Unis (mais aussi au Canada et en Grande-Bretagne) ont mis en doute la valeur de la théorie des systèmes. Son apparence de stabilité semble être la preuve de son incapacité à expliquer ces événements. Les velléités d'incorporer le concept de choix stratégique dans la théorie des systèmes comme façon de les interpréter exige de sérieuses considérations. Une bonne part des études théoriques, principalement en Amérique du Nord, se fonde sur la théorie des systèmes de John Dunlop. Cependant, tandis qu'on y ait allé de nombreux raffinements et de nombreuses adaptations touchant plusieurs aspects de son oeuvre, on a accordé assez peu d'attention à la façon dont était traité l'«idéologie» et le «pouvoir» dans la théorie des systèmes.

Le fondement structurel fonctionnaliste de la théorie des systèmes a présenté une perception de l'idéologie et du pouvoir différente de celle des premiers auteurs à traiter des relations professionnelles. En conséquence, sa façon d'envisager le sujet peut s'analyser et se comparer à ces explications différentes. On a soutenu par comparaison que la théorie des systèmes conçoit mal l'idéologie et le pouvoir, ce qui restreint fondamentalement sa capacité d'expliquer les développements récents qui se sont produits dans le domaine des relations de travail.

La définition de Dunlop de l'idéologie, soit «un ensemble d'idées et de croyances communément admises» qui font un tout du système, reflétait le point de vue de Talcott Parson selon lequel la compatibilité entre «système» et «acteur» peut être tenue pour acquise. Cette théorie, fondée sur Dunlop, a accepté en grande partie sa présupposition d'une harmonie idéologique entre les principaux acteurs. En conséquence, les comportements des employeurs et des gouvernements des deux côtés de l'Atlantique visant à circonscrire et à réduire le rôle des syndicats ne peut s'expliquer facilement. Puisque beaucoup d'entre eux sont notoirement de caractère antisyndical, on peut dire qu'ils représentent la croissance d'une discordance idéologique fondamentale. Les principes fondamentaux du fonctionnalisme structural à l'intérieur de la théorie des systèmes excluent la possibilité de cette forme de comportement.

La conception du pouvoir dans la théorie des systèmes est le deuxième point faible de sa capacité d'expliquer les comportements récents des employeurs et des gouvernements. Sa confiance au fonctionnalisme structural a incité Dunlop à concevoir le pouvoir comme inhérent au système ou à une de ses parties constitutives. Certains raffinements de la théorie des systèmes ont reconnu que le pouvoir est en réalité un élément entrelacé dans les rapports entre les acteurs. Cependant, alors que le pouvoir est détenu, à des degrés divers, par tous les acteurs, on assumait que son utilisation faisait partie d'une harmonie idéologique foncière.

Le recours au pouvoir sous ses formes extrêmes, comme les grèves et les lock-out, est décrit par la théorie des systèmes comme une suspension temporaire des relations à l'intérieur d'un ensemble de rapports stables de longue durée. Les nouvelles stratégies des employeurs — la relocalisation des entreprises dans des régions où le syndicalisme est peu développé, l'attrition et la fermeture des établissements

syndiqués — ne peuvent facilement être classées car leur objectif est de restreindre ou d'éliminer la nécessité de continuer à maintenir leurs relations avec les syndicats. En effet, ces stratégies sont des sanctions visant à s'opposer au maintien du régime même des relations de travail: un modèle de comportement qui est inexplicable selon la théorie même des systèmes.

En comparaison, les auteurs anciens, tels que les Webb, Commons, Hoxie, Marx et Lénine ont exprimé une opinion différente sur le rôle du pouvoir et de l'idéologie. Leurs systèmes individuels théoriques peuvent les avoir incités à offrir des explications différentes, et en certains cas opposées, des relations professionnelles d'un point de vue sociologique. Toutefois, ils ont tenu à adopter des opinions semblables sur certains aspects de la nature et du rôle de l'idéologie et du pouvoir. Le pouvoir était nettement représenté comme une propriété, détenue selon des degrés variés, appartenant à chacun des acteurs et non au système lui-même. L'idéologie était conçue comme un pouvoir en évolution: un mécanisme capital qui facilite l'explication du développement de la stabilité et de l'instabilité dans les relations de travail. La théorisation parmi les spécialistes des relations professionnelles en Grande-Bretagne s'inspire davantage des exposés conceptuels de Durkheim, de Marx et de Webb que du fonctionnalisme structurel et elle a par conséquent tendance à éviter les aspects téléologiques.

Les facteurs qui ont amené Dunlop à opter pour le fonctionnalisme structurel comme fondement de la théorie des systèmes semblent reposer sur l'historiographie des relations du travail. Les auteurs d'autrefois interprétaient les événements selon leur propre perspective historique. Au milieu du XX^e siècle, un consensus général fondé sur la législation avait remplacé les conflits aigus des époques passées entre employeurs et syndicats. Le capitalisme industriel occidental s'était avéré un succès et avait apporté des avantages matériels significatifs tant pour les employeurs que pour les syndiqués. Les États-Unis en particulier jouissaient d'une suprématie technologique et économique. Les circonstances de cette période conditionnaient le choix du fonctionnalisme structurel. La décision de jeter par-dessus bord les conceptions traditionnelles du pouvoir et de l'idéologie voulait dire que la théorie des systèmes était devenue moins apte à prévoir et à expliquer le caractère dynamique des relations professionnelles, si ce n'est d'une façon non-discriminante.

Les concepts relatifs au «choix stratégique» exigent un examen minutieux pour éviter un éclectisme mal motivé. Quelques-uns de leurs éléments fondamentaux, soit le développement de la stratégie par les détenteurs du pouvoir (les coalitions dominantes) à l'intérieur des organisations, le développement lui-même en tant que processus modelé sur les valeurs internes et les perceptions du pouvoir touchées par les interactions du milieu ambiant dans les deux sens, servent à réaffirmer la nature politique des prises de décision en matière de relations de travail. En conséquence, cela entraîne la théorie des systèmes aux idées de partage du pouvoir et au processus de prises de décision stratégiques. En tant que tel, il met en doute la valeur permanente de la théorie des systèmes en soi et la tendance des théories populaires à percevoir les employeurs dans un rôle fort réactionnaire. Cependant, la trop grande concentration sur le rôle des employeurs ne doit pas avoir pour conséquence de négliger les choix stratégiques dont les syndicats disposent.